



Improving Financial Performance Without Adversely Affecting Morale or Service

Strategic Cost Management Benefits:

- Increased operating margin
- Improved resource utilization – assets & staff
- Metrics to provide a true ROI
- Enhanced education & communication – from top down
- Strategic technology investments

Controlling costs in today's healthcare environment is difficult. Improving service while managing costs without adversely affecting morale is even more difficult. Having implemented Strategic Cost Management Programs in over 300 hospitals, Delta Health understands what is needed to successfully achieve this objective.

Delta Health's Strategic Cost Management Program focuses on developing and installing hospital specific staffing and service targets, as opposed to conventional benchmarking tools, to properly utilize resources. We accomplish this in an atmosphere that promotes participation and buy-in. The program improves financial performance without compromising quality, service or morale.

A web-based, bi-weekly/daily Management Reporting System (MRS-Web), which incorporates service, cost and productivity data is a key component of this program. Financial improvement utilizes department specific targets and an effective reporting system guarantees long term sustainable results.

Delta MRS-Web provides relevant data in a format that enables all levels of management to make more educated decisions and improve productivity performance. MRS-Web is an evolutionary product designed by experienced healthcare consultants to support and perpetuate Delta Health's engagements. The web application performs at the highest level of dependability to ensure your data is always available. Our references are our best testimony.

Addressing Financial Challenges

Strategic Cost Management Specialists

As the effects of the economy begin to strain the healthcare market, hospital executives are increasingly concerned about the extreme financial challenges ahead, while maintaining institutional promises of providing consistent high-quality service to their patients and community.

External Financial Challenges:

- CMS looking for ways to reduce cost which translates to reduced reimbursement
- Decreased revenue from deferred elective procedures
- Recovery Audit Contractor (RAC) program
- Stricter loan covenants; increased cost of capital
- Endowments and investments income have fallen with the stock market

Internal Pressures & Challenges:

- Improve patient safety and quality
- True ROI on technology investments
- Achieve exemplary work environment
- Reduce cost per adjusted discharge
- Boost compliance
- Promote healthy community

Delta Health's Position

Delta Health is in a unique position to assist hospitals in achieving their initiatives of improving financial performance without compromising quality, service, or morale through implementing, cost justifying and mobilizing healthcare applications.

Whether it is planning for and executing a successful EHR system implementation, a customized approach to strengthen management infrastructure and create a culture with stronger financial controls, or a mobility solution that can be the catalyst for revolutionizing the way hospitals serve their patients, Delta Health understands the realities of the hospital environment and has the ability to shape technology solutions and services that best fits a hospital's culture.

Top CEO Issues & Challenges

The American College of Healthcare Executives' "Top Issues Confronting Hospitals: 2008" survey results. CEOs ranked the top issues affecting their hospital.

Financial challenges	77%
Patient safety and quality	43%
Care for the uninsured	41%
Physician-hospital relations	32%
Personnel shortages	30%
Governmental mandates	26%
Patient satisfaction	22%
Capacity	16%
Technology	9%
Issues about not-for-profit status	2%
Malpractice insurance	2%
Disaster preparedness	1%

Additional near-term ways hospitals are trying to maintain positive cash flow:

- Diversifying capital access strategies
- Increasing case flow
- Carefully marshalling available free operating cash flow as a critical resource*

* Moore, Keith D. et al. "The Long View, How the Financial Downturn will Change Health Care." *hfma* January. 2009. p61.