

ADVISORY GROUP ON Efficiency and Benchmarking **PROPOSAL#:** AGEB # 2

SUBJECT: LSU Hospital Assessments **DATE ADOPTED BY ADVISORY GROUP:** 8-24-09

COMMISSION ACTION: _____ **DATE:** _____

RECOMMENDATION: The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct each other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
<p>The governor and the legislature authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The governor and legislature direct each other charity hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.</p>	<p>Legislature or Louisiana State University Health System</p>	<p>To save money by ensuring that all hospitals operated by the LSU Health System are being operated in the most efficient and cost effective manner.</p>	<p>Statute, executive order or contract</p>		

The Health Care Services Division of the LSU Health System recently contracted with Alvarez and Marsal Holdings, LLC to perform a financial and operational assessment of the interim Charity Hospital in New Orleans. The recommendations of Alvarez and Marsal will save the taxpayers of Louisiana over \$72 million per year. The Louisiana Streamlining Government Commission congratulates and thanks the LSU Health System for this initiative. The Commission further recommends to the Louisiana Legislature that it authorize and direct the LSU Health System to adopt the recommendations of Alvarez and Marsal for the operation of the interim Charity Hospital in New Orleans. The Commission further recommends to the legislature that it direct each other Charity Hospital in Louisiana to contract for a similar financial and operational assessment with a third party private sector consulting firm, such as but not necessarily Alvarez and Marsal, that specializes and has a proven track record in turnaround management, corporate restructuring and performance improvement for institutions and their stakeholders.