

**HPA** | HighPoint  
Associates

**Trusted Partners Since 2002**

# Healthcare Services

## Cost Productivity and Operational Transformation

April 2025

# A healthcare organization experiencing rapid inorganic growth engaged HPA to drive cost savings and synergies

## Background & context

- **Private equity-owned, \$1B+ healthcare company** had scaled rapidly through acquisitions, growing to 250+ sites without a unified operating model
- Aggressive roll-up strategy resulted in **bloated corporate functions, inconsistent clinic operations, and procurement inefficiencies** across the network
- Amid softening demand and margin pressure, leadership sought **cost savings, structural clarity, and disciplined spend across functions**
- The client had **previously engaged HPA** on a similar transformation for another healthcare business facing comparable challenges post-acquisition

## Client need

- Stand up an **enterprise-wide cost transformation program** to address inefficiencies stemming from unchecked growth and operational fragmentation
- Conduct a **diagnostic across structure, processes, tech stack, and acquisition strategy** to identify redundancies and cost levers
- Drive cost savings through **sourcing and procurement optimization** across 10 indirect categories, including medical supplies, IT, facilities, and marketing
- Strengthen **vendor management, SKU rationalization, and spend** while supporting leadership transition and new executives around a scalable model

## Curated team



### Karen, Senior Advisor

- 30+ years of experience in consulting / senior operating roles
- **Booz** Partner in the Healthcare Practice
- VP at **AIG** and MD at **Countrywide Financial** (now BofA)
- Advised on transformation program

### Roy, SME / Advisor

- 30+ years of procurement expertise
- **McKinsey** Engagement Manager
- VP of Planning at **Amtrak** and Advisor at **AdYapper**
- Advised on procurement cost reduction efforts

### John, Workstream Lead

- 20+ years of consulting / operating experience in healthcare
- **McKinsey** Engagement Manager
- VP of Strategy at **Plum Healthcare**
- Led operational / process improvement efforts

### Iqbal, Sr. Consultant

- 15+ years of procurement / consulting experience
- **A.T. Kearney** Sr. Manager
- Director at **Impendi Analytics**
- Drove procurement cost reduction efforts



### Ricardo, Project Leader

- 25+ years of consulting / PE experience
- **Bain** Principal in the Private Equity and Healthcare Practices
- Managing Director at **WM Partners**
- Drove overall transformation program across all workstreams

### Christian, SME / Advisor

- 25+ years of healthcare / transformation experience
- **McKinsey** Associate Partner
- SVP and VP roles at **ADP** and **IBM**
- Advised on procurement cost reduction efforts



### Jeff, Workstream Lead

- 25+ years in consulting / PE
- **McKinsey** Associate Partner
- SVP / MD roles at **HealthMarkets**, **Highland Capital**, and **Cornerstone Healthcare**
- Led GM support efforts

