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MAINE HOSPITAL GOES BANKRUPT



“After years of change in the healthcare industry and increasing financial challenges, **Parkview Adventist Medical Center** (PAMC), Brunswick, ME has reached a point where it can no longer serve its mission as a stand-alone hospital and is now seeking a new opportunity with **Mid Coast Hospital**, also in Brunswick, to advance a common vision to serve the local care needs of Midcoast Maine long into the future,” said Bob Cundiff, Chair, Board of Directors, PAMC.

PAMC filed a petition for Chapter 11 Bankruptcy with the United States Bankruptcy Court in Portland in June. Chapter 11 of the Bankruptcy Code is designed to provide companies with the time and opportunity to reorganize, including restructuring their debts or obtaining new investment capital.

In the case of Parkview Adventist Medical Center, the hospital presented the Court with a proposed pre-packaged bankruptcy plan that would include entering into a transaction with Mid Coast Health Services of Brunswick, Maine. The proposed transaction includes the purchase of certain assets, the assumption of certain liabilities and the preservation of the Adventist mission on the Parkview campus.

The common vision proposed by Parkview Adventist Medical Center and Mid Coast Health Services is designed to ensure the continued availability of high quality, locally-delivered care to the patients of the Bath-Brunswick-Topsham communities. This approach will also preserve all full and part-time jobs at Parkview for the 196 employees.

Mid Coast – Parkview Health System will consolidate inpatient and emergency services on the Mid Coast campus, and utilize the Parkview campus for physician practices, a walk-in clinic, as well as radiology, laboratory, ambulatory testing and surgery, oncology, hematology, infusion services, physical, occupational and speech therapy services, and community health and wellness programs. PAMC closed its emergency department and acute inpatient care on Thursday, June 18 at 8 PM. Both organizations consulted with the Maine Department of Health and Human Services and the Office of the Maine Attorney General to assure compliance with all state laws and regulations.

Mid Coast Health is a dynamic healthcare organization addressing a full continuum of community health, wellness, and prevention needs with a full-service 92-bed hospital, a diverse medical group, a senior health center, and home health care services. They have been an AMS client for many years.

NOBLE HOSPITAL, WESTFIELD, MA, JOINS BAYSTATE HEALTH



Some things take a little longer to happen than others. Back in 2003, AMS assisted the president and CEO of **Noble Hospital**, Westfield, MA, with the environmental scan, interviews and polling of key opinion leaders related to their strategic planning process. Part of that work involved examining past strategic plans and results. Affiliation with Baystate Medical Center, Springfield, MA had been the top voted on initiative in all past plans. It was also a top priority in 2003.

As of July 1, 2015, Noble Hospital is now part of Baystate Health. They join Baystate Franklin Medical Center, Greenfield, MA, Baystate Mary Lane Hospital, Ware, MA, and Baystate Wing Hospital and Medical Centers, Palmer, MA, as the other community hospitals in the network. Baystate Medical Center, Springfield, MA, is the flagship of the system and the third largest hospital in Massachusetts and will soon have it's own medical school. UMass Medical School (UMMS) and Baystate Health announced plans to open a regional clinical campus of the Medical School in Springfield. Congratulations go out to Ronald P. Bryant, who has been president and CEO of Noble Hospital since 2011, for leading a turnaround at the hospital and making this affiliation possible.

HEALTH CARE'S 'MOST WIRED' FOR 2015



Hospitals & Health Networks magazine published by the American Hospital Association (AHA) sponsors the annual Most Wired Survey, which is an industry-standard benchmark study. The survey is designed to measure the level of IT adoption in U.S. hospitals and health systems, and is a useful tool for hospital and health system leadership to map their IT strategic plans.

AMS clients, present and past, on the list include:

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| Abington (PA) Health | Hallmark Health System (MA) |
| Aroostook Medical Center (ME) | Hospital of Central Connecticut (CT) |
| Baystate Health (MA) | Inland Hospital (ME) |
| Berkshire Health Systems Inc. (MA) | Inova Health System (VA) |
| Beth Israel Deaconess Medical Center (MA) | Lakeland Medical Center (FL) |
| Blue Hill (ME) Memorial Hospital | Lowell General Hospital (MA) |
| Bon Secours Baltimore Health System (MD) | Maine Medical Center (ME) |
| Bristol (CT) Hospital | Medstar Health (MD) |
| Cadence Health (IL) | Mercy Health System of Maine (ME) |
| Catholic Health Svcs of Long Island (NY) | Norwalk (CT) Hospital |
| Central Maine Medical Center (ME) | OhioHealth Doctors Hospital (OH) |
| Community Health Network (IN) | Peninsula Regional Medical Center (MD) |
| Concord (NH) Hospital Inc. | Rockford (IL) Health System |
| Detroit Medical Center (MI) | Sebasticook Valley Health (ME) |
| Eastern Maine Medical Center (ME) | Somerset Medical Center (NJ) |
| Elliot Health System (NH) | South Shore Hospital (MA) |
| Emerson Hospital (MA) | St. Luke's Cornwall Hospital (NY) |
| Exeter (NH) Health Resources | Stony Brook (NY) University Medical Ctr |
| Florida Hospital (FL) | Summa Health System (OH) |
| Franklin Memorial Hospital (ME) | Valley Regional Hospital (NH) |
| Froedtert Health & the Medical College of Wisconsin (WI) | Wentworth-Douglass Hospital (NH) |
| Geisinger Health System (PA) | West Virginia University Hospitals (VA) |
| | William W. Backus Hospital (CT) |

Quickly reveal hidden opportunities in non-labor expenses

The **AMS Key Performance Indicator (KPI) Review**, is a quick way to identify cost reduction opportunities in non-labor spend categories through an analysis of your accounts payable file. AMS summarizes your spend into 28 KPI categories and then analyzes your costs against other hospitals using comparative data in our proprietary database.

