

French Hospital Accomplishes Ambitious Financial Recovery Plan

Capgemini formulates and delivers a rescue plan for Hôpital de Bordeaux Bagatelle

The Situation

Founded in the 19th Century, Hôpital de Bordeaux Bagatelle has established itself as an important not-for-profit hospital. It offers a broad spectrum of medical specialties from maternity, gastroenterology, and digestive surgery to cardiology, orthopedics, and neurosurgery.

In 2003 the hospital began a restructuring program which proved to be over-ambitious; it was too large and too expensive. The hospital was facing serious financial difficulties and was operating with an unsustainable budget deficit by 2007. An initial recovery plan was launched towards the end of 2007, with the support of Agence Régionale d'Hospitalisation d'Aquitaine (the Regional Hospitalization Agency, ARH). Hôpital de Bordeaux Bagatelle also sought the financial backing of John Bost, a charitable foundation. The hospital's new General Manager asked Capgemini to help conduct a two-month audit of the organization's finances, in order to ensure that the recovery plan was sufficient to effect a full stabilization.

The Solution

Capgemini worked with the hospital to

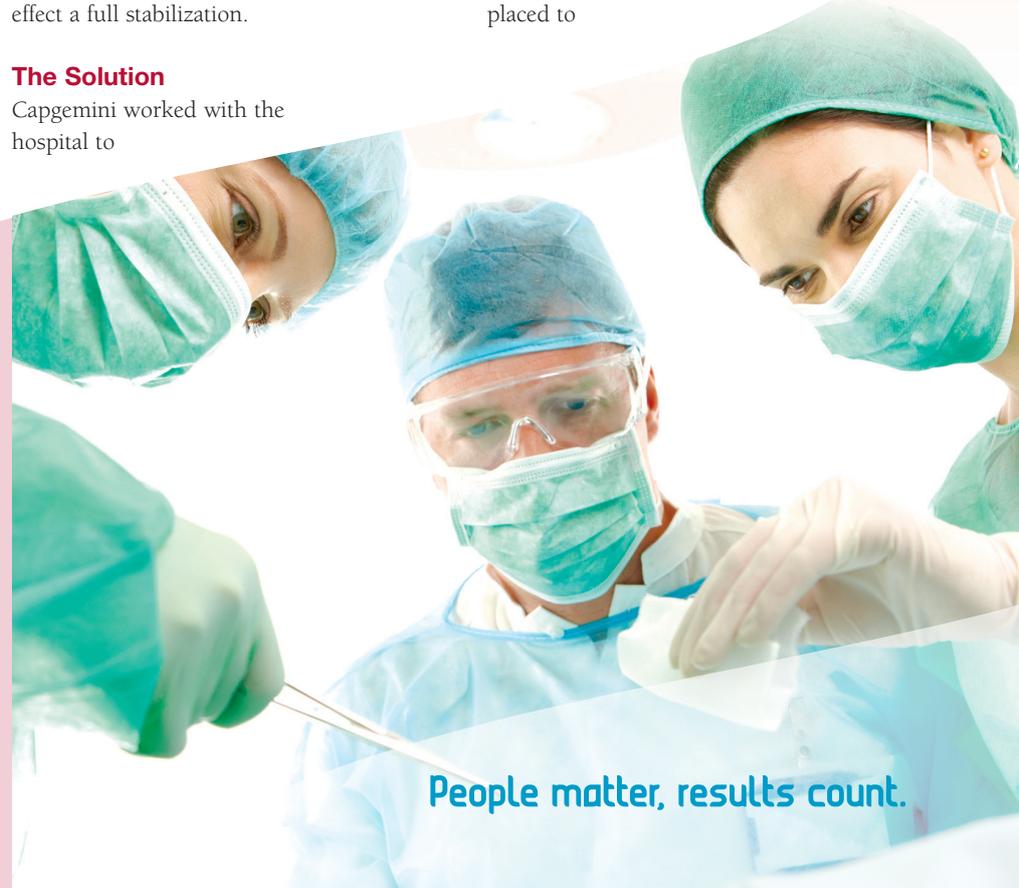
establish a multi-disciplinary diagnostic approach to uncovering the causes of the deficit before defining a recovery plan. This plan included a management restructure and a partnering strategy in the local region. Without the recovery plan and the development of a Financial Balance Recovery Contract (FBRC) with the Regional Hospitalization Agency, the hospital would not have received the urgent funding it needed to remain operational.