### Josh, Sr. Consultant

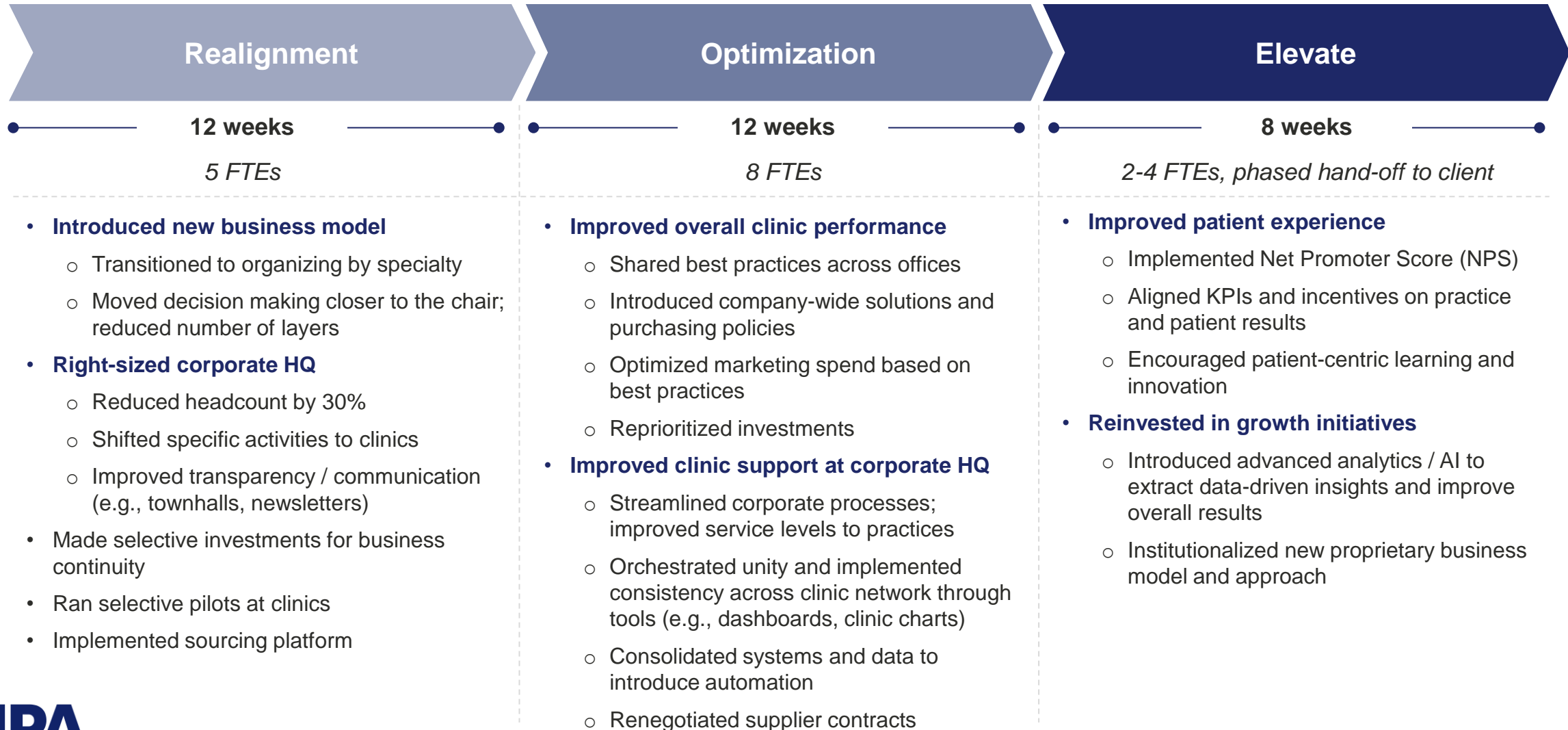
- 15+ years of healthcare consulting / operating experience
- **AM / Huron / Baxter** Consultant
- **KPMG** Director of Strategy
- Drove GM support and operational efforts

# Primary objectives included optimizing key HQ functions and improving performance across 250+ clinics while maintaining cost discipline

Workstream	1  Corporate HQ	2  Clinic
Objective	Optimize corporate HQ functions (e.g., Revenue Cycle Management, Finance, Ops, HR) by assessing effectiveness, reducing complexity, and designing / implementing a new enterprise-wide operating model	Improve clinic-level performance by segmenting clinics by archetype, identifying key operational and financial levers, and standardizing SOPs / KPIs to elevate underperformers
Key activities	<ul style="list-style-type: none"> <li>• Map corporate functions and identify improvement opportunities</li> <li>• Review of performance metrics for technology / tools</li> <li>• Interview corporate and field leaders to identify pain points</li> <li>• Evaluate centralization vs. decentralization of functions</li> <li>• Develop future-state structure and processes to improve agility and efficiency</li> <li>• Quantify value of potential changes and build roadmap</li> </ul>	<ul style="list-style-type: none"> <li>• Analyze operational / financial data (P&amp;Ls, HR metrics, capacity)</li> <li>• Visit clinics and interview clinical / non-clinical leadership and staff</li> <li>• Identify and document best practices across clinics</li> <li>• Analyze clinic growth drivers by segment to optimize management</li> <li>• Develop tools, KPIs, and processes to improve clinic performance</li> <li>• Rollout clinic best-practices / new model and coach clinics</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• End-to-end process maps and org. structure assessments</li> <li>• Detailed design options for new operating model</li> <li>• Co-lead change management governance and execution</li> <li>• New approach / SOPs* for functions as needed</li> <li>• Financial impact models and rollout plan</li> </ul>	<ul style="list-style-type: none"> <li>• Internal and external benchmarks for clinics</li> <li>• SOPs / KPI frameworks</li> <li>• Pilot and full-scale rollout roadmaps</li> <li>• Site-level and system-wide opportunities for optimization (e.g., scheduling, staffing, collections)</li> </ul>

