

Take a deep breath. Yes, there have been easier times. But take comfort in the fact that there's never been a time that's been more important to underscore the value that diagnostic imaging can bring. So before you take cover, there are some things you can do and consider to ensure you've got what it takes to weather the storm.



Keeping Afloat in a Sinking Economy

With stories of doom and gloom affecting the industry, there are things you can do right now to make sure you're making the smartest decisions for your institution.



Michael Sachs, Chairman and CEO of Sg2, says the strongest healthcare organizations are pursuing a balanced, three-prong response to the current economic crisis.*

1. **Act quickly and take cost out and influence short-term revenue levers.** Workforce reduction will be inevitable for organizations when the numbers do not add up. Take care not to adversely impact clinical quality or safety – you may need a clinical full-time equivalent (FTE) reduction target that is separate from your administrative target. Also, take care not to cut in ways that create operational roadblocks in revenue-producing areas. For example, the FTE saved in the lab that delays clinical care decisions and increases length of stay does not help your cause. On the revenue side, work your splitter physicians – identify who could send two more cases a week to your hospital and what key physician satisfier you can influence to make it happen. Also, radically optimize high-performing services – what is needed operationally to schedule one more case per operating room per day or three more scans per MR machine per day.
2. **Second, don't burn down the house – continue to invest, but more selectively than ever.** The cycle will turn; it always does. History tells us that unemployment peaks 18 months after the beginning of a recession, which would be around June. Given the acuity of this particular recession, we may have to wait a bit longer – into fourth quarter or beyond – but the cycle will turn. You need to make more aggressive trade-offs than ever before, but do not stop investing in those programs that will be your future growth engine. NASCAR drivers start accelerating while they are still in the turn, with one eye focused on the next straightaway. Keep your eye fixed on the next up cycle and be ready to accelerate fast into it.
3. **Third, use the crisis to take on sacred cows.** Sg2's Jeff Moser wrote a terrific post on www.members.sg2.com last month in his *Tips for Surviving the Recession* series. He recommended that organizations host a cookout and send those sacred cows to the barbecue grill! There are issues in every organization that impede progress, cost money, and damage performance. Here is a partial list: block scheduling, physician preference items, order set compliance, pet projects, and service line rationalization. You can add your own. This is your chance to take them on. Can you afford duplication of capital investment across multiple campuses? Can you afford an uneven standard of clinical quality? Is this your moment to take on the sacred cows? ■



Sizing Up

Sg2 has taken a good, long look on how to ensure healthcare professionals are asking the right questions to assess their economic health. Here's a discussion guide you can use today.

- What capital projects must we stop or slow down? Are there any we must accelerate because of their revenue/cost impact?
- How do we radically optimize the well-performing parts of the health system today (e.g., imaging, radiation therapy, ambulatory surgery)?
- If demand is there, what can we do to schedule one more case per day?
- If capacity is there, what high-potential physicians can we influence to immediately drive more cases to our hospital?
- If demand is slack, can we lease capacity or temporarily de-staff it?
- Are there key physician specialties that can use our short-term help with scheduling to reduce appointment wait times?
- What can we do to accelerate bill processing and collections?
- What elective/retail services can we promote to patients who need to spend year-end FSA/HRA balances?

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