



**RED TO BLACK @ CULLMAN REGIONAL MEDICAL CENTER**

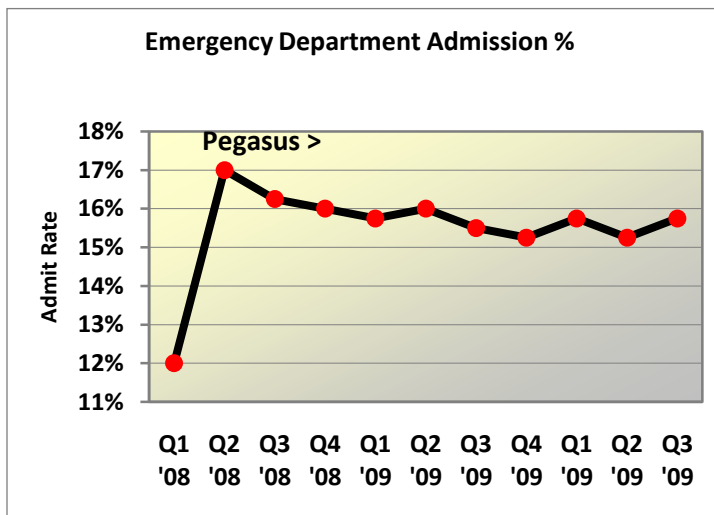
**A Case Study: How Pegasus Emergency Group transformed an unhealthy ER in Alabama into a multi-million-dollar success story in less than one year.**

**April, 2008 - November, 2010**

Cullman Regional Medical Center (CRMC), the leading community hospital in Cullman County, Alabama, contracted with **Pegasus Emergency Group** in April of 2008 to manage its Emergency Department. Consequently, Cullman experienced a dramatic transformation in net collections, the quality of care and ER physicians, and reputation.

For the previous decade, CRMC had to subsidize substantially their ER outsourcing company. With Pegasus, **the subsidy has been permanently eliminated, saving the hospital \$250,000 per year. At the same time, PEG recruited for CRMC the first all residency-trained, board-certified Emergency Medicine group in Alabama.**

The *admission rate* at CRMC has risen to 15.5% from 12%, or 1,400 additional patients. **The hospital's revenue (based only on appropriate admissions) has increased by several million dollars attributable to this factor as well.**

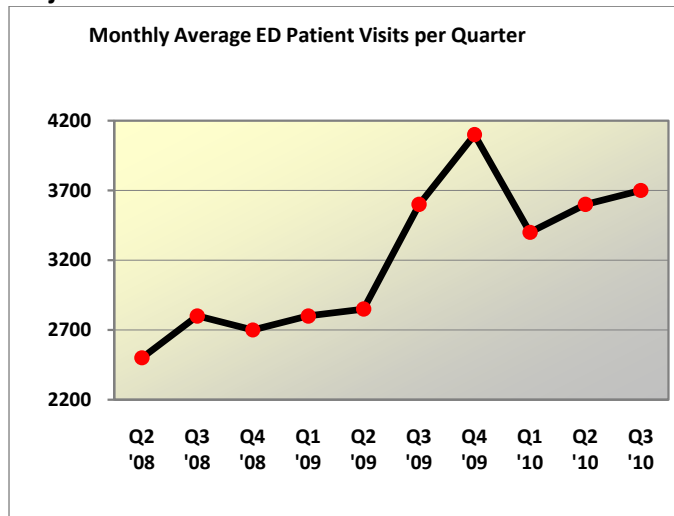


In 2007-2008, the *ER census* at CRMC had declined to below 30,000. After transitioning to Pegasus Emergency Group, that number climbed to almost 35,000 within the first 6 months, and currently, in the 3<sup>rd</sup> quarter of 2010, it is trending at approximately 42,000.

