

CharterCARE Health Partners

Providence, Rhode Island

An innovative secular and faith-based strategic partnership formed between two community based hospitals decided affiliate to seek greater operating and productivity efficiencies, strengthen financial performance, improve access to capital, and better transition to population health management and fee-for-value reimbursement.

Background

CharterCARE Health Partners (CCHP) is an innovative secular and faith-based strategic partnership formed in 2010 between two community based hospitals and former competitors – Roger Williams Medical Center and St. Joseph Health Services of Rhode Island. Collectively, CharterCARE had 589 licensed beds and more than 3,100 employees. CCHP members decided to affiliate to seek greater operating and productivity efficiencies, to strengthen financial performance and improve access to capital, to resolve physical plant limitations, and to better position itself to respond to health reform issues including the transition to population health management and fee-for-value reimbursement.

Our Approach

GE Healthcare Camden Group has been involved with CCHP from the beginning, advising on the formation of the original strategic partnership. Our team worked closely with the boards, executive teams, medical staff leadership, and community leaders to assess the needs of the local communities and design a new healthcare delivery system to efficiently and effectively provide care in Northern Rhode Island. Collaboratively, the regulatory files for state and federal agencies were developed, filed and approved, and a Business Plan of Operational Efficiencies ("BPOE") was constructed to facilitate and drive a successful system integration process.

Following the formation of CCHP, our team was responsible for shepherding the development of the system's inaugural strategic plan. Focused on building upon the strengths of both organizations, the plan was patient centered and focused on redesigning care. A key output of the strategic planning process was the decision to identify a capital partner that could position CCHP for long-term success and bring national expertise to the region.

GE Healthcare Camden group assisted with the decision to seek a capital partner, established guiding principles for such an affiliation, prepared background materials, developed and distributed a Request for Proposal, and solicited and negotiated affiliation proposals. Several proposals for joint ventures or other forms of affiliation with non-profit and for-profit entities were evaluated and considered by CCHP.

GE Healthcare Camden Group advised CCHP through the evaluation of potential partners and in the selection of Prospect Medical Holdings. CCHP and Prospect Medical Holdings officially entered into their partnership in the summer of 2014. Since that time, CCHP has continued its journey to transform medicine in Northern Rhode Island and has been highly successful at engaging regional providers and commercial payers in reevaluating how care is provided and how to better serve the communities of Rhode Island.

Results



Inaugural Strategic Plan

Building upon the strengths of the two heritage organizations, our team crafted the inaugural strategic plan to guide CCHP for the next 3-5 years.

\$30M in Expense Savings

By end of year three post transaction, CCHP had identified and achieved over \$30M in annual run rate expense savings (representing over 8% reduction of system's original expense budget).



National Partnership

Identification of a strategic capital partner to facilitate continued growth and transformation of care delivery.



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