



HEALTHCARE

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About ARHS

Athens Regional Health System (ARHS) is one of northeast Georgia's largest healthcare systems. Made up of an acute care hospital with 350-plus beds, four urgent care centers, a quality network of physicians and specialists, and a home health agency, ARHS is committed to excellence and dedicated to improving the health, wellness and the quality of life for the communities it serves. The cornerstone of ARHS is Athens Regional Medical Center (ARMC). The organization is among the best hospitals in the region for gastroenterology and pulmonary procedures, according to *US News and World Report*. The facility was also named the 2011 Large Hospital of the Year for the State of Georgia by the Georgia Alliance of Community Hospitals.

About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the Firm primarily serves clients in the healthcare, energy and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at navigant.com.

PARTNERING FOR SUCCESS - PROVIDER ACHIEVES STRENGTH IN STABILITY

THE CHALLENGE

The proper implementation of healthcare information technology systems is crucial to an organization's financial health. Athens Regional Health System (ARHS) was in the midst of evaluating performance improvement initiatives in 2014, when a challenging implementation of the electronic medical record launch created an internal crisis. ARHS needed to stabilize its organization quickly in three key areas: interim chief executive officer leadership; interim chief information officer leadership - with a focus on IT stabilization and meeting meaningful use dollar requirements; and performance improvement initiatives that would assist with closing a fiscal year projected \$29M gap/\$51M gap to 5% margin.

THE SOLUTION

In 2014, ARHS partnered with Navigant to assess and implement performance improvement initiatives. They focused on:

1. An immediate income statement improvement of **\$15M** during Year 1
2. A stretch goal of **\$30M** per year in income statement improvements after Year 1
3. Targeted performance improvement initiatives in
 - Revenue Cycle
 - Supply Chain/Pharmacy/Laboratory Service
 - Physician Services
 - Care Management and Clinical and Operational Effectiveness
 - Labor Optimization
 - Human Resources Benefits/Organizational Structure

In addition, Vital Stats®, a robust analytical tool was implemented in physician services. This tool allows for concurrent evaluation of physician coding practices, collections, productivity and volume statistics. The tool provides detailed data that can be collated and analyzed, concurrently, providing business intelligence that can easily translate into actionable steps toward performance improvement-before bottom line results are unfavorably impacted.

Further, Assay Healthcare Solutions provided coaching and mentoring on daily huddles and staffing to demand. The team utilized the conceptual framework for predictability modeling - this assisted nursing in understanding the ongoing day-to-day challenges of patient demand and the supply of clinical labor to deliver staffing solutions that provide sustainable cost savings.



ACHIEVED A PROJECT GOAL
TOTALING **\$30M** IN ANNUALIZED
IMPROVEMENTS BY JULY 2015



CUMULATIVE BALANCE SHEET BENEFIT
OF **\$6.6M** WITHIN ONE YEAR OF
PROJECT INCEPTION



ARMC ACHIEVED THE STRETCH TARGET
OF A **\$33M** ANNUALIZED INCOME
STATEMENT IMPROVEMENT FOR FY 2017

Additionally, the ARHS and Navigant partnership has positioned a new project management group that is poised to ensure sustainability of the current initiatives, and oversee and implement new initiatives. Charles "Chuck" Peck, M.D., the new chief executive officer, will charge the group with additional initiatives based on organizational needs.

"Athens Regional Health System was looking for a partner with deep healthcare knowledge, one that understood the importance of constant monitoring and evaluation, analysis of work flow and proven process improvements. As a 'Top 100' hospital, maintaining our reputation for excellence in healthcare is vital while we adapt our systems to meet the needs of an evolving industry.

With Navigant's assistance, I am confident that we will meet the goals set for the next two years and are taking the right steps to prepare our health system for the transitions to come."

/ CHARLES "CHUCK" PECK, M.D.
CHIEF EXECUTIVE OFFICER