

# RIGHT ADVISORY

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## ENGAGEMENT SUCCESS SOUTHCOAST HEALTH 2014 - 2017

### *Description of Engagement*

In 2014, the Southcoast Health System, a \$1 billion four hospital integrated health system in lower Massachusetts, engaged Right Advisory to advise on a prospective merger. After the merger work, the System needed to engage interim CFO services and asked Right Advisory to assume that role. Right Advisory president Robert M. Tarola assumed the role of Chief Financial Officer, and vice president V. Bridget Sarikas served as Associate CFO and operations leader for supply chain, real estate, patient access and revenue cycle for three full fiscal years – August 2014 through August 2017.

### *Accomplishments of Right Advisory*

Right Advisory actively participated as a member of the executive team and leadership teams of Southcoast Health. The immediate objective in late 2014 was to reverse a \$30+ million operating loss. The operating loss was entirely reversed in 2015 with a \$3 million operating profit. The main changes, largely orchestrated by Right Advisory, were to add discipline in financial reporting and financial decision making. For example – Right Advisory created a clear and accountable connection between operating units and functions, care centers and providers, and spending categories and business managers. The result was three years of cash positive operations and access to new capital sources, even during a System-wide installation of Epic clinical software and Oracle-PeopleSoft business and financial software.

### *Summary Statement*

In summary, Right Advisory improved accounting practices, turned operating deficits into surpluses, re-established solid relationships with lending institutions, restructured debt capital to remove onerous covenants, raised over \$80 million for new equipment and construction, began necessary major facility enhancement projects, and left Southcoast Health with net assets and endowment balances at their highest levels in five years.