Solving Healthcare’s Most Pressing Challenges
Take control of your future

The path to success in healthcare has become complex and challenging. Key elements include:

- The financial squeeze affecting every player in the industry, with changing demands and shrinking reimbursements.
- The drive from volume to value, tying your success to the health of the patient populations you serve.
- Revenue models requiring new delivery models.
- New delivery models, triggering clinical transformation and reorganization of clinical programs.
- Consolidation across all sectors, with partnerships and mergers creating new relationships and more integrated businesses.
- Patient empowerment and consumerism, with retail and digital health technologies spurring innovation.

On their own, any of these shifts could alter the shape of healthcare.

Taken together, they’re changing the face of the industry.

Guidehouse healthcare clients include more than 300 health systems, including eight of the 20 “Honor Roll Hospitals” as rated by U.S. News & World Report, 36 of the 50 top pharmaceutical companies, based on 2017 data from PharmExec, and 50% of the largest health systems in the United States listed by Definitive Healthcare.

Our seasoned professionals and highly skilled specialists form exceptional teams that formulate and implement the right strategies for each client’s unique challenges and opportunities.

We help clients build, manage, and protect their future by:

- Building the optimal scale and scope of programs, products, and services that anticipate change.
- Managing clinical, operational, and financial objectives to achieve peak efficiency.
- Protecting the future by reducing performance risk and proactively accepting risk in new business strategies.

Guidehouse Healthcare Solutions

<table>
<thead>
<tr>
<th>Strategic Advisory Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Excellence Solutions</td>
</tr>
<tr>
<td>Physician Enterprise Solutions</td>
</tr>
<tr>
<td>Revenue Cycle Solutions</td>
</tr>
<tr>
<td>Government and Public Sector Health Solutions</td>
</tr>
<tr>
<td>Specialized Solutions</td>
</tr>
</tbody>
</table>
Even as the economy is doing well, health systems increasingly face significant headwinds. Health systems are experiencing unprecedented margin pressure in combination with dramatic market shifts. Despite population growth and aging, revenue growth is elusive, due to the confluence of growth in government insurance (and managed care), descent of commercial insurance, decline in inpatient utilization rates and ascent of consumerism. At the same time, there has been a shift to risk and value-based models, but to date there has been no discernible ROI on population health investments.

In addition, a wave of new entrants (established healthcare companies in adjacent businesses, tech behemoths from other industries, and digital health startups) are offering new, disruptive models of healthcare that increasingly will challenge traditional revenue streams.

Guidehouse’s Strategic Advisory practice assists clients in anticipating and developing strategies to address these market realities and position their organizations for success. We bring both unique perspectives, and a differentiated approach to work collaboratively with our clients to deliver high performance consistently over time and across all missions and key metrics. Our solutions are pragmatic, customized, and executable and we support clients as they navigate tough choices and allocate scarce resources.

Guidehouse Strategic Solutions

- Healthcare Strategy
- Enterprise Strategy
- Service Line Strategy
- Growth Strategy
- Digital/Innovation Strategy
- Facility/Ambulatory Strategy
- Academic Health Systems
- Strategy for Each Mission (Clinical, Research, Education)
- Partnership Strategy
- Integrated Strategic and Financial Planning and Implementation (next-generation funds flow)
- Physician Enterprise Transformation (from Subsidy to Impact)
- Resource Planning
- Integrated, End to End Physician Group Transformation
- Mergers and Acquisitions/Partnerships
- Partner Identification and Assessment
- Partnership Execution (Buy Side, Sell Side, Due Diligence, Unwind)
- Value Creation and Integration Planning

Unparalleled Experience

Guidehouse’s 500-plus healthcare advisors include physicians, nurses, former hospital administrators, and experts with decades of hands-on industry experience.

David Burik brings more than 30 years of consulting experience within all segments of the healthcare industry. He is a key architect for health system redesign engagements, including the successful formation, operation, and divestiture of integrated networks, managed care organizations, physician groups, and hospital systems.

