

Grant Memorial Hospital

PRESS RELEASE

For Immediate Release

Petersburg, WV

February 6, 2018

Grant Memorial Hospital (GMH) Board of Trustees approved the terms of engagement with Galloway Consulting, a management consulting firm, at their December meeting to assess operational and internal conditions and make recommendations for improvement. The consulting team arrived at the hospital the first week of January and worked during the month to gather information to assess the current status of the hospital in various areas. During the month, Galloway Consulting obtained data, conducted numerous interviews, and assessed the processes, procedures, and employee morale at the hospital.

At a special meeting held February 6, 2018, the consulting team provided the Board of Trustees an initial assessment report of their findings and the work plan to be instituted going forward to address identified issues. The team reported that GMH employs some very competent doctors, nurses, and support staff and commended the hospital on the quality of care provided to patients. Clinical quality meets or exceeds benchmarks for organizations of this size and adequately serves the needs of the community; however, without operational changes and adequate income, the hospital will not be able to sustain the same quality of care and significant ongoing reinvestment necessary to maintain a competitive position.

Galloway's approach utilizes a core competency model to assess and make recommendations. This model provides a framework for understanding an organization's capabilities to drive brand (results), volume (revenue), and margin both now and into the future. Numerous areas were evaluated with four areas throughout because they affect all others. Those four areas are: Leadership/Governance, Staff Engagement, Transparent Measurement of Indicators, and Performance Improvement Mindset. The team evaluated the hospital's current and future status within the various competencies rating each area either green (satisfactory), yellow (caution), or red (needs improvement). A few areas were given green marks; however, several areas were identified with yellow or red marks, and a work plan has been established to improve those areas.

The review confirmed that the financial performance of GMH is in the bottom quartile of similar hospitals in West Virginia. This means that 75% of the other rural hospitals in West Virginia perform better. The top 25% of similar hospitals generate three (3) times as much cash as GMH does every year. While the financial performance has been declining for a few years, it is only beginning to affect GMH's ability to invest in its' future and to weaken relationships between all parties involved.

Galloway Consultants indicated, “Fortunately, the quality of service provided to patients has not been affected. However, in our experience, declining financial performance like GMH has experienced will result in a downward spiral if significant management intervention is not pursued. The operations and processes of an organization drive the financial performance. Once those issues are improved the financial performance will improve. Fortunately, GMH has decided to act now to improve performance. It is our professional opinion that GMH can reverse the declining performance and attain top quartile financial performance by acting upon the recommendations provided.”

Going forward, Galloway Consulting will create core teams of employees and leadership to improve operations to gain efficiencies and thereby increase margins for long term sustainability. The Board of Trustees recognizes the need to unify and will work to do so while building a strategic vision for the future. The consulting team will continue analysis of operations and provide expertise to improve performance daily as well as during any transitional times.

Grant Memorial Hospital is a pillar in our community. The Board of Trustees and employees are committed to continue to provide quality healthcare for the community while taking steps to ensure sustainability and growth for many years to come.