

Healthcare Transformation: Reducing Operational Complexity

A JOURNEY TO FINANCIAL SUSTAINABILITY
AND ORGANIZATIONAL EXCELLENCE

A large regional health system transformed the financial and operational performance of its medical groups and clinics, focusing on staff efficiency, operational alignment, and leadership training.

Challenge

Faced with high labor expenses, increased regional competition, challenging statewide labor laws, and decreased patient volume, leaders at a regional health system began a journey to change how they operate.

The organization's large geographic footprint and operational complexity revealed the need for a more efficient and sustainable financial model — and a leadership team aligned to shared goals and values and prepared to lead others through change.

Approach

After working with Huron to achieve significant improvements to the acute care facilities, leaders at the health system turned their focus to transforming its largest clinics, spanning more than two dozen specialties.

Huron worked closely with the organization's leadership team and conducted a performance assessment of the health system and its clinics. The evaluation identified key areas that would support financial and operational performance improvements in the organization's ambulatory settings.

The health system and Huron worked together to:

Implement rapid financial improvements:

Transforming staffing efficiency has been central to the health system's financial improvement.

RESULTS

\$63M-\$69M in cost savings

500-600 full-time equivalents saved in workforce optimization

8%-10% improvement in staff efficiency

Strategic service line redesign

300+ management employees trained on change leadership principles and key staff management strategies

Traditional workforce management principles and ambulatory staffing benchmarks were merged to create an innovative, ambulatory-specific approach to staff and cost management. The execution of this approach centered on a framework to standardize staffing roles across all clinics and dynamically manage staff levels based on variables such as patient volumes and specialty- and clinic-specific needs.

The team's focus on skill set alignment and role definitions has helped drive top-of-license work, ensuring people are maximizing their clinical skills with a long-term goal of improving care and the employee experience.

Productivity targets and measurement tools were launched regionwide to create a data-driven, accountable culture, and accessible data visualization tools provided the insights necessary to drive large-scale efficiency improvements.

Establish operational and clinical alignment:

Over time, the health system's ambulatory expansion created a challenging leadership environment with a large geographic footprint and numerous service lines and specialties, resulting in complex clinical and business structures.

Huron and health system leaders worked together to design a more strategic, service-line-based approach to operations, which helped alleviate regional silos and promoted alignment across clinics.

The team used the infrastructure and virtual work practices established at the onset of the COVID-19 pandemic to build buy-in for a hybrid model consisting of virtual and in-person leadership. The more agile and sustainable operating model helped alleviate leadership redundancies and positively impacted factors such as commute time and time spent on administrative meetings, which play a role in the overall employee and physician experience.

Align leaders and build leadership competencies:

Change management and leadership initiatives were vital to achieving results given the people-driven transformation inherent in the organization's new business models.

To achieve and sustain staffing efficiency improvements and navigate the extensive change journey, the organization needed to shore up its leaders' competencies to guide others through change. The curriculum and skills validation implemented at the organization focused on leading through change, coaching others to work in new ways, and creating an environment that sustains change and fosters innovation.

The teams also emphasized physician engagement, which has been critical to building support for ongoing changes at the organization. Clinician leader training was extended to 350 physician leaders, resulting in increased alignment and communication between the health system and its medical group partners.

This case study features a large regional health system with over 300 clinics that include more than two dozen specialties.



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