Dr. Rulon Stacey is a Partner and leader of Guidehouse’s Strategic Solutions business unit. As a nationally recognized healthcare leader, Dr. Stacey brings a future-focused, leadership-driven approach to clients, as well as a unique understanding of provider issues, leadership and governance challenges, and strategy alternatives. He provides expertise in the design and development of initiatives that support cultural and organizational changes needed for ongoing success as health systems evolve from fee-for-service to a value-based environment.
**Powerful Results**

**Amita Health**

In 2018, AMITA Health merged with Presence Healthcare to form the largest health system in Chicago. On the heels of that merger, AMITA partnered with Guidehouse to develop a comprehensive physician enterprise strategy that was aimed at rationalizing the physician portfolio, improving quality and promoting growth without substantially increasing investment.

Our innovative approach to physician enterprise development extended beyond the boundaries of the employed medical group and recognized that affiliated physicians of all forms of ACO/CIN members, and other independents play a key role in AMITA’s future. Tools were also designed to compare the deployment of AMITA’s resources against the needs of the marketplace.

The result was a physician enterprise strategy that will support the system’s growth agenda while simultaneously affording significant improvement in the ROI of its physician investments.

**First Coast Health Alliance**

Working with Guidehouse, St. Augustine, Fla.-based Flagler Hospital partnered with more than 80 local physician practices to form First Coast Health Alliance (FCHA), the area’s first jointly owned physician-hospital organization.

Through the partnership, the CIN formed work groups leveraging data to identify and prioritize performance improvement targets, and develop protocols for addressing them. The data-driven approach was combined with a transparent physician compensation model developed by FCHA’s Finance Committee, which engages physicians in the success of the program. The result: a 65% decrease in excess length-of-stay and a $3 million decrease in associated costs.
Achieving and sustaining success in the healthcare industry requires robust clinical, operational, and financial results.

To help drive improved clinical outcomes, Guidehouse consultants evaluate data, apply analytical models, study systems, and dissect workflows to unlock insights that can improve patient care. To improve financial performance, our consultants apply proven processes and a disciplined approach while working collaboratively with clients. To drive efficiency across the enterprise, we apply analytical skills to identify opportunities to reduce time, streamline processes, and simplify operations.

Regardless of the challenge, Guidehouse tailors solutions and assembles skilled teams to collaborate with client departments on implementing processes and creating efficiencies that withstand changes in the industry.

**Guidehouse Performance Excellence Solutions**

- Clinical process improvement
- Labor and non-labor expense reduction
- Corporate expense assessment

**Unparalleled Experience**

With their broad range of experience, Guidehouse’s consultants know the industry from every dimension.

**Danielle Dyer** brings more than 20 years of experience working with large academic medical centers, multi-hospital systems, and teaching and community hospitals. She leads Guidehouse’s Accountable Care Organization segment and is dedicated to serving the needs of healthcare leaders as they strive to create strategic advantage, and maximize operational performance to achieve superior results.

**Kate Goonan, M.D.** has more than 25 years of consulting experience and is a nationally recognized advisor in all aspects of performance excellence and transformational change. She has experience in large-scale operational and performance excellence strategy with health systems, integrated delivery networks, and health plans. She has coached several national and state Baldrige Award recipients and specializes in the integration of robust process improvement with strategy, operations, culture, workforce engagement, patient experience, and high-reliability sciences.

**John Klare** specializes in large-scale operations improvement, post-merger integration, and business transformation work for academic medical centers and large community hospitals and systems. His solutions drive improvement in organizational structure, patient care services, revenue cycle, supply chain management, pharmaceutical services, clinical documentation services, payer contracting, human resource management, surgical services, and hospital information services and systems.
**Powerful Results**

### Preferred Health

In the Twin Cities of Minneapolis and St. Paul, Minn., three independent health systems were grappling with an inability to sufficiently provide coverage to meet consumer access needs and escalating costs required to build a population health infrastructure.

The systems partnered with Guidehouse to create the state’s largest accountable care organization, Preferred Health. Since its launch in 2013, Preferred Health successes include an 11% lower risk-adjusted total cost of care index compared to a large open access network, 10%-15% differential in premiums paid by employers and employees, and a 470% increase in covered lives — from 7,000 to 40,000 members.

