

Solutions Case Study

Substance Use Facility within Multi-Hospital Health System in Northeast Restores Volume Despite New Competitive Landscape

INTRO

When an aggressive for-profit competitor entered the market, a regional nonprofit health system's longstanding residential substance use facility experienced plummeting volumes and declining financial performance. The system engaged Sheppard Pratt Solutions to identify opportunities to compete more effectively in its changing market, and to improve the overall performance of its entire behavioral health service line.

PROBLEM

The health system's substance use services, operating in a separate facility miles away from the system's emergency rooms and hospitals, were disconnected from a wealth of patients with substance use diagnoses that were regularly cared for within the system's multiple hospital facilities. Referrals from medical floors and emergency rooms for substance use treatment were minimal. Occupancy had dropped to 41%, which threatened the facility's future. In addition, the health system had recently lost its Vice President of Behavioral Health.

HOW SHEPPARD PRATT SOLUTIONS ENGAGED

The Solutions team was engaged in a consulting arrangement to identify opportunities to restore occupancy and financial performance within the system's behavioral health services, to identify opportunities to improve performance of all its behavioral health services, and to recruit strong behavioral health leadership. The Solutions team placed a highly skilled executive to improve operations at the facility and facilitate an overall strategic plan for behavioral health services in the system.

In its early efforts, Solutions analyzed health system data and identified thousands of patients with substance use diagnoses who were regularly treated at health system hospitals but not referred to the substance use facility. With multiple emergency rooms and hospitals in its network, the health system controlled sufficient volume to restore strong occupancy at the substance use facility. By narrowing its network to keep substance use patients within its system, it leveraged its most significant differentiator to compete more effectively against the freestanding competitor. In addition, the Solutions team identified clinical deficiencies underpinning a higher-than-average AMA rate and implemented targeted strategies to reduce this metric.

RESULTS

During the first six months of the management contract, Sheppard Pratt Solutions increased average daily census 31% in the substance use facility by addressing multiple barriers, such as referral disposition delays, medical exclusionary criteria, need for targeted digital marketing, and need for strengthened substance use consultation services within the health system's own facilities. So far, the team has reduced the AMA rate by 7% and exceeded target by 150% in clinical quality metrics mutually established by Sheppard Pratt Solutions and the health system leadership.