

BATON ROUGE GENERAL HOSPITAL DEVELOPS WINNING STRATEGY AMID DISRUPTION

Through strategic assessments and modeling that factored in market conditions, community needs and healthcare trends, Huron helped Baton Rouge General Hospital make strategic, data-driven decisions about what to do with existing assets and how to position the organization for sustainable success in the future.

CHALLENGE

Following the closure of a nearby state-owned public hospital, the emergency department (ED) at Baton Rouge General Hospital's (BR General) Mid-City campus experienced a significant increase in the number of uninsured patients. Organizational leaders needed to establish a strategy for the Mid-City ED that would address mounting financial pressures resulting from this challenge.

"Huron helped us evaluate our position from a data-driven, multifaceted and strategic perspective. With their expertise and guidance, we were able to make strategically sound decisions about how to allocate our resources and prepare for the future. It's been a valuable partnership."

MARK SLYTER, FORMER CEO,

BATON ROUGE GENERAL MEDICAL CENTER

APPROACH

Working collaboratively with BR General's executive and operational leaders, Huron's Strategy team led an asset optimization project to assess the long-term sustainability of the Mid-City ED. Through strategic assessments and modeling, Huron helped BR General re-envision the Mid-City campus with an overarching goal of creating a delivery system that would reduce the need for emergency care services and support sustainable success in the rapidly shifting healthcare environment.

RESULTS

\$10 million annual reduction in operating margin losses

Improved long-term position by evaluating best use of facilities and resources

ER funding deal with state of Louisiana

Assessing opportunities. Huron conducted a strategic assessment that factored in market conditions, community needs and healthcare trends to evaluate the best use of the Mid-City campus. This included an analysis of demographics and competition, as well as extensive interviews with executives, operational leaders from each hospital and physicians.

Modeling a solution. Huron prepared high-level financial pro formas to model the benefits and risks of phasing out the ED at the Mid-City campus. Huron determined an ED closure would immediately reduce BR General's operating losses by more than \$10 million per year as a result of the reduction in ED services and direct downstream inpatient volume. It would also reduce bed need and improve the payor mix.

Preparing for the future. Huron's strategic assessment was a key consideration in BR General's decision to phase out the Mid-City ED. Immediately after the announcement, the state of

Louisiana stepped in with funding that enabled BR General's ED to remain in operation for the foreseeable future.

The engagement also provided data and a knowledge base from which BR General could evaluate strategies for long-term positioning of its campuses. The project team developed a menu of redevelopment opportunities that would reduce the need for emergency care services and address current and future healthcare challenges. These long-term solutions include a campus focusing on post-acute care with limited acute care services and surgery and an innovation center focused on new care models for chronic disease management and the care of the elderly.

Baton Rouge General Medical Center is a two-hospital system with 527 licensed beds between two campuses. BR General opened in 1900 as Baton Rouge's first hospital.



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