### Athens Regional Health System

Athens Regional Health System (ARHS) was in the midst of evaluating performance improvement initiatives in 2014, when a challenging implementation of the Electronic Medical Record (EMR) launch created an internal crisis. ARHS partnered with Guidehouse to assess and implement performance improvement initiatives.

With Guidehouse’s assistance, ARHS achieved $30 million in annualized improvements, reached a cumulative balance sheet benefit of $6.6 million within one year, and was able to achieve a $33 million annualized income statement improvement.

### Edward-Elmhurst Health

Guidehouse was engaged to provide data, perspective, and strategic options as the organization combined three hospitals to create the non-profit system, Edward-Elmhurst Health. Following the formation of the new system, net income was increased by 52.8%, revenue increased by 9.7%, and the new system saw a $22 million improvement in operating income from the previous year.

Also, our revenue cycle team helped Edward-Elmhurst prepare for a new Electronic Health Record (EHR) system with a pre-go-live audit of the hospital billing system, conversion testing, and a plan to mitigate financial risk. As a result, Edward-Elmhurst achieved 101% of baseline revenue within 60 days of go-live.
Physician Enterprise Solutions

The relationship between physicians and health systems continues to evolve. Health systems, Wall Street, and even payers are making significant investments in physician assets. In this new environment, efficient operations are table stakes, and providers of all types — academic, employed, independent, large, or small — are seeking to optimize these investments, and put their health system on a path from subsidy to impact.

We’ve built our physician enterprise practice to address the range of clinical, operational, and financial challenges faced by providers in any setting — in short, for any physician related challenge, we have expertise that can help. With a collaborative approach and proven methodologies, our team partners with physicians to identify the macro opportunities and the most precise details to help drive improvement to the bottom line.

Guidehouse Physician Enterprise Solutions — Drive Practices from Subsidy to Impact by:

- Improving physician operations and improving practice bottom line
- Generating growth in new services and new markets
- Improving health system value by optimizing relationships with hospital-based physicians
- Supporting standardization of care and quality improvement
- Creating innovative primary care models that dramatically increase access
- Ensuring that compensation models and partnership arrangement align incentive

Advanced Tools, Proven Methodologies

Guidehouse’s approach to client engagements features proven yet flexible methodologies coupled with advanced tools and processes.

Guidehouse’s VitalStats™ is a proprietary solution that converts critical business intelligence into an easy-to-read report of a practice's productivity, profitability, and efficiency—all in one automated, concise, graphical application. From benchmarking to data mining, VitalStats™ helps monitor and manage physician operations efficiently. This web-based tool enables practice leaders to track, discover, report, and investigate the key performance indicators needed to scorecard complex revenue cycle and physician productivity metrics.

Unparalleled Experience

Guidehouse’s healthcare professionals bring deep experience supporting medical practices.

Alex Hunter focuses on design, development, and implementation of physician-hospital enterprise solutions at the strategic, financial, and operational levels. He has led the integration and alignment of a large multi-specialty physician practice and the creation of specialty and primary care physician-hospital institutes. He has developed and implemented large-scale performance improvement plans for hospital-affiliated physician organizations, including operational restructuring, overhead reduction, revenue cycle improvement, and improvement in organizational productivity.

With more than 25 years of experience, Michael Romano advises some of the nation’s leading community healthcare systems, large public hospitals, and their related physician groups. He is responsible for helping clients to achieve excellence in physician operations, profoundly improve their patient’s experience, and enhance their strategic position in the markets they serve.

4 Key Objectives of Economic Relationships with Physicians

Increase Access (Primary Care, Urgent/ED Care, Retail/Outlets)
Generate Growth (Employed Specialists, Other MD Deals)
Improve Health System Value (Hospital-Based Physicians)
Standardization and Improve Quality (ACO, MSSP, Other Risk Arrangements)
Powerful Results

Main Line Health

Main Line Health partnered with Guidehouse on the initiative, “Performance Excellence 2020,” due to its deep expertise in assisting healthcare organizations in cultural transformation and operations improvement. Beginning in 2017, Main Line Health worked with Guidehouse to apply the highly structured Baldrige performance excellence framework.

The health system then reviewed its regional Baldrige program feedback and Guidehouse's Baldrige assessment to determine priorities for improving organizational capabilities. The reviews cited opportunities for improvement around "systemness," or consistency in processes and services delivered throughout the system.