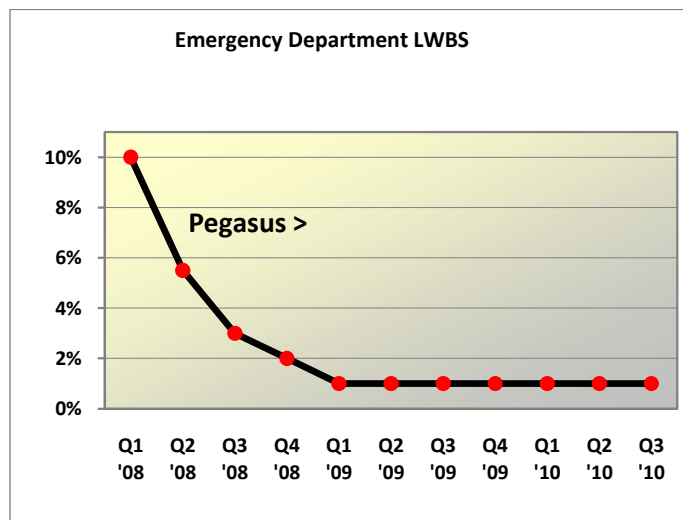
In the first year of our partnership with CRMC, the hospital **earned in excess of \$1,000,000 in facility ED outpatient collections a consequence of increased volume from contracting with Pegasus.** In addition, the *Facility Level of Service (LOS)* for billing in the ER rose by more than

1/3<sup>rd</sup>, to an appropriate level, leading to an **increase in hospital revenue in excess of \$1,000,000 in the first year.**

The CRMC-Pegasus partnership delivered an approximate **50% patient volume increase to the CRMC Emergency Department in just 18 months!**



The dramatic decrease from 10% (with a prior EM group) to 1% of patients leaving without being seen (LWBS) illustrates Pegasus Emergency Group's improvement in the efficiency and quality of care.



As well, *Core Measures Compliance* has improved from 75% to 100%, securing CRMC's revenue from Medicare for compliance.

Finally, CRMC's *door-to-doctor time* in year one dropped to less than 30 minutes and the *door-to-discharge time* to less than 90 minutes, compared to a previous door-to-doctor time of 90 minutes.

Continuing to deliver quality patient care with a careful eye toward throughput and fiscal performance continues to be the model for the Cullman ED. It is no surprise that this performance has led to exceptional patient satisfaction and dramatically increased patient census.

## Statement from Jim Weidner, President/CEO Cullman Regional Medical Center

CRMC was looking for a physician group who would dramatically improve patient satisfaction, improve the ED physician competency with all EM Residency trained physicians, reduce left without being seen, improve throughput, and improve core measure outcomes. At the time of hiring Pegasus Group (prior to March 2008), the Emergency Department at CRMC had a poor community reputation for patient satisfaction and long wait times

### Results from Pegasus Group:

- Admission rate improved from 12.5% to 15.5%
- Through-put time in Fast Track is currently running 70 minutes, causing the hospital ED to take business from local Urgent Care Sites
- Number of patient complaints were reduced to almost zero (ER complaints had been approximately 80% of all patient complaints hospital-wide prior to hiring Pegasus)
- A new Electronic Medical Record system and electronic tracking system (EmpowER) was installed early 2009, at the suggestion of Pegasus Group
  - The ED went from a cost center to a profit center, increasing patient billing by over \$850,000 per year
- CRMC was able to absorb and increase its ED volume from 33,000 annual visits to 45,000 annual visits (current) as a result of the closure of a competing hospital. The volume was increased as a result of the Pegasus Group reputation in our community and their ability to improve patient flow within the existing emergency department with no additional capital dollars required.

*I have worked with other outstanding emergency medicine groups, some employed and others contracted but have never worked with a more professional group of EM specialists who deliver what they promise. We have transformed our Emergency Department from our worst to best department within the hospital as a result of the Pegasus leadership and commitment to our hospital and the community. Pegasus truly has exceeded our expectations and has fulfilled the "Pegasus Promise".*



Jim Weidner  
President/CEO  
Cullman Regional Medical Center

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***If you are working with an outsourcing company that does not make you profitable, call Pegasus and learn about the "Pegasus Promise." Contact Pegasus Leadership Today to arrange for an evaluation to include: LWOBS/Volume/Admit%/LOS/Door-to-Doc, etc.***

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