\* Standard Operating Procedure

The scope of work took place over 8 months, and we flexed the size of the working team in real time based on engagement needs





# Key deliverables for the **corporate HQ** workstream included role realignment for the new operating model and an implementation / change management roadmap

**Objective:** Optimize corporate HQ function



## Key deliverables

- **Diagnostic assessment** of current operating model, governance, effectiveness, and ability to support future M&A activity
- **Strategic framework** for future organization and operations
- **Directional org. and operations footprint for alternatives** – workflows and activities (centralized vs. decentralized); projected operating impacts, description of tools, and technology required to enable changes
- **Governance changes** necessary for building out management processes overtime
- **Implementation and change management roadmap** including actions, timelines, contingency plans, resource / organizational requirements, and expected outcomes

## Strategic framework

### XXX Reimagined Journey



## Decision mapping

### Decision mapping

Area	Decision/Activity	CEO	COO	Chief of Staff	Chief Development Officer	SVP Human Resources	SVP General Counsel	SVP Marketing	VP RCM	VP Operations	Director of Operations	Director of Finance	Director of Technology	VP Information Technology	Chief Director	Director, Procurement
KEY DECISIONS	Acquisitions of new practices															
Human Resources	Promotion - xxxxxxxxxxxx															
Human Resources	Clinical staff compensation															
Human Resources	Compensation change to clinical staff member															
Human Resources	Purchase of new practice hardware															
IT	Selection of PMs for a specific practice															
Marketing	Digital marketing spend															
Marketing	Channel mix of digital marketing															
Marketing	Calendar of local events for a specific city															
Operations	Operating hours for a specific practice															
Purchasing	Type/brand of dental supply to buy															
Purchasing	Quantity of dental supply to buy															
Purchasing	New vendor approval															
RCM	Insurance discontinuation															
RCM	OCR by code															
RCM	Amount to collect from patient at checkout															
RCM	Challenge of a rejected claim															
RCM	Refund to a client (amount, time)															

## Role realignment for future operating model

Significant role changes are anticipated to effect this transformation

	Today	New Model
C-suite	• Primary decision maker	• Control center steering independent businesses • General Manager running each Business Unit
Operations	• Coordination between xxxxxxxxxxxx	• Unnecessary given new Business Unit model
HR	• Managing most HR decisions	• Sets guidelines for consistency & risk management • Service center (e.g., Payroll, benefits, enrollment) • Expert on specific functions (e.g., Recruiting, talent dev, etc.)
Marketing	• Managing most marketing efforts	• Sets guidelines for consistency • Service center (e.g., Graphic/web design, social media) • Coordinate w/vendors (e.g., Digital media, print, etc.)
Finance	• Corporate finance • Centralized finance management • Sets guidelines	• Corporate finance • Centralized process center • Source of information
RCM	• Centralize processing and coordination	• Centralization of automated processes • Set guidelines, policies & best practices • Insurance negotiations
IT	• Centralized IT management	• Centralized IT management
Business Development	• Deal sourcing and processing nationwide	• Focused deal hunting in selected metropolitan areas

## Implementation / change mgmt. roadmap

### Potential Implementation Approach – Corporate Center / Clinic Operating Model

	Finalize Business Unit Structure	Shift responsibilities to new BU structure	Restructure Corporate & Clinic operations	Ongoing Operating Model reinforcement
Clarity & Alignment	• Confirm decision workflow • Prepare communication plan • Align ID and other areas • Establish PMO	• Socialize w/Doctors & key leaders • Communicate New Business Model • PMO to monitor transition • Establish communication center	• Determine transition plan & incentives • Manage key business risks • Manage communications	• Refine model as needed, communicate changes
Structure & Roles	• Designate GM's and other key positions • Clarify responsibilities for key positions	• Change reporting responsibilities • Replace Ops with BU model • Finalize at BU, Corporate and Clinic positions	• Restructure Corporate and Clinic ops	• Institutionalize new structure and roles • Align C Suite if needed • Ongoing organizational development
Process & Information	• Identify key processes (if at all) to be addressed • Redesign meeting calendar • Prepare BU P&L and key metrics	• Establish new BU meetings & processes • Introduce new reports/information flows as needed	• Prioritize and expedite required system changes	• Expedite system/information & tool development
People & performance	• Redefine KPIs across the organization • Define new compensation structure • Develop transition plans for Corporate	• Designate or hire most BU and field positions • Establish baseline and set expectations for 2024/2025 • Expedite wave 1 Corporate RFP • Develop transition plans for field	• Expedite transition and field, wave 2 Corporate RFP's	• Manage changes as needed to fit new model • Manage & monitor performance
Leadership & Culture	• Define change management tools • Define desired values and behaviors	• Shift Corporate culture to Centers of Excellence	• Manage resistance to change • Showcase new model champions & early wins	• Manage change management • Celebrate results