Early in the initiative, Main Line Health identified $120 million in financial performance improvement opportunities: $60 million in clinical transformation, $28 million in workforce efficiency, $27 million in corporate services, and $5 million in physician enterprise. The organization saved $46 million through the performance excellence initiative, exceeding their target by $13 million. They now project $109.7 million in savings opportunity to date, tracking toward a $120 million goal by FY 2020.

Dignity Health

In January 2017, Dignity Health Medical Foundation (DHMF) found its performance trending downward in such major leading performance indicators as days in accounts receivable (AR); cash; and earnings before interest, tax depreciation, and amortization (EBITDA). This resulted in an immediate imperative for DHMF to improve financial performance in these key areas, as well as provider documentation.

DHMF engaged Guidehouse to help improve revenue cycle operations, to include accelerating cash flow and EBITDA growth. The Guidehouse onsite staff collaborated well with DHMF staff, partnering to mine the data and develop a plan of attack, which Guidehouse quickly implemented, seeing wins almost immediately in AR management, charge integrity, vendor management, and coding audit/physician documentation.
In the face of shrinking margins and changing legislative requirements, hospitals, health systems, and physician practices must manage optimal performance amidst increasing financial pressures, all while improving the patient experience. Today’s patient experience also continues to focus on a more retail-driven approach, with an enlightened and cost-conscious consumer.

Guidehouse’s revenue cycle management consultants identify opportunities and provide tailored solutions to create a clear culture of accountability for optimal revenue performance. We bring deep experience and best practices to revenue cycle enhancement initiatives, all while keeping both the provider and patient in mind.

Guidehouse supports top-performing revenue cycle results through comprehensive performance assessments, technology implementation and optimization, and both net revenue and process improvement. Guidehouse’s blended expertise of both technical EMR platforms and operational business workflows allow clients to develop transformational and sustainable results.

**Guidehouse Revenue Cycle Solutions**

- Provide comprehensive revenue cycle assessments that are multi-pronged and data-driven
- Support EMR conversions with a defined methodology to identify key stakeholders and establish a collaborative structure that bridges the gap between operations, IT, and client departments.
- Impact our clients’ revenue cycle management functions by providing innovative delivery solutions that leverage best-practice EMR functionality and operational strategies
- Offer global, end-to-end, outsourced revenue cycle management solutions with around-the-clock support.

### Unparalleled Experience

Guidehouse’s healthcare professionals bring deep experience and best practices to revenue cycle enhancement assignments.

As the Guidehouse revenue cycle services leader, **Timothy Kinney** is responsible for strategic direction of the revenue cycle practice, engagement leadership, and human capital management. Over the course of his career, He has led numerous large-scale revenue cycle engagements at academic medical centers, multi-facility health systems, community hospitals, and physician groups. He is a recognized revenue cycle expert and has deep EHR knowledge. He has assisted clients with EMR system selection, pre-live risk mitigation, and post-live system optimization. Kinney also served as an interim vice president of revenue cycle for a multi-hospital health system in California.

**Andrew Hancock** is a Partner with Guidehouse is responsible for project delivery and oversight with a special focus on net revenue improvement/optimization and conversion risk mitigation. He is a seasoned project leader and has considerable experience developing revenue cycle system methodologies. Hancock has extensive experience with next-generation EHR platforms and implementing best-practice revenue cycle methodologies, specializing in net revenue improvement and business process transformation across all areas of the revenue cycle.

**To set us apart, Guidehouse places fees at risk contingent upon achieving industry top-performing, go-live metric success, such as reaching 100%-plus cumulative revenue capture (compared to pre-live baselines) within 30 days of go-live.**

**On average, Guidehouse revenue cycle optimization projects achieve 1%-3% improvement in net patient revenue.**
Powerful Results

Michigan Medicine

After completing a system-wide migration to Epic, Michigan Medicine experienced complications with the implementation, leading to a post-conversion period of decreasing gross patient revenues, increasing accounts receivable, and diminishing cash flow. These post-conversion challenges, coupled with the existing organization structure within the revenue cycle, represented critical financial risks to the organization that needed to be addressed quickly.

