

## SOLSTICE GROUP

# ASC Operational Turnaround Case Study

How a multi-site ambulatory surgery center improved collections, lowered labor and supply cost, reduced vendor debt, and restored operating control over 30 months.

<b>\$4,190,050</b>	<b>\$5,600,132</b>	<b>\$1,145,760</b>	<b>\$2,122,000</b>	<b>59%</b>
A/R at engagement	Past due vendor accounts at engagement	Staff restructuring savings	Vendor debt relief over 30 months	Overhead at 30 months

## SECTION 1

### Executive Snapshot

The client operated two ambulatory surgery center locations. The centers had clinical opportunity, surgeon demand, and fixed room capacity, but the business structure did not support the available volume. Solstice Group reviewed the operation and corrected issues across staffing, payroll, payment and billing collections, supply purchasing, vendor debt, business office structure, and scheduling. This report uses one locked set of baseline figures and one locked set of verified results measured 30 months later.

Area	Locked Figure	Measured Result or Meaning
Accounts receivable	\$4,190,050 at engagement	Baseline financial strain
Old accounts receivable	\$343,773 at 30 months	After collections correction
A/R aging at 30 months	+90: < 5%, 31-60: < 15%, 0-30: < 60%	Ongoing performance
Past due vendor accounts	\$5,600,132 at engagement	Damaged vendor leverage
Payroll processing fees	\$240,000/year	\$88,000 at 30 months
Staff restructure savings	\$1,145,760 annual savings	Verified annual labor savings
Room capacity by site	Site 1: 5 ORs, Site 2: 6 ORs	Staffing improved
Vendor debt relief	\$2,122,000 over 30 months	Verified debt reduction
Added revenue	\$4,400,300 over 30 months	Verified revenue growth
Overhead timeline	125% at engagement, 59% at 30 months	Healthier cost structure

Table 1. Locked figures used throughout the case study.

## SECTION 2

### The Challenge

The ASC had growth potential, but daily operations blocked performance. Clinical staffing did not support full room use. Payroll and labor structure carried avoidable cost. Payment and billing collections left old receivables unresolved. Supply purchasing lacked control. Vendor debt strained cash flow. The business office needed clearer ownership and tighter follow-through.

Breakdown	Result
Clinical staffing shortage	Fewer rooms available
Lower room use	Lower case volume
Weak payment and billing follow-through	Old receivables remained unresolved
High payroll and labor cost	Weak margins
Vendor debt	Reduced leverage
Weak purchasing discipline	Waste and excess cost
Business office role confusion	Slower execution

Table 2. Operational failure map.

## SECTION 3

### Problem 1: Room Capacity Was Limited by Staffing

Location 1 was built to support 5 operating rooms. Location 2 was built to support 6 operating rooms. The practical operating limit at engagement was 4 rooms across both sites without excessive overtime or per diem support. Circulating nurses and surgical technicians were the main staffing gap.

Capacity Measure	Status at Engagement
Location 1 capacity	5 ORs
Location 2 capacity	6 ORs
Practical operating limit	4 ORs without excessive overtime or per diem support
Main staffing gap	Circulating nurses and surgical technicians

Table 3. Room capacity snapshot.

## SECTION 4

### Problem 2: Payroll and Salary Costs Were Misaligned

Annual payroll processing fees were \$240,000 at engagement, equal to 1.5% of revenue. Thirty months later, annual payroll processing fees measured \$88,000, a verified annual reduction of \$152,000.

