

CHAMPIONING EXPENSE CONTROL IN A CHALLENGING ECONOMY

Case Study

Operational and Financial Improvement

South Jersey Healthcare

After three years of successfully containing costs, South Jersey Healthcare had exhausted its most obvious savings opportunities — but with the recession bearing down, South Jersey had to do more.

They needed to evaluate their operational and financial data in a realistic context, with a sharper focus, and head to head with best-in-class organizations. Only then could South Jersey aggressively — and successfully — implement cost-saving measures.

By expanding its expense-reduction program, Call to Action, South Jersey equipped reporting departments with the tools necessary to manage a more complex effort at cost containment and to uncover opportunities. Utilizing the **ACTION O-I® Operational Performance Improvement Solution** from the Healthcare business of Thomson Reuters, South Jersey put its performance improvement objectives into motion.

COURSE OF ACTION

Using the momentum of past successes and rewarding efforts to achieve identified opportunities, staff were trained on what ACTION O-I comparative benchmarking was and how it could be used to achieve department-level goals.



Teams were able to see firsthand where gaps in process existed and identify the areas with the greatest opportunity for cost efficiency and containment. The Call to Action program included:

- Establishing a culture of expense control and financial stewardship
- Developing formal training and a 90-day management cycle
- Incorporating ACTION O-I data into the budgeting process
- Finding expense-reduction initiatives that would not impact salaries
- Providing education, resources, and tools to foster a healthy bottom line

RESULTS

With a steadfast commitment to providing the education, resources, and tools to manage a healthy bottom line, South Jersey implemented ACTION O-I national benchmarks to stimulate a culture of expense control and financial stewardship throughout the organization.



SOUTH JERSEY HEALTHCARE

Location:
Vineland, NJ

Size:
Regional Medical Center, 262 beds
Elmer Hospital, 92 beds

Scope and services:
South Jersey Healthcare (SJH) is a nonprofit, integrated healthcare system providing a continuum of health services to three counties in southern New Jersey. Through its two hospitals, SJH provides hospital services, numerous community health clinics, home health services, and specialty services, which serve the medical and healthcare needs of southern New Jersey residents.

Solutions:
ACTION O-I®



As a result of the effort, the facility has:

- Consistently driven down annual expenses for an average savings of \$1 million per year
- Utilized comparative data in the OR and identified an opportunity to standardize pacemakers and negotiate capitated pricing with vendors
- Launched a “No Waste Staff Challenge” and awareness, leading to annual savings of \$55,000 in nonsalary expenses.

South Jersey has utilized benchmarking and gone beyond the numbers by capitalizing on internal and ACTION O-I-identified best practices. This forward thinking puts the facility in a better financial position to maintain past gains and make strides toward continual improvement.

In 2009, South Jersey Healthcare was acknowledged for its accomplishments in the pursuit of excellence in Performance Efficiency with a Thomson Reuters Healthcare Advantage Award. This is the second year South Jersey has received this award for operational and financial performance improvement. The Healthcare Advantage Award was established in 2005 to honor and recognize customers who have used Thomson Reuters Solutions and tools to achieve outstanding success at their organizations.

“ACTION O-I has become a primary driver in the budgeting process. Everyone in our organization knows what ACTION O-I is, how it is used, and the added value it provides as an open forum for hospital inquiries and best-practices discussions.”

David Johnson

Director of Operations, Consulting
South Jersey Healthcare

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PRO-6622 0509 JB