# Key deliverables for the **clinic** workstream included an archetype framework, SOP handbook, and governance changes

**Objective:** Improve clinic-level performance

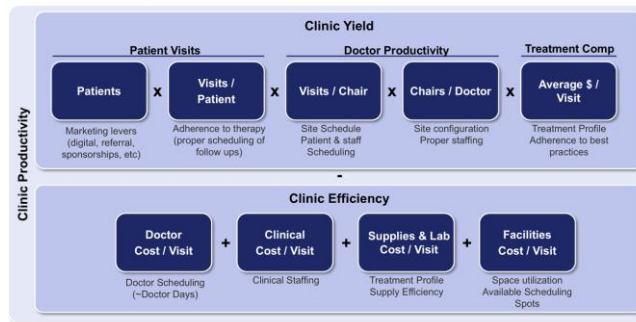


## Key deliverables

- **Diagnostic assessment** of profitability drivers and key levers for performance improvement
- **Archetype framework** for comparing performance of similar practices and propagating / managing best practices over time
- **SOPs / KPIs** to gain more consistency in clinic performance on key areas
- **Governance changes** necessary for ensuring decision making in the field aligns with priorities
- Clear **implementation and change management roadmap** including pilots, timelines, contingency plans, resource / organizational requirements, and expected financial and operational impacts

## Performance drivers

**Clinic Productivity:** Understanding drivers points to specific levers to improve



## SOP handbook

**Operating Model:** Functions will look vastly different from today

Today	New Model
• Robust Corporate Center to manage current and future growth, labor intensive	• Lean and agile organization with ability to continue scale through new acquisitions
• Centralization of most back-office activities	• Centralization only to leverage economies of scale or knowledge
• Operations (middle layer) as communication channel w/practices	• Business Units own the P&L and are responsible for the performance of the business
• Corporate Center managing most decisions	• BUs decide, closer to the chair with coaching or guidance from Corporate Center functions; C-suite focused on corporate decisions
• Unclear accountability for decisions	• Clear ownership and execution responsibility, with functional dotted lines
• Inconsistent execution in the field	• Business Units drive consistency of execution across the field
• Difficult to identify and share best practices	• Specialty based model allows sharing best practices regardless of region; aligned with Clinical organization
• Business Development focused on opening markets	• Business Development focused on scaling geographic footprint
• Unclear path for management talent, inconsistent respect for operations management team	• Visible development path for management positions, senior positions w/field respect

## Archetype framework

**Operating Model:** BU initial sizing

	Area 1	Area 2	Area 3	Total
Revenue	\$XXX	\$XXX	\$XXX	\$XXX
Doctors	XXX	XXX	XXX	XXX
Clinical FTEs (current)	XXX	XXX	XXX	XXX
Non-clinical FTEs (current)	XXX	XXX	XXX	XXX
Practices	XXX	XXX	XXX	XXX
Locations	XXX	XXX	XXX	XXX
Clinical Chairs	XXX	XXX	XXX	XXX
Estimated regional units	XXX	XXX	XXX	XXX

## Governance changes

Roles/activities must be optimized to best leverage scale, best practices and where decision making should occur