The Result

Executive level buy-in to the recovery plan ensured that teams across the hospital were mobilized to set the reorganization in motion. The program of activity began in early 2008 and from a position of major deficit the hospital has since returned to a stable position. Average occupancy rates for the hospital's beds have risen from 65% to 80%, while the number of beds have also risen from under 200 to 230. The hospital is now well placed to

“Through a series of quick wins including the review of our outsourcing contracts and finance systems, Capgemini created a culture shift which allowed our people to adjust to new ways of working. They gave our partner organizations confidence, and most importantly, they have helped us to get the modernization of the hospital firmly underway, using a roadmap which remains our guide to this day.”

Philip Vrouvakis, General Manager,
Hôpital de Bordeaux Bagatelle



People matter, results count.

develop into a healthcare hub for Bordeaux and the surrounding area.

How Hôpital de Bordeaux Bagatelle and Capgemini Worked Together

The Bagatelle chairman perceived Capgemini's health sector experience as essential to ensuring the FRBC approval by the ARH, and so insisted on Capgemini conducting an audit. The appointment of Capgemini coincided with the arrival of Philip Vrouvakis as the hospital's new General Manager who, in turn, valued the external help.

A joint hospital and Capgemini team was formed from day one of the project, and progressed a multi-disciplinary diagnostic to identify measures leading towards recovery and long-term sustainability. This 'audit' investigated the causes of the deficit, using a combination of Capgemini sector-specific methodologies (a flash diagnostic and benchmark of auxiliary activities) and leading industry practice including budgetary and efficiency diagnostics, and a review of the hospital's medical plan and surgical units.

Recovery Plan

With the audit complete, Capgemini worked with hospital managers to produce a recovery plan that was approved by the ARH. The FRBC was predicated on this plan. The audit highlighted several areas that could be managed better including strategy, organization of the patient journey from before arrival at the hospital to their return home, management procedures and information, relations between the Board and management, the accounting system, working hours, purchasing, stock management, recruitment and independent doctors. In particular, three areas were highlighted as the most in need of attention:

- Medical, nursing and administrative staff worked independently in separate geographic locations, which was detrimental to the hospital's performance
- The hospital ran numerous complementary activities such as a health center, home care, convalescent care, and a school for nurses, without these working in support of each other
- All non-strategic activities, such as the switchboard, laundry, catering, gardening and maintenance had been outsourced, but the contracts were not delivering value for money

Immediate measures

The recovery plan was voted on and launched with three specific streams to:

- Quickly bring in cash, and immediately set up measures to renegotiate outsourced activities, reduce stocks, and redefine the flow of patients through the hospital
- Establish a reliable accounting infrastructure and management information, and recruit a Finance and Administration director
- Launch the process of negotiating working hours with trade unions

Workshops with doctors and nurses helped to create a common culture and a coordinated healthcare offer. The management restructure repositioned the Board of Governors to clarify its role and that of the General Manager and his team. The joint team identified which activities should be developed and which resources would be used. It also recommended a partnership strategy with other hospitals in

the Bordeaux region, and this has since been established. Together, the hospitals have a common approach to purchase equipment using the economy of scale. Collaboration with trade unions has also clarified pay agreements for both non medical and medical staff.

Financial stability

The deficit was reversed within twelve months through a combination of quick wins, including a 20% saving on outsourced activities and tighter procedures for billing health insurance companies, and longer term measures such as reductions in overstaffing. Now financially stable, the hospital can take advantage of its geographical location at the south of the city of Bordeaux, and the extensive land it owns to attract medical teams from all over the region. The recovery continues today with Capgemini's support as new change projects are identified.



About Capgemini and the Collaborative Business Experience™

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talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 35 countries, Capgemini reported 2009 global revenues of EUR 8.4 billion and employs over 100,000 people worldwide.

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In collaboration with



Created in 1863 and recognized by the state in 1867, the Bagatelle Foundation manages 11 facilities in the Gironde area of France in the fields of health and social care. The Foundation has a turnover of 75m and employs 1,000 staff. In addition to the 250 bed Hôpital de Bordeaux Bagatelle offering surgery, medicine and obstetrics, the Foundation has developed a strong orientation towards care at home, which it provides for around 400 patients, and meets medical and care needs ranging from maternity

to old age and palliative care. The Foundation belongs to a spiritual and philosophical tradition which is characterized by Protestant and humanist values, and which informs the Foundation's range of activities (including its nursing school and prenatal diagnosis), its strategic direction (such as participation in public service, and equality for all regardless of financial and other circumstances), and its fields of operational expertise (which include comprehensive care, spiritual guidance, and developing cross-cutting and multidisciplinary patient pathways).

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