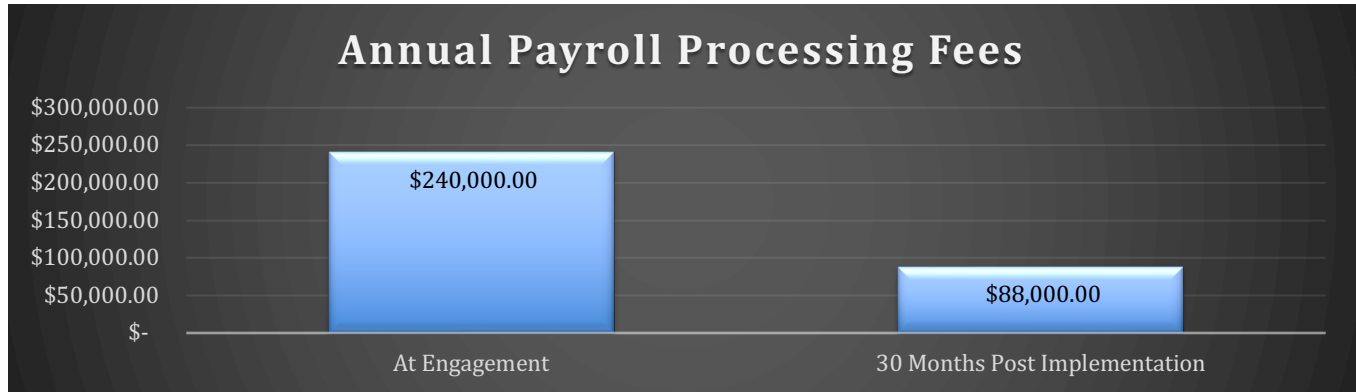


Figure 1. Payroll processing fees, at engagement versus 30 months later.

Payroll Measure	Amount
Cost at engagement	\$240,000 per year
Cost at 30 months	\$88,000 per year
Verified annual savings	\$152,000

Table 4. Payroll processing results.

Staff restructuring also produced verified annual savings of \$1,145,760. Savings came from salary correction, management restructuring, lower overtime, lower per diem dependence, and removal of redundant administrative roles.

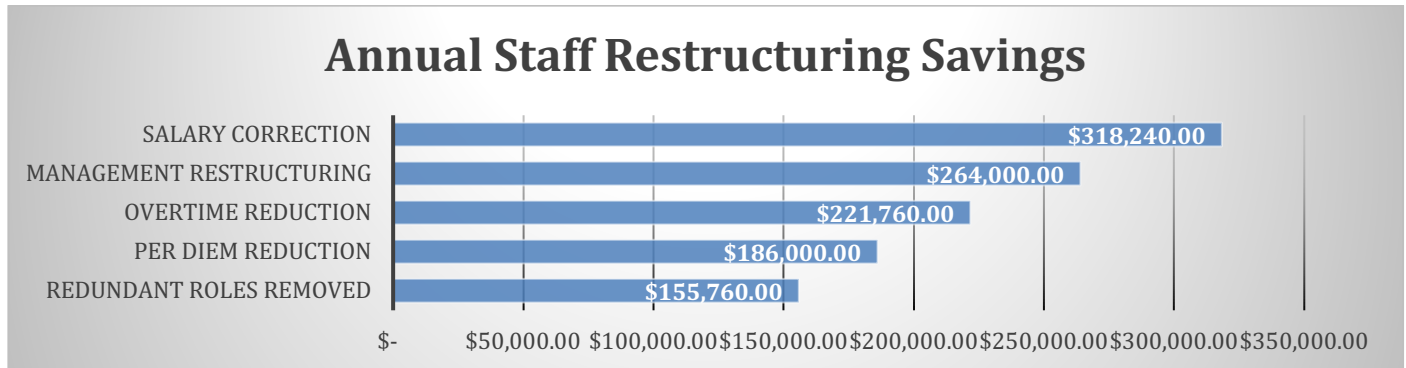


Figure 2. Verified annual staff restructuring savings by category.

Savings Category	Annual Savings
Business office salary correction	\$318,240
Management restructuring	\$264,000
Clinical overtime reduction	\$221,760
Per diem reduction	\$186,000
Redundant administrative roles removed	\$155,760
Total verified annual savings	\$1,145,760

Table 5. Staff restructuring savings profile.

## SECTION 5

### Problem 3: Payment and Billing Collections Needed Correction

The baseline review showed \$4,190,050 in accounts receivable. Solstice Group corrected payment and billing collections through aging review, ownership of follow-up, disciplined claim and statement follow-through, and tighter business office accountability. Thirty months later, old accounts receivable measured \$343,773. Ongoing A/R stayed below 5% over 90 days, below 15% 60-89 days, and below 60% 0-59 days.

