

Optimizing Subsidy for Contracted Hospital Anesthesia Group

INDEPENDENT MIDWEST HOSPITAL

CLIENT QUICK FACTS

- ✓ Based in Midwest U.S.
- ✓ 204-bed acute care hospital
- ✓ 100+ employed providers
- ✓ \$147M net revenue
- ✓ Client since: 2020

OVERVIEW

HSG partnered with an independent Midwest hospital to comprehensively evaluate the performance of the Anesthesia function for the health system, with goals of improving access and availability, as well as optimizing subsidies for the group.

“ HSG completed an assessment of our anesthesia staffing, our group’s revenue cycle function and operations, as well as other factors affecting our anesthesia subsidy. HSG listened to our specific needs, they talked to our anesthesiologists, CRNAs, and OR leadership, and came to understand our culture, our specific challenges, and our unique needs. **They validated what we were doing in some areas and made impactful recommendations for our health system and our relationship with anesthesia going forward. HSG did an exceptional job for us.** ”

– PRESIDENT AND CHIEF ADMINISTRATION OFFICER

CHALLENGES

Faced with continued growth in its surgical volumes, the independent Midwest hospital was approached by its contracted anesthesia group for an increase in its subsidy to continue to provide coverage. Hospital leadership partnered

with HSG to evaluate the current factors driving the existing subsidy, and create a fair market value determination of how the group should be subsidized going forward.

THE PROCESS

HSG performed a comprehensive assessment process, evaluating the following:

- 1 The group's current staffing needs given the Hospital's service requirements and surgical volume
- 2 The Group's revenue cycle effectiveness and payer challenges,
- 3 The current market for Anesthesiologist and CRNA compensation, and the appropriateness of other practice-related overhead and operating expenses that affect the level of required subsidy.

THE RESULTS

This assessment process resulted in a fair market value determination and a final recommendation of an appropriate subsidy for the existing group, as well as highlighted potential operational changes including scheduling and staffing, and improved commercial payer rates that could reduce the level of subsidy.



KEY FINDINGS

HSG listened to our specific needs, they talked to our anesthesiologists, CRNAs and/or leadership, and came to **understand our culture, our specific challenges, and our unique needs.**