



Bringing Our Lady of the Lake Network to Break Even

QUICK FACTS

- One of Louisiana's largest hospitals with 852 licensed beds and 37 primary care physicians
- In one year, HCG initiatives reduced physician losses by nearly \$3 million (gross revenue)
- Physician productivity increased by nearly 40%
- The Lake's established primary care network is now operating at financial break even

Our Lady of the Lake Regional Medical Center (The Lake) in Baton Rouge, Louisiana, engaged The Halley Consulting Group, LLC. (formerly Ambulatory Management Services) in late 2001 to turn around the financial performance of Lake Primary Care Physicians, the affiliated network owned by The Lake.

Physician losses for the primary and specialty care network averaged higher than the national average

"The HCG financial improvement model remains the cornerstone of our continued financial success."

Dr. Curtis Chastain
Medical Director
Lake Primary Care Physicians

of \$80,000 per physician per year. The organization could no longer justify the financial losses incurred on practice operations and called in HCG.

Year one focused strongly on the financial performance of the network. A comprehensive **Network Evaluation** reviewed the operational and fiscal health of the network including:

Accounting	Finance
Governance	Human Resources
Management	Marketing
Operation	Receivables Management

The HCG team then implemented a number of network-wide and site-specific initiatives in order to quickly bring capacity in line with demand for services. Led by physicians and senior administrators, the **Network Governance Council** began to guide and gain sponsorship for the implementation process.

At the end of year one, permanent performance improvements saved The Lake more than three times the HCG management fees.

Site-specific **Break Even Action Plans** continue to keep physicians, site managers and staff focused on achieving and maintaining practice financial viability.

The **HCG Physician Compensation Model** was implemented as a key incentive program for individual physicians. Finally, the **Revenue Enhancement** program continues to achieve optimum performance in eight specific revenue factors within the network.

As is standard in a Turnaround Management Agreement, HCG placed a substantial portion of their fee at risk to be paid only if certain deliverable benchmarks were reached.

"What makes HCG so effective is their ability to roll up their sleeves and work within a network to initiate site-specific goals in order to achieve system-wide success"

Robert Davidge, President & CEO
Our Lady of the Lake
Regional Medical Center

Three years after the turnaround process began, Lake Primary Care Physicians established practices now operate at financial break even.

Halley Consulting Group

Strategy and Performance Improvement for Physician Networks Since 1995

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