

## Community Hospital Closure

### The Challenge

A community hospital had been losing money for several years, culminating with the loss of \$10 million in 2002. Confronted with the realities of an increasingly competitive market place and decreasing patient referrals from local doctors, the Health System decided to close the 60 bed community hospital. The Health System asked Greencastle to lead a swift closure effort, while protecting patient activity at their remaining hospitals and retaining their valuable nursing staff within the health system.

### Greencastle Solution – Plan, Organize, & Execute Action

- Planned and coordinated all activities needed to ensure swift hospital closure
- Actively managed the execution of all elements of the closure plan, including:
  - Gaining all regulatory approvals
  - Patient draw down
  - Clinical staff relocation
  - Pharmacy relocation
  - Logistics planning for excess equipment
  - Public relations with local community leaders
- Identified and prioritized critical and emergent issues for hospital and system leadership to enable focused and timely decisions on the most important matters
- Organized and lead a Project Management Office (PMO) to track progress, control internal and external communications, and drive swift issue resolution and problem solving
- Created a change management plan to anticipate and resolve key issues arising from the closure
  - Implemented an HR plan to retain nursing staff or re-assign them throughout the system, other health systems, or other career fields
  - Protected ongoing patient operations from the impact of project management activities

### Results

- Closed the hospital without incident within 60 days of notification to the state department of health, and within 90 days of the project start - exceeded all expectations of health system key leadership
- Eliminated a \$830,000 per month loss rate within two months
- Swift closure coupled with well-received HR Plan limited the Health System's exposure to severance, residual operations costs, and litigation costs
- Exceeded the Nursing retention goals by 25%
- Upheld community support of remaining facilities by involving political stakeholders in planning activities and communications, evidenced by support from community political and religious leaders.