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Post-COVID-19: A Hospital COO Action Plan

Although the COVID-19 surge continues to overextend healthcare leadership resources in managing the current state, it is imperative that organizations immediately begin to plan for the realities of the post-COVID-19 healthcare environment.

Provider organizations will experience enormous financial pressure caused by elective procedure cancellations, heightened supply costs, and mounting labor expenses incurred through increased overtime and contract labor usage. Depending on the geographic market, revenue could take 2-6 months to return to pre-COVID-19 levels. Additionally, organizations are unlikely to recover much of the revenue lost during the pandemic.¹ This revenue shortfall will define operations for the next 6-9 months and likely beyond. In order to combat this financial pressure and return to business as usual, the first step is to effectively communicate a plan for recovery and engage staff to assist in improvement efforts. Healthcare organizations must immediately focus on optimizing the workforce, critically managing non-labor expenses, revamping Pharmacy operations, capturing all revenue, and reevaluating the efficiency of organizational processes.

It will be imperative to communicate the organization's 30-day outlook and approach to resuming normal operations. Plans for recommencing elective procedures,

reopening clinics, and transitioning inpatient units back to non-COVID-19 patient management should be clearly communicated to participating employees. While "all-staff" emails are a key component of an effective communication plan, management forums and in-person rounds will instill additional confidence in staff members as the organization emerges from this distressing experience. A coordinated and thorough clean by Environmental Services must be effectively conveyed to staff members and the greater community to instill confidence and emphasize the return to normalcy. OR scheduling staff should be oriented to the reopening plan and emphasis should be placed on maximizing OR blocks. Creative ways to extend OR hours should be explored, including flex staffing models or weekend hours. The recovery effort should leverage the united nature of staff members and the collective will to overcome in propelling performance improvement initiatives.

During the COVID-19 surge and surge planning, many organizations contracted with additional temporary staff. Even with these additional staff members, clinical staff were

¹ <https://www.npr.org/sections/health-shots/2020/04/06/828108255/growing-costs-and-shrinking-revenues-squeeze-hospitals-as-they-brace-for-coronav>

flexed and deployed at ratios that do not reflect typical day-to-day operations. In order to recognize the fatigue and potential trauma of front-line employees (Nursing, Support Services, and others), it will likely benefit the organization in the long run to rotate select staff through short leaves of absence for the purpose of rest and recovery. This effort should be coordinated with Employee Health Services to either continue or extend leave policies and monitor their usage. As COVID-19 patient volume subsides, the curve flattens, and the threat of additional surge has passed, staffing ratios and contract staffing levels can return to the norm. At this time, Finance will need to determine and communicate the severity of the financial impact and direct the immediate next steps. Productivity monitoring, a hiring freeze, and reductions in service or labor will all need to be considered as options to facilitate financial stability.

While workforce was one of the areas most impacted by the pandemic, non-labor expenses have seen a significant increase due to supply chain disruptions, pricing changes,

and inventory acquisition. It is of critical importance to take a physical inventory of key items (PPE, ventilators, beds, stretchers, etc.) to ensure that supply is sufficient to facilitate increased surgical volume. Additionally, non-labor will be a key area of focus in cost cutting measures resulting from increased financial pressure. Organizations will need to challenge supply chain leaders to identify areas of improvement not previously addressed. Potential opportunity areas include reevaluating the role of the GPO, refining and reinvigorating the Value Analysis Team by transitioning to a remote process focused on initiatives in progress, using non-GPO and unbiased benchmarking solutions to achieve target prices, sourcing supplies manufactured in the United States, and utilizing internal contracting staff to negotiate local contracts and decrease supply costs. As COVID-19 heightened the use of purchased services, Supply Chain must scrutinize these services and determine whether they should continue. This crisis has resulted in increased awareness of PPE stock outs and



highlighted the importance of strategic plans for distribution and alternate supply sources.

The Pharmacy department and drug costs will need to be another primary area of focus. Pharmacy leadership will need to take stock of key pharmaceuticals and adjust inventory minimums and maximums as needed to prepare for the impending elective surgery volume increase. Any drug shortages identified during the inventory process, will need to be immediately addressed using a defined mitigation and substitution plan. Where possible, a centralized purchasing model should be established to maintain adequate controls and establish direct manufacturing relationships. Additionally, organizations must establish alternate

relationships or contractual service levels for future disruptive events. These service levels should then be included in a revised emergency management action plan that incorporates lessons learned from across the organization.

The actions healthcare organizations take over the next 30 to 90 days will be critical to overcoming the financial impact of COVID-19 and setting a successful course for the future. Communication to the organization must and should be frequent and candid to ensure a foundational plan for improvement. The plan should determine key initiatives that optimize the workforce and enhance non-labor expense management to sustain performance as the organization emerges from this extraordinary period.

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