Heading for Trouble?  
CHC’s Turnaround Strategists Can Help

Leaders of ailing hospitals usually realize there’s room for improvement but don’t recognize the severity of their situation. It is often external stakeholders or bondholders who set corrective action in motion by seeking outside assistance. That’s when Community Hospital Corporation (CHC) steps in with an intensive recovery plan.

CHC’s turnaround strategists help ailing hospitals when financial and performance problems threaten their livelihood and, often, their existence. We develop and help implement a guided turnaround process based on a tried-and-true blueprint that we customize for each hospital. Our turnaround programs go deeper than a traditional operational assessment designed for hospitals that are struggling but not yet sinking, and they involve much more than cutting costs. “At CHC, we know bottom-line results aren’t the only thing at stake; a hospital’s employees, patients and surrounding community depend on its continued success,” says Wilson Weber, executive vice president and COO for CHC.

The first step is recognizing that problems need to be addressed and that outside assistance may be needed. Dire finances are an obvious crisis though a surprising number of hospitals fail to take quick, corrective action. Additional alarm signals include:

- A bond covenant violation
- Loss of a key executive
- Declining revenue
- Low days cash on hand
- Shaky market position
- Dip in patient volume
- Severe medical staff dissatisfaction or defection

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Wilson Weber  
Executive Vice President and COO  
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GUIDANCE YIELDS SUCCESS

If unable to address these problems on its own, a hospital becomes a candidate for a guided turnaround and will find itself in good company among CHC’s success stories. Memorial Health System of East Texas, for example, reversed a bond rating downgrade by participating in CHC’s guided turnaround program. A Kentucky long-term acute care hospital — rebranded as ContinueCARE Hospital at Baptist Health Corbin — did the same and saw a 100 percent revenue increase and a significant hike in Medicare reimbursement amounts. And Gunnison Valley Health in Colorado, in technical default following a steep decline in patient volumes, made an about-face and became a nationally ranked hospital based on hospital strength index scores.
COLLABORATION MATTERS

As our success stories indicate, we work with hospitals of all sizes but many are community hospitals lacking the corporate resources available to larger urban hospitals. These are the types of hospitals that CHC owns, leases and manages, so our guided turnarounds are based in part on tactics and strategies we use every day with demonstrable success.

Though every turnaround situation is different, the process typically starts with an operational assessment. CHC’s turnaround strategists conduct a comprehensive assessment of several areas including staff productivity, supply chain and revenue cycle. We begin with an extensive review of data and documents, as well as one-on-one interviews with board, executive and physician leaders.

Our data analysis and multi-day, onsite assessment give us a full understanding of existing business processes. It also brings to light any organizational vulnerability that isn’t immediately apparent and provides the basis for our guided turnaround program, including a detailed action plan and implementation support.

Ideally, the board of trustees, executive leaders and physician leaders will all be involved from the start. However, by the time a turnaround plan is in place, cooperation among all three parties is crucial. That’s why CHC also fosters communication and cultural change as part of the turnaround process.

In order to complete a successful turnaround, it’s vital that all parties embrace change. The way hospitals operated in the past no longer works. At CHC, we see ourselves as advocates for change although the pace and degree of change depends on a hospital’s specific challenges. Part of our role is preparing hospitals to anticipate change because it is sure to come their way.

The turnaround process is collaborative work. CHC helps hospitals implement the turnaround plan and guides them through the recovery period. Then, we can stand by you to make sure things go as planned through continued consulting services or a management contract. Or we can equip you with tools and strategies to succeed confidently on your own.

The entire turnaround process for any given hospital typically takes 12 to 24 months, but in that time, it “repositions the hospital so it can be a community resource for years to come,” Weber says, as hospitals are often the largest employers in their regions and benefit the entire community.

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.