Allows you to identify potential savings and target your resources

Immediate Benefits

■ **New areas of opportunity:** A KPI analysis identifies areas of opportunity that go beyond a typical supply chain engagement such as utilities, HVAC expenses, and transcription expenses. These expenses do not typically flow through the Materials Management Information system.

■ **Annual budget planning:** A KPI analysis will identify where opportunity exists to reduce non-labor expense in next year's budget.

■ **Target resources:** A KPI analysis allows you to quickly identify where to focus your efforts to achieve maximum savings with minimal effort

Recent Results

400 bed hospital: AMS identified \$2.5 million in opportunity from 7 areas (maintenance contracts, waste management, travel and education, OR and cardiac cath implants, temporary staffing, outsourced food service agreement, and office supplies).

200 bed hospital: AMS identified \$1.0 million in opportunity from 5 areas (food service management, transcription, record storage, OR and cardiac cath implants, and waste management).

AMS KPIs

Medical and Surgical Supplies

- Medical surgical supply expense/CMI adjusted discharge
- Surgical supply expense/case
- Cardiac catheterization supply expense/case
- Medical gas expense/case
- Instrument repair expense/case
- Lithotripsy cost/case
- Rental bed cost/patient day

Purchased Services

- Purchased services expense/total operating expense
- Transcription cost/adjusted patient day
- Record storage expense/adjusted patient day
- Printing and copying services/adjusted patient day
- Temporary staffing expense/FTE
- Recruitment and advertising expense/patient day
- Collection fees/adjusted patient day
- Waste management expense/patient day

Non-Medical Supplies and Services

- Non-medical supply cost/total operating expense
- Office supply expense/total operating expense
- Maintenance supplies and services/sq. feet maintained
- HVAC supplies and services/square feet maintained
- Elevator repair supplies and services/elevator
- Clinical engineering supplies and services/piece of equipment
- Clinical engineering supplies and services/patient day
- Food and nutrition management expense/patient day

Utilities, Telecom and Information Technology Services

- Gas and electric expense/square feet maintained
- Telecommunications and information technology expense/total operating expense

Administrative/Discretionary Spend

- Discretionary spend/total operating expense
- Books, dues, and subscriptions/discretionary spend
- Education, travel, and entertainment/discretionary spend

To learn more, please contact:

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Quickly reveal opportunities to reduce labor expense

The **AMS Key Performance Indicator (KPI) Review**, is a rapid review to identify cost reduction opportunities in labor expense through a high level, off-site data analysis of payroll and workload statistics. AMS analyzes your performance against other hospitals using comparative data in our proprietary database.

Compare labor performance against our proprietary database

Immediate Benefits

■ **Areas of opportunity:** A KPI analysis identifies areas of opportunity that go beyond a typical high level benchmark such as FTEs/AOB. While global labor ratios will be reviewed, AMS will provide indicators of opportunity at the department level.

■ **Annual budget planning:** A KPI analysis identifies opportunities to reduce labor expense in next year's budget.

■ **Target resources:** A KPI analysis allows you to quickly identify where to focus your efforts to achieve maximum savings with minimal effort.

Recent Results

4 hospital, 1,100-bed regional system: AMS identified areas with staffing opportunity equal to 6.9% (601 FTEs) of the system's 8,677 FTEs.

120-bed hospital: AMS identified a labor improvement opportunity of 94 FTEs of the hospital's 1,273 FTEs. Seven outlier departments accounted for 75% of the opportunity.

Critical access hospital: AMS identified a 5% staffing opportunity in a health system consisting of 25-bed acute care, 25-bed nursing home, 10-bed rehab unit, and support staff for physician practices. A detailed review identified an additional 2.5% staffing opportunity for a total of 25 FTEs.

Labor KPIs

Global KPIs

- FTEs/AOB
- FTEs/AOB CMI Adjusted
- Paid Hours/Adjusted Discharge
- Salary, Wages and Benefits as a % of Net Revenue
- Labor Expenses/Adjusted Discharge
- Net Operating Revenue/FTE
- Overtime Usage

Unit of Service KPIs for Major Departments

- Nursing Services
 - Med/Surg/Telemetry
 - Critical Care
 - Rehabilitation
 - Pediatrics
 - Maternal and Child Health
- Surgical Services
 - OR/PACU
 - Endoscopy
 - Sterile Processing
- Emergency Services
- Imaging Services
 - Diagnostic/CAT
 - MRI
 - Nuclear Medicine
 - Ultrasound
- Laboratory Services
- Environmental Services
- Health Information Services
- Patient Financial Services
- Nutrition Services
- Cardiac Cath Lab
- Cardiopulmonary Services
 - EKG
 - Respiratory
- Pharmacy
- Rehabilitation Services

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