Michigan Medicine partnered with Guidehouse to identify the following key areas of opportunity: Candidate for Bill (CFB) Days, Revenue Cycle Operational Improvement and Leadership Structure Design, Revenue Analytics Strategy, Denials Management, Payment Validation, Charge Integrity, Self-Pay Collection Optimization, and Strategic Pricing. After the completion of the consulting engagement, Guidehouse and Michigan Medicine achieved the following key results:

- Candidate for Bill
  - CFB AR day metric reduced from 20 days to 5.8 days
  - Outstanding CFB dollars reduced to $89 million
- Payment Validation
  - Developed customized underpayment workflow within the Epic system
  - Implemented an internal underpayment team and facilitated implementation of external vendor; projected first-year benefit was $1.76 million
- Self-Pay Collections Optimization
  - Generated net benefit of over $12.5 million by increasing the global self-pay yield
  - Reduced abandonment rate from a metric high of 72.6% to a best-practice metric of 4%
  - Reduced patient correspondence backlog from a high of 3,300 to a low of 23
- Strategic Pricing

St. Luke’s University Health Network

St. Luke’s University Health Network (SLUHN) was operating on a pair of disparate EHR systems across each of its six hospitals. In an effort to enhance operational and revenue cycle efficiencies and better connect care across the continuum, SLUHN decided to move forward with system-wide implementation of the Epic electronic health record (EHR) system.

SLUHN engaged Guidehouse to assess its organizational structure and provide insights on Epic implementation strategies and best practices. Guidehouse collaborated with SLUHN’s IT and billing analysts to provide implementation support, operational direction, and general insights on maximizing Epic revenue cycle functionality. This included partnering with system leadership to develop strategic goals based on such key performance areas as billing timeliness and claims acceptance, denial management, and charge capture. The results: An increase in claims acceptance rate to 98%, cash neutrality within 12 weeks of go-live, and an achievement of 104% of pre-conversion baseline gross revenue.
Guidehouse's public sector healthcare solutions advisors work with healthcare decision-makers, leaders, and managers in local, state, and federal agencies, supporting government clients with advice on service delivery, financing, and operations. Federally, we support the Department of Health and Human Services, including the Centers for Medicare & Medicaid Services, the Department of Veterans Affairs, and other federal agencies on the forefront of national health issues. At the state level, we support behavioral health, developmental disabilities, Medicaid, public health, and human services agencies, as well as workers' compensation and state employee groups. To further advance the public sector mission, Guidehouse also provides advisory services and strategic solutions to an array of companies, nonprofits, philanthropic, and policy organizations that provides support to local, state, and federal governments.

Additionally, Guidehouse's public sector teams bring experts from all areas of our healthcare practice, giving our government clients access to thought leaders in the healthcare industry, and providing valuable insight into the challenges facing payers and providers. As a result, Guidehouse designs solutions to improve and transform government activities that are actionable, workable, and effective within the broader health system's day-to-day regulatory environment.

Guidehouse Public Sector Health Solutions

- State and federal health agency innovation and performance management
- Healthcare actuarial and financial services
- Medicaid delivery system and payment transformation
- Managed care
- Waiver design
- Delivery system reform incentive payment (DSRIP) and other innovation models
- Long-term care for aging and intellectual and developmental disabilities populations
- Behavioral health
- Prescription drug utilization and cost-control initiatives
- Population health strategy development and implementation
- Social determinants of health strategy and implementation
- Public/Private Partnerships to improve health outcomes and financial impact

Unparalleled Experience

Guidehouse’s government and public sector health professionals bring deep, hands-on expertise.

David Mosley brings extensive experience in government healthcare, having served two governors, been employed as a city manager, and directed the financial operations of a state's $12 billion Medicaid program. He provides clients with valuable insight, policy consulting, and technical assistance while empowering them to realize success. He is a frequently requested speaker, trusted advisor, and solution architect serving leaders across the nation.

J.T. Lane has extensive experience in public sector health programs services, leveraging his tenure as a state, health official and advising other local, state, and federal governments on healthcare design and payment policy, public private partnerships, and community health improvement. He is a frequent speaker and trusted advisor to health leaders in jurisdictions across the country.

