



Operational Assessment: Hillcrest Health System, Waco, TX

THE SITUATION

When the board of trustees at Hillcrest Health System began analyzing its strategic direction, they engaged Community Hospital Corporation (CHC) because of the firm's direct and ongoing experience successfully managing other community hospitals. CHC owns, manages and consults with hospitals across the country, and focuses exclusively on serving the needs of community-based hospitals.

Initially, Hillcrest Health System leadership requested the services of Community Hospital Consulting (CHC Consulting), the management and consulting arm of CHC, to help them evaluate the operations of Hillcrest Baptist Medical Center, a 236-bed acute care facility. The Hillcrest leadership team wanted to compare their performance to a series of benchmarks in order to identify improvements that would positively impact their bottom line.

CHC delivered on their promises and helped our organization implement a plan that has saved us over \$16 million.

Glenn Robinson, CEO
Hillcrest Baptist Medical Center

"We looked for opportunities for greater productivity and cost savings, while keeping quality of care 'front and center' for the organization," says Wilson Weber, executive vice president and chief operating officer for CHC.

BACKGROUND

With a strong history of service to McLennan County, Hillcrest Health System in Waco, Texas, included Hillcrest Baptist Medical Center, home to Waco's Level II Trauma Center and Level III Neonatal Intensive Care Unit; a post-acute care campus comprised of more than 50 inpatient beds; the only inpatient rehabilitation center in McLennan County; and a network of several primary care clinics.

THE PLAN

CHC Consulting's operational assessment encompassed a review and assessment of operations, staffing, supply chain, revenue cycle, growth strategies, medical staff issues and facility leadership. The process began with an extensive review of data and documents, coupled with one-on-one interviews with individuals on the hospital's management team and physician staff.





The analysis noted areas for improvement, goals and recommendations, along with a tactical plan to achieve these objectives:

- Review revenue cycle benchmarks and key measurements to determine opportunities for cash flow improvements
- Identify supply chain areas where improvements could be implemented to positively impact financial goals
- Identify and highlight departments with greatest labor and productivity savings opportunities

Following the on-site evaluation, CHC Consulting developed a summary report outlining the observations and provided key strategic recommendations for the Hillcrest Board and leadership to consider. Several actions were recommended:

- Reduce NET number of days in Accounts Receivable and number of days unbilled through Revenue Cycle improvements
- Streamline HIM coding processes, business office coding and billing processes
- Flag upfront cash collections, follow-up and collections processes, as well as reserve calculations

For supply chain improvement, CHC Consulting recommended several initiatives and actions, such as:

- Aggressive implementation of inventory reduction targets
- Returning all excess/no move and overstock inventory to vendors for credit
- Identification and disposal of obsolete inventory and prior to next physical count
- Establishing par levels for all supplies throughout the facility reflecting current ADC and OR case volume

In the areas of labor and productivity, CHC Consulting recommended that Hillcrest make improvements in the following areas:

- Implementation of productivity reporting system
- Better utilization of existing human resources
- Process redesign and improvement initiatives

THE RESULTS

After thoroughly evaluating operations and presenting the findings to the board, CHC Consulting worked together with the Hillcrest team to drive the implementation. Together, they collaborated to ensure all changes supported goals and targets. The hard work paid off. The Hillcrest team proudly and successfully streamlined operations and increased cost savings, dramatically impacting financial performance and a healthier bottom line.

To further strengthen the organization, CHC Consulting recommended and then facilitated a process by which Hillcrest Health System partnered with Scott & White Healthcare of Temple, Texas. Scott & White was the ideal partner in terms of culture, physician-orientation, financial strength as well as marketplace presence. Scott & White later merged with Dallas-based Baylor Health Care System in 2013 to form Baylor Scott & White Health. The hospital is now named Baylor Scott & White Medical Center - Hillcrest.

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through three distinct organizations – CHC Hospitals, CHC Consulting and CHC ContinueCARE, which share a common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

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