

COVID-19: Scaling Ambulatory Services to Maximize Volumes While Controlling Costs

Lynda Mischel, Principal

Meredith Inniger, Manager

The pandemic has placed significant constraints on capacity, making volume growth, or simply maintaining normally budgeted volume levels, a formidable challenge. Organizations must implement novel clinical and administrative workflows that allow for the most efficient use of provider and patient time, ensure patient and staff safety, and drive bottom line performance.

Many have opened services quickly to get patient care and revenues flowing again. To more effectively navigate the uncertain future of ambulatory care delivery, use this analytic framework for volume, physical space/capacity, and financial performance under various planning scenarios.

- **Volume:** What is the anticipated future volume by service line?

A market assessment will inform leaders of service line volume and market share trends. This analysis will give leaders options for market share growth, potentially through expansion of current programs with high market share and competitive advantage/market differentiation, or identification of market needs for new services to be developed. Further, it will drive discussions about the future of care delivery by service, for example:

- What percentage of patient volumes can be virtual? Will that percentage change over time?
- Will demand for services rebound to pre-COVID-19 levels and in what timeframe?
- Are new markets emerging based on consolidation or realignment?

Desired market share targets by service line will be informed through this discussion. The market and volume analyses will also serve as a critical foundation for leaders to plan for future capacity and resource needs.



- **Physical Space and Capacity:** What space (or combination of space) is needed to meet volume targets?

Once market share and volume targets are identified, leaders can more accurately identify gaps or excess capacity in current sites and locations of care. A gap or capacity analysis will lead to the identification of care delivery options for the organization to grow, repurpose, or eliminate in order to meet volume projections and programmatic needs based on the previously discussed market assessment. Key questions include:

- Where is the best location to meet the market need?
- Do consolidation options exist which continue to offer competitive accessibility and programmatic continuity?
- What additional clinical and operational resources are required for each option/location?

Thoughtfully assessing each option within a framework of criteria important to your organization (e.g., strategic fit, focus on mission, ability to enhance provider satisfaction, volume growth) will allow leaders to make the best strategic decision among various physical space and service mix options.

- **Financial Performance:** How can bottom-line performance be optimized given new volume goals and capacity levels?

Incorporating the findings from the volume and capacity examination above will support scenario analyses considering various volume, market share, levels of care and location options. Performing effective scenario planning will not only provide a clear picture of ideal options, but will also continue to drive important financial discussions, including ways to identify efficiencies in supply chain, optimized staffing models, and workflow efficiencies. Key questions include:

- Is added capacity and/or resource expense justified by additional margin?
- Can expenses be reduced through consolidation while maintaining the ability to support growth?
- Do potential changes support the organization's financial needs and overall strategy?

This organized, analytical approach to planning will help achieve optimal patient care and financial performance as organizations seek their "new normal" in clinical operations. ●