With more than 15 years of experience working with Medicaid managed care and fee-for-service programs, Hanford Lin works with state Medicaid programs to develop processes and strategies for monitoring program performance and driving quality improvement. He has extensive experience designing, implementing, and evaluating health plan and provider incentive programs, including pay-for-performance, shared savings, and withhold programs.
Specialized Solutions

With broad functional expertise, including facilities planning, transaction advisory, and risk and compliance management services, Guidehouse consultants are prepared to help healthcare clients with specialized solutions that are beyond the expertise of most healthcare advisors. Here are a few samples of our specialized solutions.

Life Sciences

Guidehouse has built an international reputation as a preferred expert and trusted partner for life sciences companies seeking to mitigate their risks while achieving exceptional growth. Clients turn to our experts to address an ever-changing and increasingly complex and heavily regulated global healthcare market, while striving to deliver innovation to the market in the pursuit of enhanced patient care. At Guidehouse, we collaborate with pharmaceutical, biotech, and specialty pharma companies, and medical technology and digital heath manufacturers to help deliver measurable and transformative results.

We help life sciences companies build, manage, and protect their businesses by:

- Providing a foundation of insight to help clients grow and innovate, develop products, and build franchises.
- Developing solutions that help clients manage strategic, operational, and financial plans and thrive in the dynamic healthcare environment.
- Bringing a combination of provider, payer, pharmacy, and other distribution channel insights to our life sciences clients.
- Delivering expert advice and counsel to help protect against competitive, market access, and regulatory risks while proactively anticipating and preparing for future challenges.

Energy

Spending over $6 billion on energy annually, U.S. hospitals are among the nation's most energy-intensive commercial facilities.

At Guidehouse, we combine our in-depth understanding of the healthcare and energy fields to help healthcare facilities develop and implement innovative approaches to energy management. Our energy assistance reflects our deep understanding of energy fundamentals: supply and demand, energy efficiency, pricing and the regulatory process, fuel sourcing, financing, and all aspects of operations and strategy.

Energy solutions relevant to healthcare facilities include:

- Efficiency and sustainability
- Backup generation
- Renewable energy
- Utility cost assignment/allocation
- Supply procurement
- Reliability
- Green leases
- Rate case intervention

Global Investigations and Compliance

Over the past decade, U.S. healthcare organizations have rapidly expanded operations on a global basis. Regulators across the globe have dramatically stepped up enforcement of anti-bribery and corruption regulations, and this trend is expected to continue. In this environment, international organizations, particularly those operating in high-risk countries and industries (such as healthcare), must ensure that their anti-bribery and corruption compliance programs are comprehensive and effective.

When developing a global compliance program, the ability to obtain timely and accurate business intelligence, on a global scale, has never been more important. Guidehouse applies deep, global investigative expertise to help clients identify and fully develop potential risks across a broad spectrum of business opportunities. We recognize that each potential business transaction, dispute, or relationship represents unique risks and variables that require a tailored, strategic approach.
Integrated solutions for systemic challenges

Healthcare organizations, like the patients they serve, are vast organisms with interrelated, interdependent systems. Mastering today’s healthcare challenges can require solutions that reach deep into organizations.

For large, vertically integrated healthcare providers with systemic challenges, we combine strategy, performance excellence, physician enterprise, and revenue cycle experts into client-focused teams.

These multidisciplinary teams combine every aspect of Guidehouse’s healthcare expertise, delivering truly integrated solutions. Providing strategy, guidance, and hands-on support, we help our clients overcome their greatest challenges and position them to thrive in the rapidly changing healthcare environment.
About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies. For more information, please visit: www.guidehouse.com.

©2020 Guidehouse Inc. All rights reserved. W205650

This content is for general informational purposes only, and should not be used as a substitute for consultation with professional advisors. This publication may be used only as expressly permitted by license from Guidehouse and may not be otherwise reproduced, modified, distributed, or used without the expressed written permission of Guidehouse.

Contact

Guidehouse
150 N. Riverside Plaza
Suite 2100
Chicago, IL 60606

To learn more about Guidehouse healthcare capabilities, visit guidehouse.com or contact healthcare@guidehouse.com.