

AMC “BENDING THE COST CURVE”

CLIENT PROFILE

YALE NEW HAVEN HEALTH SYSTEM

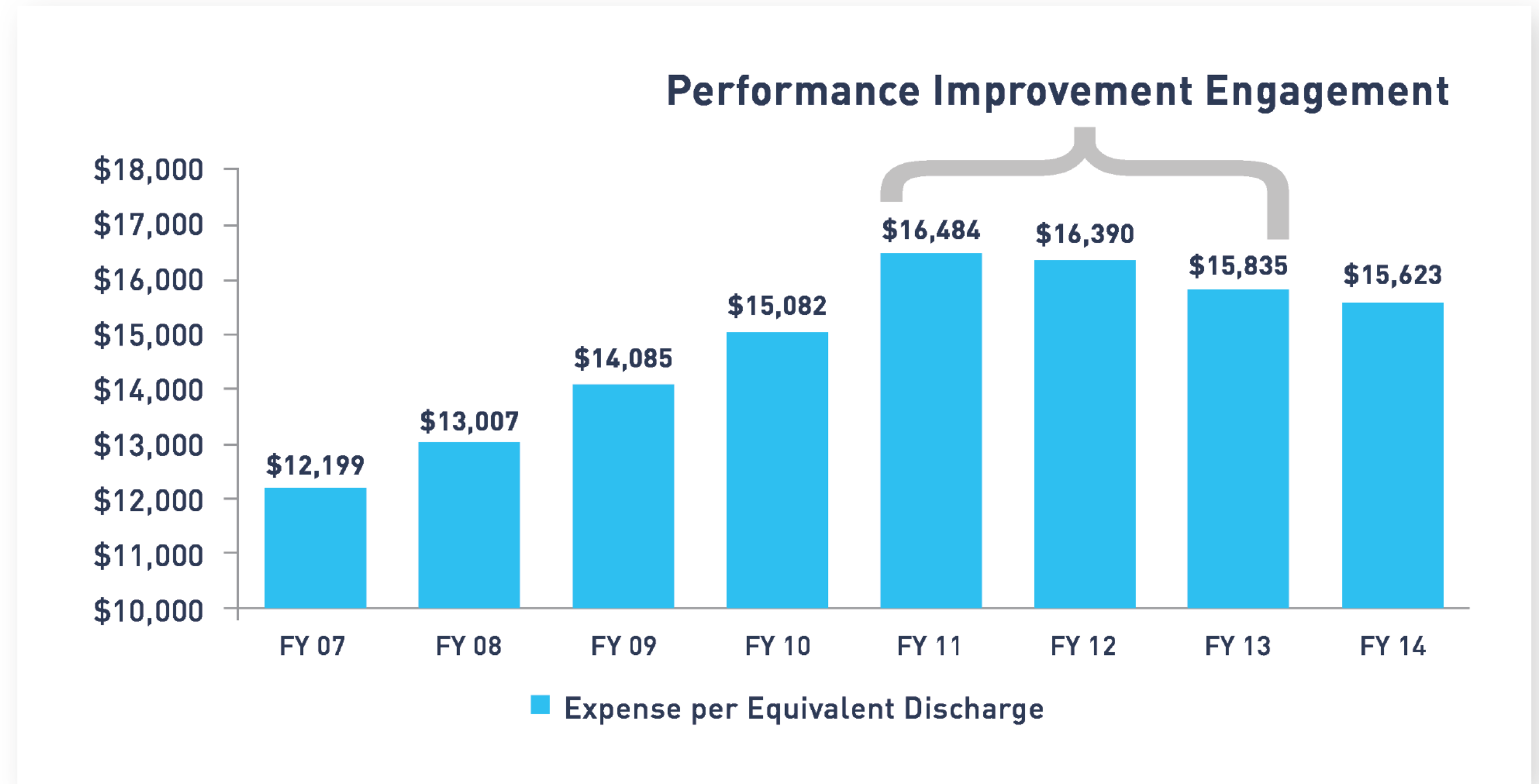
DESCRIPTION

A three-hospital (2,310-bed) academic health system had achieved strong operating margins for many years. But as with many strong health systems, it was concerned with the impact of healthcare reform and state budget cuts on future performance. The organization’s internal gap analysis identified the need to reduce \$500 million in expenses over the next five years (\$125 million annualized). While traditional methods of performance improvement (e.g., reducing labor and supply costs, improving revenue cycle operations) were important, the client recognized that it would also be necessary to focus on clinical practice redesign in order to truly transform the organization. The client interviewed several national consulting firms and selected BRG to begin a multiyear engagement to help develop a clinical redesign framework, in addition to traditional performance improvement methods, and achieve its targeted expense savings. The engagement implemented over \$130 million in annualized recurring improvements.

RESULTS

Financial – Over \$130 million annualized bottom-line improvements

Other – Engaged physicians to help lead clinical-redesign efforts



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