

FINANCIAL PRESCRIPTIONS

Healthcare clients on the road to recovery



1. Major hospital chain and inpatient rehabilitation care provider:

How does a major healthcare provider become the dominant player in the inpatient rehabilitation healthcare market? How does this chain of 100 hospitals and outpatient facilities cut costs while simultaneously generating higher revenues? Is there a way to effectively centralize back office functions to make administration more efficient? These were some of the questions facing the CEO of a Fortune 1000 healthcare provider. Knowing Proudfoot's reputation for increasing productivity and improving business processes, the CEO engaged the firm:

The joint project with Alexander Proudfoot comprised two phases:

- employing Revenue Enhancement strategies throughout the 100 inpatient hospitals
- cost optimization synergies within 30 of those locations

By partnering with Proudfoot, the client achieved annual benefits of US \$50.3 million.

2. Enhancing patient care quality while reducing operating expenses

A chain of leading-edge medical centers, delivering medical imaging services through 18 locations in the United States, was facing a number

of problems including a substantial revenue shortfall due to cuts in Medicare reimbursements. It was upgrading major diagnostic systems at a cost of over \$10 million as well as installing new digital mammography equipment in 15 of its centers at a cost of \$7 million. Due to the Medicare cuts and significant capital investments, the company suffered a significant hit to its profitability. Proudfoot was engaged and began work by determining three primary areas of opportunity: MRI throughput, Call Centers & Radiology Centers and Support Staff. Working in partnership with the client, Proudfoot installed an overbooking strategy in five MRI locations. This strategy improved utilization of all machines operating at all five locations and reduced the cancellation problem the centers were experiencing.

"There is a fairly complex process for scheduling people for MRIs and CAT scans... what we wanted to do was to optimize the yield from the process," said the company's Chairman.

Proudfoot was up for the challenge. By installing new management operating systems and conducting management training in the new system, Proudfoot established a substantial increase in productivity in the company's call center, decreasing average appointment times and increasing appointments per hour.

Another project initiative was the streamlining of the Radiology Support centers. With the installation of a new management operating system and staffing model, the healthcare company was able to drastically improve productivity while reducing labor costs, including overtime.

Witnessing benefits beyond an immediate financial return, the company's Chairman said, *"Not only will the business be more productive, but because of the level of detail that Proudfoot provided, it is helping people focus on what really makes a difference in our business. Things they never knew before."*

Who is Alexander Proudfoot?

The Alexander Proudfoot Company specializes in implementing change to achieve measurable and sustainable improvement in client companies. Alexander Proudfoot is a part of Management Consulting Group PLC (LSE: MMC), and is headquartered in Atlanta, Georgia.

What Alexander Proudfoot does:

We deliver measurable and sustainable financial benefits to our clients by developing and installing processes and programs to rapidly improve our clients' operations.

Why Alexander Proudfoot is different:

We don't just identify opportunities for improvement or potential paths to improved operating results; we actually implement the changes.

Proudfoot distinguishes itself from its competitors by working side-by-side with client personnel and management at all levels to implement the changes which deliver sustainable improved performance.

For more information call:

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