

Improving Financial Performance in Outpatient Rehabilitation >

VALUATION OF THE SERVICE

A 365-bed hospital in the southwestern United States was experiencing an increase in outpatient rehabilitation volume. At the same time, the profitability of the service was declining. The hospital leadership engaged Accelero to gain a better understanding of the value of outpatient rehabilitation to the musculoskeletal service line, and the resources required to improve its profitability.

TARGETING THE OPPORTUNITY

The rehabilitation module of Accelero's *OrthoVal*® Service Line Intelligence Tool and on-site analysis from Accelero experts revealed the following key drivers of the negative trend in financial performance:

- The *OrthoVal*® reports showed the use of contracted labor was increasing direct labor cost.
- The revenue per visit was declining due to less than favorable delivery and documentation of care.
- The staffing model and number of cancelled patient visits was limiting the number of patients seen by therapists on a daily basis.



ACHIEVING RESULTS

Financial improvement opportunity was quantified based on recommended changes to staffing models, scheduling and a cancellation prevention process. The resulting improvements made the case for expanding outpatient rehabilitation services to support the musculoskeletal service line.

Outpatient Rehabilitation Performance Enhancement

	Baseline	Current Period
Cancellation / No Show Rate	32%	15%
Visits / Therapists / Day	7.3	8.7
Procedures Per Visit	2.46	2.91
Net Revenue Per Visit	\$69.10	\$120.65
Direct Labor Cost Per Visit	\$78.64	\$73.12
Contribution Margin Per Visit	-\$9.54	\$47.53

Annual Performance Improvement = \$677,763