
American Healthcare Solutions

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Today, we live in a society where the days of being frivolous are numbered. No longer do we base the value of things simply on their price. It is not necessarily by choice that we have evolved into this mindset. With the rise in the cost of everything from loaf of bread to a gallon of gas, we have been forced to re-evaluate the importance of each dollar we spend. Prudence in the workplace is no exception. Executives everywhere are implementing cost saving programs to keep their business in the black. Those in the healthcare industry are accordingly following suit. Hospital decision makers are turning their focus inward, looking for ways to both improve the functionality and quality of their organizations. American Healthcare Solutions recognizes that about two thirds of all U.S. hospitals are falling short of this goal. They are losing money at the operating line or are not generating sufficient dollars to keep up with facility refreshments or new technologies. AHS has launched their Organizational Assessment Program (OAP) to address these challenges, working with hospital clients to prioritize and systematically reduce weakness.

OAP was designed with the quintessential hospital CEO in mind. Based on the AHS team's extensive knowledge of the healthcare industry and actual hands-on experience in various hospital settings, this service was developed to alleviate the strain that many hospital executives feel with having so much to do and no clear place to start. OAP offers a dissected view of five key focus areas to create an accurate portrait of where things currently stand and what improvements can be made moving forward. These targeted sectors include revenue cycle, supply chain, productivity, market analysis/strategy, and financial situation. The OAP program unfolds generally over a 60 day period and is conducted in the following manner:

- The designated OAP team of AHS consultants conducts both off-site and on-site work in order to construct a thorough analysis. After a contract has been negotiated, the AHS group begins by conferencing with the management staff to request hospital documents and data vital to the engagement. The hospital Board, CEO, COO, CFO, CMO, and CNO among others contribute to this process. From the obtained information, a preliminary financial condition assessment is produced to depict the existing status of the organization.
- Once the initial findings are uncovered, the AHS consultants proceed by presenting and discussing this information with the hospital's Board, medical staff executive committee, and management team. The group will then conduct status assessment interviews to better evaluate each of the five focus areas.

Financial and Operational Assessment - examines cash flow and availability, use of cash, sources of cash, financial statements, liquidity ration, income/expense summaries, bond covenant compliance, and credit worthiness. These items are then analyzed and against key indicators based on regional, state, and national benchmarks.

Revenue Cycle Assessment - covers total days of revenue outstanding, days of revenue outstanding by payer, days of revenue outstanding by status (in house, discharged but not billed, billed but not paid), point of service cash collections as percent of total collected, amount of revenue outstanding (0-30 days, 31-60 days, 61-90 days, over 121 days), and total bad debt.



Supply Chain Management Assessment - addresses supply costs per adjusted admission, total supply costs as a percent of net revenue from operations, supply costs for each of the 25 highest volume DRG's per admission, inventory costs per adjusted admission, pharmaceutical costs, degree of standardization, GPO utilization by purchase category, and GPO contract strengths/weaknesses

Staff Productivity Assessment – discusses the number of FTE's per occupied bed, inpatient man-hours per discharge, outpatient man-hours per visit, total revenue per FTE, personnel expense as a percent of the Total Operating Revenue, salary per FTE, salary expense as a percent of the Total Operating Expense, employee benefits percentage, and salaries per discharge.

Market Analysis/Strategy – details the current market situation including demographic analysis, service line market demand and community health analysis. A patient origin report, target market population, projected discharges, behavioral health risk factor analysis, mortality rates and incidence rates can all be incorporated into the market analysis and strategy OAP section.

After the assessment and interviewing process is complete, the AHS consultants will start work on the strategy portion of the project. Patient origin data and out migration information from the hospital's primary and secondary service areas are carefully analyzed. Both in-patient and out-patient market opportunities are identified along with the internal strengths and weakness of the organization. External opportunities and threats are factored in as well so that all viable information is taken into consideration. Skilled recommendations are then made by the AHS consultants to provide future direction and describe what additional services are available to the hospital to help them achieve the changes outlined.

So how does OAP fit into the economic approach to business that so many hospital executives are striving to achieve? The end result of this elite service provided by American Healthcare Solutions is a comprehensive report that extensively details avenues for change which can culminate in remarkable savings once applied. Better yet, the product itself is an unparalleled resource at a very competitive price. The OAP service was designed to drive money back into hospitals without requiring a large financial investment on the front end. In short, it is an innovative, cost effective way to breathe fresh air into organizations starved for new direction.

For more information on OAP or any other of American Healthcare Solutions services please contact us via our website at www.americanhs.com.

About American Healthcare Solutions

American Healthcare Solutions is a health care consulting firm singularly focused on the business of hospitals and healthcare organizations. We help our clients improve financial performance, enhance competitive position, and achieve the most productive organizational alignment among medical staff, management, and trustees to optimize overall performance.