



Case Study: Strategy/Execution

\$5B Health System Overcomes Regulatory Hurdles, Opens New Hospital in Key Market

A \$5B health system was planning to open a new hospital in a key market, but uncertainty about the strategy for overcoming regulatory, competitive, and political hurdles had stalled the project. Hospital proponents wanted to charge ahead and muscle their way through a difficult regulatory approval process, while their opponents mounted campaigns to prevent approvals and advance alternative projects for this market.

Client Challenge

The latest push to build the hospital took place when a new chief executive officer was taking over the newly consolidated system. The CEO couldn't support the project without a high probability of success. Even though the facility was clearly needed, the CEO required independent assurance that the plan made sense and that the regulatory approval strategy would succeed. That's when he called in HH Advisors.

HHA Assessment

We evaluated the market analysis and the new hospital plan, and both proved to be sound. The problem was in the regulatory approval strategy—including political, regulatory, competitive and business community considerations. The hospital would not win regulatory approval nor withstand threatened lawsuits from competitors or the business community with the approach that had been proposed.

HHA Action

We shifted the discussion from a focus on the desired results to a focus on actions that would achieve the desired results. A dramatic shift in approach was also needed to revise the regulatory approval strategy if it was going to ensure a high probability of success. Once we aligned management and board executives in support of this alternative strategy, we prepared a detailed execution plan.



HHA Results

We developed a successful approval strategy and action plan, which led to the construction of the new facility.