



Hospital Operations Case Study

ProviderWorks

Next generation expense-reduction for healthcare providers

Hospital Treats Rising Cost of Operations

ProviderWorks' industry knowledge, benchmark analytics, and proprietary process lead to significant savings in non-labor operating expenses

About Us

ProviderWorks is a professional advisory firm, deeply rooted in healthcare management and operations, with experience delivering effective strategies and implementing programs to address the industry's need for improved business performance. Services include:

- ✓ Strategic Planning & Plan Implementation
- ✓ Non-Labor Cost Reduction
- ✓ Business Process Improvement
- ✓ Strategic Sourcing
- ✓ Contract Management
- ✓ Organizational Alignment & Integration
- ✓ Revenue Enhancement

Business Case

An acute care hospital engaged ProviderWorks to examine its non-labor, non-core business expenses. The result: millions of dollars discovered in sustainable savings in key categories of operating expense.



Client Business Challenges

- ✓ Reduced reimbursements
- ✓ Rising cost of purchased products and purchased services
- ✓ Small internal support staff
- ✓ Inadequate and inconsistent internal processes
- ✓ No budget for outside consulting

The ProviderWorks Approach

ProviderWorks initially examined the client's general ledger and prepared a "profit improvement plan." Our analysts discovered over \$100 million to target for expense reduction across 50 separate non-labor operating expense categories. ProviderWorks analysts identified significant overspending, as well as costly variation within business processes.

Expenses reviewed

- ✓ Medical supplies
- ✓ Non-medical supplies
- ✓ Personal property and real estate taxes
- ✓ Food and dietary products
- ✓ Telecom
- ✓ Utilities, including energy

Expense Reduction Strategy

- ✓ Rationalized supply chain
- ✓ Aggregated facility spends
- ✓ Renegotiated vendor and GPO agreements
- ✓ Reduced sources of process variation
- ✓ Implemented common processes, improved metrics and controls
- ✓ Audited performance monthly for 24 months

***The ProviderWorks pledge:
no savings, no fees.***

Contact ProviderWorks for more information: (877) 411-2121 or www.provider-works.com