**ILLUSTRATIVE**

**Example Role Clarification for Corporate Functions/Activities (Marketing, Finance, HR, Operations, RCM)**

	Centralization	Coordination	Assistance
<b>Description</b>	• Activity is fully centralized	• Activity is coordinated centrally, executed locally	• Activity is managed locally with advice/ suggestion from experts
<b>Corporate Role</b>	• Execute activity	• Center of Excellence • Coordinate execution	• Provide best practice guides and tools
<b>Who decides?</b>	• Corporate function	• Corporate function	• Local practice
<b>Who executes?</b>	• Corporate function	• Corporate function • Local practice	• Local practice
<b>Illustrative Examples</b>	• Payroll • Benefits • Accounting • Reputational management • Credentialing	• Website redesign • Hiring of clinical staff • Terminations • Supply purchasing • VOIB	• Local sponsorships • Doctor Networking • Office supplies purchasing • Standards of Care

We delivered a 5% increase in EBITDA within the first six months, followed by an additional ~5% increase by the end of the year

Initiative	Description	Initial estimates	Delivered within 6 months
<b>Operating model redesign</b>	<ul style="list-style-type: none"> <li>Redesigned operating model into specialty BUs with P&amp;L responsibility / decision making</li> <li>Created Centers of Excellence (COEs) for establishing guidelines and promoting best practices across clinics; limited centralized functions to specific cases (e.g., economies of scale)</li> <li>Consolidated clinic admin staff at regional level (e.g., RCM, Training, Marketing)</li> <li>Analyzed how automation could yield additional savings longer term</li> </ul>	<b>200-240 bps*</b>	<b>250 bps</b>
<b>Clinic productivity</b>	<ul style="list-style-type: none"> <li>Implemented EBITDA improvement program of bottom-quartile practices across specialties by addressing patient volumes, pricing, and staffing</li> <li>Implemented referral marketing, scheduling, and staffing pilots to support improvement programs</li> <li>Rolled out best practices for referral marketing, scheduling, and staffing</li> <li>Recommended aggressive GM management of productivity drivers across entire field</li> </ul>	<b>100-215 bps</b>	<b>215 bps</b> <i>+ 340 in process</i>
<b>Sourcing</b>	<ul style="list-style-type: none"> <li>Rationalized SKUs and switched to lower-cost generic products</li> <li>Consolidated vendors and renegotiated rates to benefit from volume discounts</li> <li>Implemented enterprise-wide sourcing platform to negotiate and enforce policies</li> </ul>	<b>130-240 bps</b>	<b>40 bps</b> <i>+ 150 in process</i>
<b>Total</b>	<ul style="list-style-type: none"> <li>EOY run rate change</li> </ul>	<b>430-695 bps</b>	<b>505 bps</b> <i>+ 490 in process</i>

\* Basis Points of Base Line EBITDA

# Explore how our thought leadership accelerates transformation at scale

## Strategy



Success Factors for Acrobatic Strategic Planning



Bridging the Gap: From Strategic Vision to Operational Reality



Keeping the Pace: Planning in Hypergrowth Companies

## Mergers & acquisitions



Get Beyond the Bidding War with Proactive M&A



Why Intentions Matter in Making Mergers Work



Small Acquisition, Big Deal

## Execution acceleration



The Power of a Strategic PMO



Accelerate and Scale Your Most Important Initiatives, Efficiently



Keep the Change: Making Business Transformations Work



Change that Sticks: Overcoming Organizational Resistance to Change

## Transformation



Business Transformations are Trending. Here's Why...



HPA's Transformation Highlights



Five Keys to Powering Your Transformation Effort

## Organizational optimization



Simple Rules for Resource Allocation



Bolstering Growth Through Organizational Transformation



A People-First Guide to Organizational Transformation

## Technology, data, and AI



Tech Debt – Pay Me Now or Way More Later



Enterprise Architecture: The (Frequently) Missing Link



IT and Business: Can't We All Just Get Along?



Generative AI and the Productivity Supercharge



Adopting an Enterprise AI Strategy: Your Roadmap for Competitive Advantage





## CONTACT US

### West Coast

2101 E El Segundo Blvd  
Suite 502  
El Segundo, CA 90245  
310-616-0100

### East Coast

641 Lexington Ave.  
15th Floor  
New York, NY 10022  
973-896-1101

### Sumeet Goel

Founder and Managing Director  
sgoel@highpoint-associates.com

### Richard Berger

Partner  
rberger@highpoint-associates.com

### Justin Moser

Chief Operating Officer and Partner  
jmoser@highpoint-associates.com

### Kristel Kurtz

Partner  
kkurtz@highpoint-associates.com

[www.highpoint-associates.com](http://www.highpoint-associates.com)