

2023 HAP Achievement Award
Optimal Operations - Small Division

Warren General Hospital

Partnering for Success—An Economic and Strategic Turnaround of a Failing Rural Hospital

The Goal

Warren General Hospital is an independent, community-focused hospital delivering world class medical care through the collaboration of physicians, staff and volunteers. This vision was the guide for the strategic and economic turnaround.



Intervention

Aggressive expense reduction and top line revenue growth tactics were executed. Zero-based budgeting was deployed. Key performance metrics were adopted. Right sizing of staff occurred and in many areas, new leadership was brought on board. New union contracts were signed one year in to the turnaround. New and high-quality physicians were recruited as well as new contracts for hospital based clinical services.

Recognizing the need for immediate capital and a quality clinical partner, a partnership was sought and forged in 2018 with a major payer, provider, and medical school. This partnership was established under the vision of the hospital remaining independent. This was accomplished through allowing a minority membership interest in the hospital to be acquired.



The Hospital + Healthsystem
Association of Pennsylvania



2023 HAP Achievement Award

Page 2

Results

The hospital achieved its goal. The dramatic turnaround is evidenced by:

- Positive operating margins = 0.7 percent FY19, 6.4 percent FY20, 12 percent FY21 and 4.7 percent FY22
- Days Cash on Hand = 69 FY19, 100 FY20, 124 FY21 and 96 FY22 and Zero long-term debt
- Two (2) Truven "Top 100" awards
- Recruited 18 (and adding) new, outstanding physicians and multiple advanced practice providers
- New (quality and service-oriented) hospital-based physician contracts
- Long-term Strategic Partnership with major payer, provider and medical school
- Union contracts signed (reasonable and sustainable terms) and adopted a matching 403(b) pension plan vs. non-contributory pension
- Reinvigorated Board of Directors (total of 15 members with 4 Partnership representatives)
- Over \$30 million to date invested into the hospital for facility upgrades, new equipment and new services (FY19 through FY22)