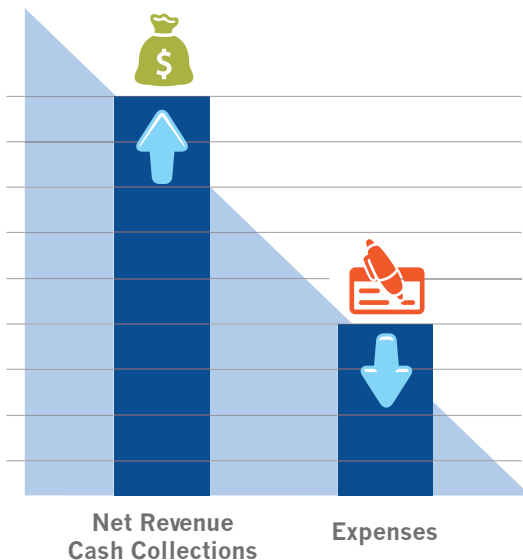




Operational Assessment: The First Step to Long-term Sustainability



Do you know where your hospital stands? Is it holding its own or barely holding on? CHC Consulting's Operational Assessment determines your hospital's status objectively and paves the path to performance enhancements and financial sustainability.

A Comprehensive Operational Assessment:

- Includes a thorough review of operations
- Identifies strengths as well as areas for improvement
- Forms the basis for a performance enhancement plan with specific action steps

The Operational Assessment begins with an extensive review of data and documents, coupled with one-on-one interviews with individuals whose perceptions of the hospital and historical knowledge are important to understand.

Gain insight into the financial impact of COVID-19 for your hospital.

Download a free financial dashboard at: www.communityhospitalcorp.com/covid-19-financial-dashboard-landing/

Does your hospital's operational performance need improvement?

Take a Free Operational Assessment Quiz to find out: www.communityhospitalcorp.com/operational-assessment-quiz/

Hallmarks of Healthy Hospital Operations

- Strong leadership and a unified board
- Physician involvement in strategic direction
- The right physician mix for the market
- Productivity tool in use to optimize staffing levels
- Well-established charge capture process
- The right GPO relationship
- Just-in-time delivery of supplies vs. overstock
- Healthy clinical, administrative and financial IT systems

An operational assessment helps hospitals leverage their strengths to enhance performance and boost the bottom line.

Signs a Hospital is in Distress

- High operating ratios:
 - Expenses (labor, supplies, purchased services) as a percentage of net operating revenue
 - Labor costs relative to volumes
- Less than 60 days cash on hand
- Bond covenant violation or drop in bond rating
- Increase in accounts receivable days and bad debt
- Medical staff dissatisfaction or defection

An operational assessment identifies and addresses inefficiencies to improve performance and put hospitals on solid financial footing.



THE OPERATIONAL ASSESSMENT PROCESS

- STEP 1** **Operations and Expense Management**
- Labor analysis (productivity, staffing and skill mix)
 - Occupancy and census
 - Supply chain management
 - Contract services
 - Non-acute care lines of business

- STEP 2** **Management**
- Talent requirements commensurate with organization and structure
 - Relationships and communications with key constituencies (board, physicians, payors, etc.)
 - Clinical leadership
 - Use of consultants

- STEP 3** **Finance**
- Revenue cycle management
 - Cash flow analysis
 - Financial operations, systems and procedures
 - Use of outsourcing
 - Managed care payor analysis

- STEP 4** **Physician Clinics – (When Needed)**
- Organizational structure
 - Medicare designation
 - Services offered
 - Physician productivity
 - Physicians’ employment agreements — assessment and benchmarking

- STEP 5** **Clinical Services**
- Nursing leadership
 - Care management effectiveness
 - Admissions/discharge/transfer processes
 - Outpatient and ambulatory services
 - Operating room scheduling
 - Ancillary and support services (emergency, radiology, laboratory)
 - Customer service satisfaction

- STEP 6** **Medical Staff**
- Medical staff leadership
 - Medical staff engagement

- STEP 7** **Information Technology**
- System, inventory and integration assessment
 - Review of clinical, administrative and financial IT systems
 - Governance and security
 - Connectivity issues (internally and with remote access)

READY FOR ACTION

The Operational Assessment process produces a report with its findings along with a step-by-step performance enhancement plan. The report contains:

- Evaluations in each of the focus areas
- The hospital’s vulnerabilities as well as its opportunities
- Benchmark comparisons with comparably sized hospitals
- Specific recommendations for operational improvements including their estimated financial impact

Frequent review of the Action Plan prevents straying from the path and ensures progress is occurring across all areas.

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through CHC Hospitals, CHC Consulting and CHC ContinueCARE, with the 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.

“A well thought out Operational Assessment and the corresponding Action Plan provides hospital leadership with a roadmap for organizational improvement. It also quantifies the financial impact of the recommendations being made and outlines responsible parties and timelines for implementation.”

~ David Domingue, SVP of Business Development

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