

CASE STUDY

Centegra Health System



Background

Centegra HealthSystem and Northwestern Medicine executed a letter of intent to explore an affiliation, but Centegra was required to improve its financial and operating performance before closing. With the employed medical group causing significant strain on Centegra's cash reserves, **Warbird Healthcare Advisors was brought in to perform a comprehensive assessment, reorganization and turnaround.**

Outcomes and Results

Following the Warbird partnership, Centegra experienced a **\$14 million reduction in operating loss**, as well as **an additional \$9 million in economic benefit** to the system. The annual subsidy (operating loss) for the medical group was also reduced to approximately \$180,000 per practicing physician, and the group practice was reorganized to accomplish:

- Appropriate support staff-to-physician ratios
- Clinic location and staff consolidations
- Individual physician productivity and reporting accountabilities
- Consolidation of medical director management within the group practice
- Reduction of unnecessary overhead staff and costs

The **Revenue Cycle was improved in three areas**: patient access, medical records and patient billing services. Revenue Cycle improvement initiatives were also tailored for later adoption of Northwestern's systems, and the system's overall performance was enhanced to enable integration.

Summary of Work and Areas of Focus

Analysis, modeling and restructuring of Physician Compensation:

- Creating consistency in physician agreements
- Changes in wRVU methodologies, with standardized and expected productivity

Comparative Labor Productivity performance and analysis:

- Changes in the ratio of support staff and providers to physicians

Analysis of Service Line Profitability:

- Creation of a "consolidating" comparison financial analysis of all service lines
- Analysis of specialties in terms of economic contributions

Organization-wide Management Restructuring:

- Management and staffing assessed for each specialty, including the ratio of support-to-physician resources, non-clinical staffing and medical directorships

Focused Market Analysis and Growth, targeting improved patient capture:

- Changes in medical group locations
- Better definition of the Primary Service Area to prioritize patients

Revenue Cycle performance optimization:

- Comprehensive assessment and improvement implementation, including clinical documentation, chargemaster and managed care contracts
- Business operations, particularly patient intake and process flow

- Largest independent employer in McHenry County, Illinois
- Two hospitals, four immediate care centers and numerous specialty care clinics
- Nearly a dozen physician care locations, staffed by 263 employed providers
- Averaging a \$295,000 operating loss per physician



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Contact Us

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Get To Know Warbird Healthcare Advisors



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Physician Enterprise Solutions

Warbird Healthcare Advisors' Physician Enterprise Solutions addresses the unique challenges and opportunities of physician groups and ambulatory care. With deep expertise in practice management, operational efficiency and financial sustainability, we deliver **tailored strategies that optimize workflows, enhance patient access and strengthen physician alignment**. Our practitioner-led team navigates issues such as revenue cycle inefficiencies, physician recruitment and retention and evolving reimbursement models.

By focusing on measurable results and leveraging industry best practices, Warbird ensures physician practices thrive in an increasingly complex and competitive healthcare environment.

Service offerings:

- Compensation
- Financial performance
- Operations
- Strategy

Trusted partners, proven results

For more than 20 years, **Warbird Healthcare Advisors** has been a leader in driving sustainable growth and improving performance in healthcare. We have provided **more than 1,500 healthcare partnerships** across **49 states**, with relationships spanning single-consultancy engagements to multi-year collaborations.

Our seasoned practitioners provide **strategic advice, financial and operational improvements** and **transitional executive leadership solutions**. We combine deep industry expertise with practical solutions to help healthcare organizations achieve their financial and operational goals and realize their strategic visions.