

Ensuring Essential Community-Based Care:

How a Safety-Net Hospital Transformed Performance and Charted Its Future



The Client Challenge




Lawrence General Hospital (LGH), an essential facility serving a diverse and vibrant community, was in financial peril as a result of the pandemic and pre-existing financial challenges (structural reimbursement issues and market pressures) that threatened access to equitable, locally based care. Capacity constraints, state mandates to limit procedures, and labor and other expense pressures due to the pandemic led to accumulating losses, placing at risk the organization’s ability to reliably deliver care.

Navigating to Next: The Solution

Partnering with Chartis, LGH set an annual margin improvement target of \$20 million, leveraging revenue and expense drivers. Based on immediate financial pressures, including risk of breaching debt service covenants, LGH committed to an aggressive goal of realizing most opportunities within the first 9 months. This decision incorporated the need to stay ahead of the reality of inadequate reimbursement for essential clinical services LGH provides to the diverse community.

The first step in the comprehensive approach was to embed Chartis’ deeply experienced senior subject matter experts into daily operational discussions with the LGH management team and front-line staff. This intensive review identified achievable ways to advance improvements in workforce management, the provider enterprise, information technology, and other non-labor expenses. The team also leveraged deep strategy expertise to evaluate far-reaching opportunities (including clinical service rationalization, partnerships, and asset restructuring) that would lead to a sustainable position. Physician and employee engagement was essential to the delicate nature of the financial recovery.

CHALLENGES CENTERED UPON:

-  **The imperative to provide essential yet underfunded services**
-  **A market environment that challenged equitable care delivery**
-  **A strained clinical and non-clinical workforce**

NAVIGATING TO NEXT: KEY COMPONENTS



LISTEN CAREFULLY

Build relationships and respect what makes the organization unique



ANALYZE CONSTRUCTIVELY

Demonstrate and instruct in data-driven approaches to management



PRIORITIZE QUICKLY

Identify drivers of change vs. other activities and redirect resources



ACTIVATE BROADLY

Develop a broader roadmap while supporting leaders in immediately implementing interventions



SUSTAIN INDEFINITELY

Coach the organization to continually improve upon performance and hold themselves ever more accountable

Client Impact

The single greatest driver of escalating expenses was significant increase in premium pay due to severe capacity issues and the national workforce shortage. The team rapidly deployed a set of solutions, including rigorous position control, accountability in labor productivity reporting, and an exhaustive evaluation and identification of interventions at the department level across clinical and non-clinical functional areas. Nearly \$10 million in annual workforce management and labor-related initiatives were identified. Front-line managers are now empowered to make data-driven workforce management decisions utilizing staffing & financial planning tools. LGH achieved an additional \$10 million of non-labor margin improvement in supply and purchased services savings (e.g., IT application rationalization, contracted physician services) and patient access and revenue growth via rapid optimization of scheduling templates. Patients seen each day in the physician clinics materially grew within weeks of implementing scheduling enhancements.



How We Are Making Healthcare Better

“The Lawrence General team makes healthcare better by knowing that all our efforts, both big and small, improve the lives of the patients and people in our community. Our financial improvement project success allows us to maintain key services and is matched by a high level of quality and compassion.”

—Deborah Wilson, President & CEO

LGH’s dramatic performance improvement plans quickly positioned it for greater sustainability:

\$15M
Annual margin improvements implemented within the first 6 months

\$5.2M
in implemented workforce management improvements

21%
increase in visits per PCP per day

NEXT INTELLIGENCE:

Organizations can position for successful financial recovery by:

Setting a schedule

to realize margin improvement and ensuring accountability.

Engaging closely

with operational leaders and front-line staff.

Executing on strategic

opportunities (e.g., redesign of partnerships).

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