



Bert Fish Medical Center, New Smyrna Beach, FL: After legal challenge, public hospital comes back stronger

THE SITUATION

A Florida court in 2010 overturned the \$80 million merger of Bert Fish Medical Center (BFMC) and a large hospital system because the vote to merge violated the state's Sunshine Law for government transparency. Community Hospital Corporation (CHC) was hired to assist in the transition to undo the merger and return BFMC to district ownership. When CHC completes its work, BFMC will have a new partner and a position of greater strength.

BACKGROUND

Bert Fish Testamentary Trust created the hospital in New Smyrna Beach in 1954. In the decades since, BFMC has grown to include a range of services consistent with a strong community hospital. In 2012, BFMC received three awards from the Florida Hospital Association including Best Hospital Workplace, Leadership in Quality and Patient Safety, and Innovation of the Year in Patient Care. This is the second year in a row BFMC has been named Best Hospital Workplace, despite its challenges.

Three years before, in 2009, a merger was deemed to be in the hospital's best interest, as well as the community's, and a suitable match was found. But after the court's ruling, "A partnership that was months in the making needed to be disengaged in a matter of weeks," says Steve Harrell, CEO of BFMC.

CHC Consulting, the management and consulting arm of CHC, was chosen over nine other consultants to facilitate the transition "because it was the right fit," he explains. "They're a not-for-profit, they work with not-for-profits, and they understand the culture of our organization."

THE PLAN

The consulting engagement began in April 2011 with the first of three phases. Ultimately, CHC Consulting and hospital leaders determined once again that BFMC, in order to secure its future, "needs to find a partner, which brings us back full circle," Harrell says. In Phase 3, CHC Consulting is helping BFMC with its search for a partnership that will sustain and enhance the long-term viability of the hospital while maintaining its indigent care provision and commitment to the community.

CHC truly cares about us and our success. They are not number pushers. They are caring individuals, and that has made our time of change easier to deal with on a daily basis.

Richard Struhs
Director of Materials Management
and Biomedical Services
Bert Fish Medical Center





Taking a Phased Approach



Phase 1 consisted of CHC Consulting’s development of a court-approved plan to unwind the merger while minimizing tumult and retaining key employees. “We improved employee morale and engagement throughout this process, where in most cases you would expect to see a detrimental effect on morale,” Harrell says.

In Phase 2, CHC Consulting oversaw the return of BFMC to district ownership. All the while, CHC provided operational support and made process improvements to ensure the hospital could stand on its own and function independently. Phase 2 services and solutions included:

- A full financial and organizational assessment
- Supply chain savings
- Operational efficiency improvements
- Productivity improvements
- Changes to HR’s hiring and onboarding protocols

In evaluating BFMC’s capital requirements and the potential costs and effects of healthcare reform, CHC Consulting’s work underscored the need for a partnership.

In Phase 3, CHC Consulting facilitated public meetings, helped write the RFP, and is engaged in the selection process as well as efforts to interpret and comply with new state legislation concerning public hospitals’ valuation, clinical performance and ownership.

THE RESULTS

The assessment and action plan resulted in nearly \$1.5 million in supply chain savings across several categories. In addition, their custom contract savings for hip and knee implants totaled 19 percent, or \$123,000.

Savings resulting from productivity improvements were in the high six figures. All together, the savings put BFMC in a strong financial situation following the court order and the decision to seek a new partner. With an eye on long-term sustainability for BFMC, CHC Consulting is helping to make this happen, ensuring buy-in from key stakeholders and compliance with Florida’s Sunshine Law. “We are happy to help with a challenging, politically complicated situation involving a hospital facing an uncertain future, bring a measure of stability and direction, and facilitate everyone working together as a team,” said David Butler, senior vice president and General Counsel, CHC.

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through three distinct organizations – CHC Hospitals, CHC Consulting and CHC ContinueCARE, which share a common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

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