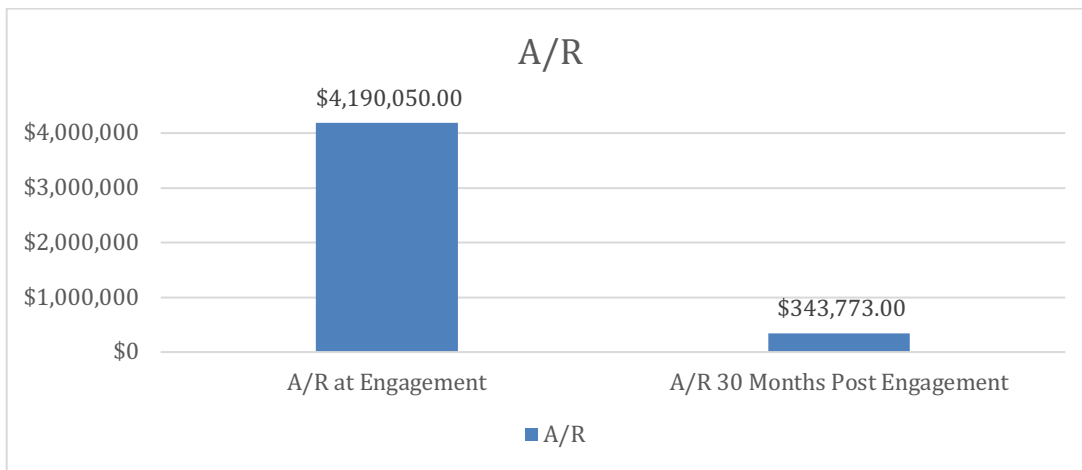


Figure 3. Old accounts receivable, at engagement versus 30 months later.

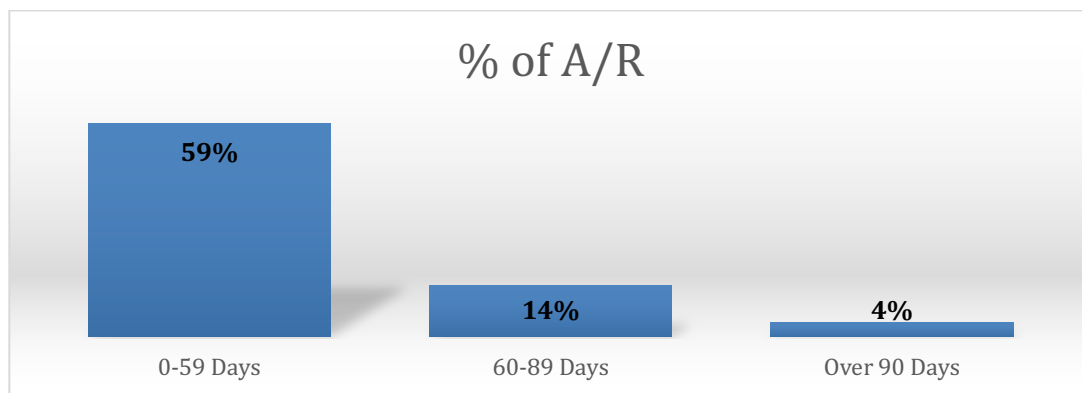


Figure 4. Ongoing accounts receivable aging at 30 months.

Collections Measure	At Engagement	Verified at 30 Months
Accounts receivable	\$4,190,050	\$343,773 old A/R balance
Over 30 Days	Baseline uncontrolled	< 60%
Over 60 Days	Baseline uncontrolled	< 15%
Over 90 Days	Baseline uncontrolled	< 5%

Table 6. Payment and billing collections results.

## SECTION 6

### Problem 4: Supply Purchasing Lacked Control

The baseline review found supply waste, weak price control, vendor-driven shipments, unused items, expired items, and weak inventory discipline. Thirty months later, the ASC reported a 35% reduction in supply cost against the baseline index.

Problem	Operational Effect
List price purchasing	Immediate cost increase
Small quantity ordering	Higher price per item
Vendor-controlled shipments	Weak purchasing discipline
Expired supplies	Direct waste
Excess supplies	Cash tied up in inventory
Items stored for other facilities	Poor inventory control
400% markup on certain parts	Lower case margin
No buying program	Weak vendor leverage

Table 7. Supply problems found at engagement.

