



North Texas Chapter

An Independent Chapter of



American College of
Healthcare Executives
for leaders who care®

ABC HEALTH SYSTEM

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Overview

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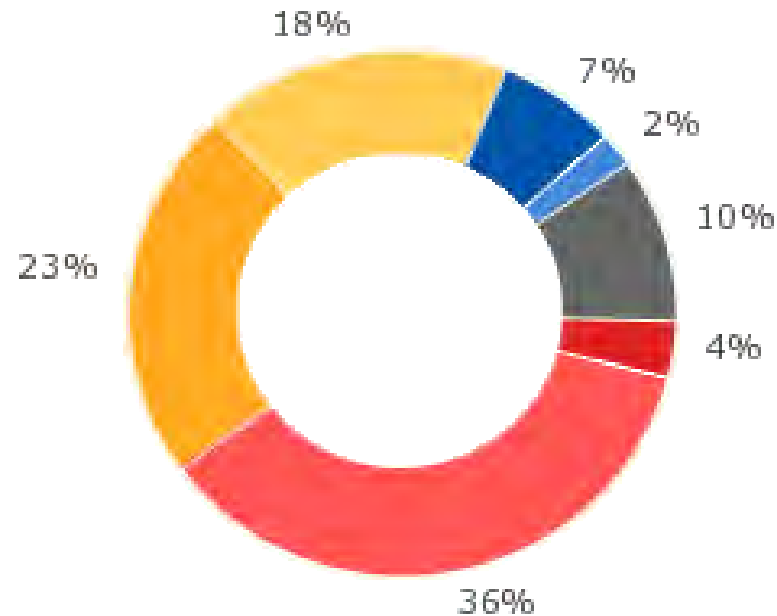
- Issues
- Quantitative Factors
- Tool
- Qualitative Factors
- Cost, Quality, Access
- Discussion
- Conclusion



Issues

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- Allocation of resources amongst the hospitals
 - The long term impact on strategy



Quantitative Factors

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A) Financial Factors

- Operating Margin: Efficiency
- Collections: Scale

B) Market Demographic Factors

- Relative Market Share: Penetration
- Population Growth: Size

C) Cost of project



Weighted Factors

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Factor	Weight
Operating Margin	25
Relative Market Share	22
Collections	20
Population Growth	17
Project Cost	16



Tool

Factors	Weight	Hospital A	Hospital B	Hospital C	Hospital D	Hospital E	Hospital F	Hospital G
Operating Margin	25							
Relative Market Share	22							
Collections	20							
Population Growth	17							
Project Cost	16							
Total	100							



Tool

Factors	Weight	Hospital A	Hospital B	Hospital C	Hospital D	Hospital E	Hospital F	Hospital G
Operating Margin	25	X 3						
Relative Market Share	22							
Collections	20							
Population Growth	17							
Project Cost	+16							
Total	100	302						4



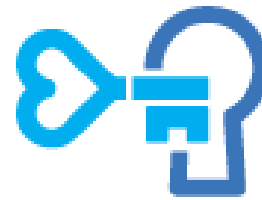
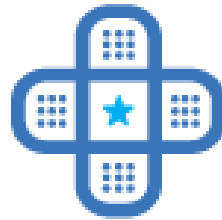
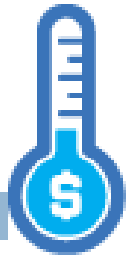
Tool

Factors	Weight	Hospital A	Hospital B	Hospital C	Hospital D	Hospital E	Hospital F	Hospital G
Operating Margin	25	3	4	4	2	1	5	5
Relative Market Share	22	5	3	3	3	3	1	1
Collections	20	1	5	4	4	1	5	2
Population Growth	17	1	1	4	1	5	1	5
Project Cost	16	5	4	5	4	5	1	2
Total	100	302	347	394	284	276	280	304

Qualitative Factors

- Project Impact on Brand Image
 - No change to quantitative rankings
- Inpatient Growth
 - Hospital D moved up in rankings





COST

QUALITY

ACCESS

CONTROLLED

IMPROVED

INCREASED

Project	Cost	Quality	Access
A	+ + +	+ + +	+ +
B	+	+ +	+ + + +
C	+ + +	+ +	+ + + +
D	+ +	+ + +	+ + +
E	+	+	+ +
F	+ + + +	+	+ +
G	+ + +	+ + +	+ + +
Total	17 / 7	15 / 7	20 / 7
Score	=2.428	=2.142	=2.857

Discussion & Recommendation



- Asset Management Strategy
- Alternative: Service Line Strategy
- 2014 Regulatory Issues and Mandates

Service line Centers

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Excellence in
Orthopedic Care
from Head to Toe



Center of Excellence in
Women's Health 

- Cardiovascular Center
- Orthopedic Center
- Pediatric center
- Women's Health
- Spine center
- Weight loss center
- Oncology center
- Transplant center

Service Line Strategy Implementation Example

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Conclusion

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- Allocating capital based on our recommendation will lower ABCs' risk while increasing profits, brand image, and quality care

Final Ranking

- Hospital C
- Hospital B
- Hospital G
- Hospital D
- Hospital A
- Hospital F
- Hospital E



Resources



- Ouye, Joe. Facility Technics Facility Management Consulting, "Cornell.edu." Accessed October 31, 2011.
http://iwsp.human.cornell.edu/file_uploads/reinvent_ex3_1238263608.pdf
- <http://www.advisory.com/Research/Marketing-and-Planning-Leadership-Council/Service-Line-Transformation>