



# Houston Methodist

HOUSTON METHODIST IS A SIX-HOSPITAL SYSTEM, INCLUDING AN ACADEMIC MEDICAL CENTER AND FIVE COMMUNITY HOSPITALS, WITH 1,800 BEDS COMBINED.

## Challenge

Although Houston Methodist was already a leader in healthcare in Texas, leadership recognized a need to proactively prepare for changes related to healthcare reform, while supporting the organization's goal of continuous quality improvement.

“As an organization, we recognize that change is coming and that it is imperative that our people and systems are primed for the future. Huron’s role in helping us improve our operational readiness and awareness has been invaluable.”

**KEVIN J. BURNS, EXECUTIVE VICE PRESIDENT,  
CHIEF FINANCIAL OFFICER, CHIEF BUSINESS  
OFFICER HOUSTON METHODIST**

## Approach

Houston Methodist engaged Huron to implement Huron’s integrated, system-wide revenue cycle and clinical operations solutions, with a focus on inpatient flow and non-labor.

## Results

**\$50M** annually recurring revenue cycle benefit

**\$12M** annually recurring non-labor savings

**\$3M** annually recurring benefit from LOS management

**Streamlining the revenue cycle:** Huron recommended and helped implement a centralized revenue cycle governance model specifically tailored for Houston Methodist. The model continues to drive operational efficiency, mitigate financial risk and prepare Houston Methodist for future growth. Implementation included establishing productivity and quality standards to drive accountability and identifying areas for further training.

**Increasing revenue:** Through enhanced relationships with clinical leadership and physicians that improved documentation and response times, the engagement generated \$50 million in annually recurring revenue cycle benefits by improving net revenue recovery, increasing managed care rates and enhancing processes for emergency department and clinic visits. It led to a one-time savings of \$20 million. Huron also refined the managed care strategy with internal and external benchmarks, supported the negotiations by service line and assisted in the transition to pay-for-performance contracting.

**Improving clinical efficiency:** Standardizing care coordination, implementing a system-wide physician advisor program to support patient transitions, and improving patient status and length of stay (LOS) accuracy optimized Houston Methodist's clinical operations, enriching the patient and staff experience.

**Reducing non-labor expenses:** Huron worked with Houston Methodist to implement cost-savings initiatives in areas such as medical supplies, pharmacy and information technology. Additionally, Huron's creation of a supply chain strategic plan empowered Houston Methodist to expand value analysis and expense reduction activities.

**Driving consistency:** Huron streamlined processes for Houston Methodist's multiple hospitals and academic center by establishing a governance structure across all facilities that supports sustainable improvements and ongoing performance management.



[huronconsultinggroup.com](http://huronconsultinggroup.com)

© 2022 Huron Consulting Group Inc. and affiliates. Huron is a global consultancy and not a CPA firm, and does not provide attest services, audits, or other engagements in accordance with standards established by the AICPA or auditing standards promulgated by the Public Company Accounting Oversight Board ("PCAOB"). Huron is not a law firm; it does not offer, and is not authorized to provide, legal advice or counseling in any jurisdiction.  
19-0494