## SECTION 7

### Problem 5: Vendor Debt Had Reached a Critical Level

The ASC entered the engagement with \$5,600,132 in past due vendor accounts. Over 30 months, verified vendor debt relief reached \$2,122,000. The remaining past due vendor balance measured \$3,478,132.

Measure	Status
Past due vendor accounts at engagement	\$5,600,132
Vendor debt relief over 30 months	\$2,122,000
Past due vendor balance after measured relief	\$3,478,132
Operational effect at engagement	Payment triage, vendor pressure, reduced leverage

Table 8. Vendor debt profile and verified relief.

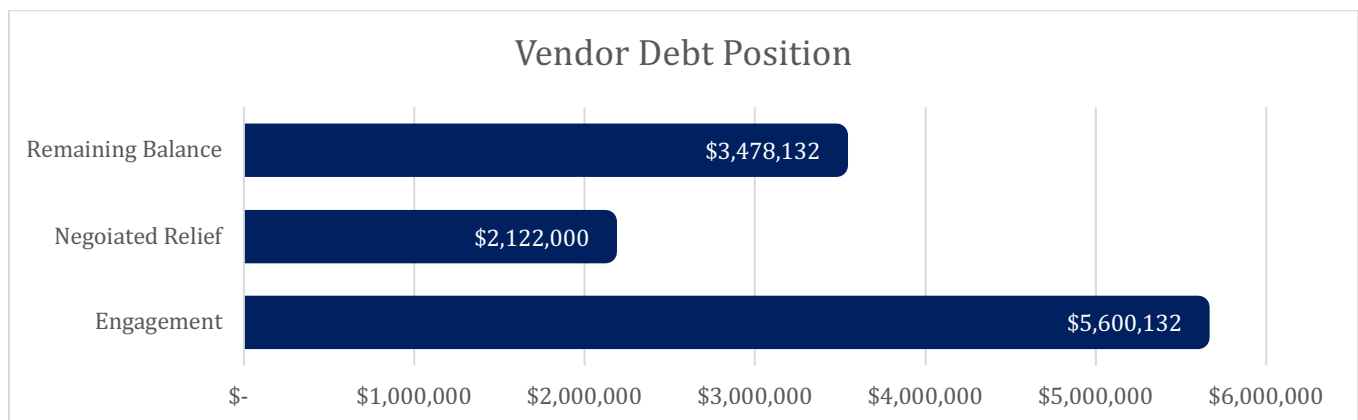


Figure 6. Verified vendor debt position over 30 months.

## SECTION 8

### Operational Corrections Implemented

Solstice Group executed six operating corrections. Each correction addressed a business constraint tied to revenue, cash flow, margin, or execution.

Workstream	Implemented Correction
Clinical staffing	Aligned staffing coverage to the fixed room capacity at both sites
Scheduling	Matched case placement to staffed room availability and business goals
Payroll	Reduced processing fees and corrected labor structure
Payment and billing collections	Assigned ownership of aging follow-up, tightened billing discipline, and improved collections velocity
Supplies	Restored purchasing control and inventory discipline
Vendor debt	Reconciled accounts and reduced past due balances

*Table 9. Implemented workstreams.*

Measured operational changes over 30 months included:

- Payroll processing moved from \$240,000 per year to \$88,000 per year.
- Annual staff restructuring savings reached \$1,145,760.
- Old accounts receivable declined from \$4,190,050 to \$343,773.
- Ongoing A/R stayed below 5% over 90 days, below 15% 60-89 days, and below 60% 0-59 days.
- Supply cost declined 35% against the baseline index.
- Vendor debt relief reached \$2,122,000.
- Added revenue reached \$4,400,300.
- Overhead declined from 125% to 59%.

## SECTION 9

### Results and Impact

Thirty months after implementation, the ASC reported measurable improvement across collections, labor cost, purchasing, debt position, revenue, and overhead.

Area	Verified 30-Month Result
Payroll processing	\$152,000 lower annually
Staff restructuring	\$1,145,760 lower annually
Old accounts receivable	\$343,773
A/R aging	+90: < 5%, 60-89: 15%, 0-59: 59%
Vendor debt relief	\$2,122,000
Supply cost	35% lower
Added revenue	\$4,400,300
Overhead	125% to 59%

Table 10. Verified 30-month results.

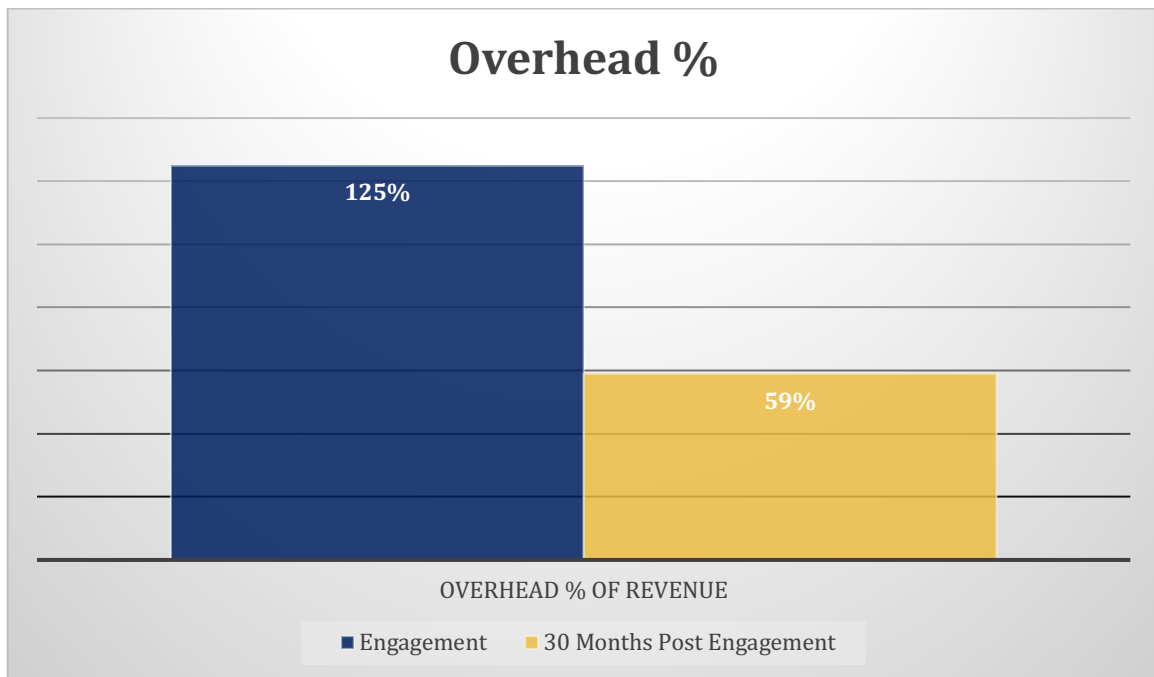


Figure 8. Overhead, at engagement versus 30 months later.

## SECTION 10

### Before and After Summary

Category	At Engagement	Verified at 30 Months
Accounts receivable	\$4,190,050	\$343,773 old A/R balance
A/R aging	Baseline unmanaged	+90: < 5%, 60-89: 15%, 0-59: 59%
Past due vendor accounts	\$5,600,132	\$3,478,132 after \$2,122,000 relief
Payroll processing fees	\$240,000 per year, 1.5% of revenue	\$88,000 per year
Staff restructuring	Labor structure misaligned	\$1,145,760 annual savings
Room capacity by site	Site 1: 5 ORs, Site 2: 6 ORs	Capacity fixed, staffing improved
Supply cost	Uncontrolled purchasing	35% lower
Added revenue	Underperformed	\$4,400,300 added revenue
Overhead	125%	59%

Table 11. Before and after summary.

## SECTION 11

### Case Study Conclusion

The ASC entered the engagement with available room capacity, serious financial strain, weak collections performance, and inconsistent operating control. The correction focused on staffing coverage, payroll cost, staff restructuring, payment and billing collections, purchasing discipline, vendor account recovery, and business office structure. Thirty months later, the measured results showed lower payroll processing expense, lower labor cost, lower supply cost, material vendor debt relief, strong collections improvement, added revenue growth, and healthier overhead.

