

CASE STUDY

Promoting resilience, growth, and access in a mission-driven health system



What's
your next
brilliant
move?

Jackson Health System partnered with McKinsey to strengthen its ability to deliver high-quality care to the Miami-Dade community, realizing \$160 million in annual margin improvement and enhanced operational efficiency through workflow redesign, tech enablement, and capability building.

10%

increase in patient level of care accuracy yielding \$27 million in annual value

\$160M

in annual margin improvement achieved without layoffs and alongside top-decile retention

200+

leaders trained on process redesign and technology integration

THE OPPORTUNITY

Future-proofing in a competitive market

[Jackson Health System](#) is Miami-Dade County's safety-net health system and one of the largest public health systems in the US. With seven area hospitals, it provides essential services to a broad and diverse community, ensuring access to care for all county residents, including the uninsured and underinsured. In 2022, Jackson underwent a strategic and financial planning process that found it was financially healthy—but that business as usual would lead to a shortfall in coming years. Jackson would need to combat industry margin pressures, such as inflation outpacing insurance reimbursement rates and rising staffing and supply costs.

"The number one priority for us was to become an extremely efficient organization," says Carlos A. Migoya, CEO of Jackson Health System. "We were

committed to achieving this without layoffs and sought a partner to help us reimagine how we work and develop efficiencies in our processes."

The county-owned health system partnered with McKinsey in 2022.

"Many health systems are facing the challenge of operating margins lagging below pre-COVID levels on average," says Jim Kretlow, a McKinsey partner and physician. "For this broad transformation, Jackson Health's leadership was particularly looking to strengthen the organization while maintaining and supporting its workforce, a testament to their commitment to their staff and mission. It was about thriving, not just surviving—and investing in future growth."

"We were focused on building a stronger foundation without negatively affecting our people. Our goal was to add value to the organization and rigor in our processes."

—David Zambrana, President and chief operating officer at Jackson Health System

5 keys to Jackson Health's transformation



Building workforce skills, driving savings

By equipping leaders with new scheduling tools and data-driven insights, Jackson built lasting workforce management capabilities—cutting premium labor costs by \$44M a year without layoffs.



Predictive scheduling, expanding access

Predictive scheduling filled open surgery slots faster, boosting efficiency and patient access across Jackson's hospitals.



AI-powered planning, improving patient flow

AI-powered planning cut 50,000 inpatient days, freeing 150 beds and improving patient flow across Jackson.



Building payment insight, enabling better decisions

New tech and analytics helped leaders reduce denials and improve reimbursement, and gave patients more confidence when accessing care.



Empowered teams, lasting change

Trained 200+ leaders and staff to use data, tech, and new workflows to drive results and led to a full letter grade in quality improvement.

THE SOLUTION

Holistic transformation—and the capabilities to sustain it

Jackson Health System partnered with McKinsey on a two-year transformation journey, designed not only to ensure financial sustainability—realizing \$160 million in annual margin improvement—but to deliver better quality care for its patients.

“The goal was to build a sustainable approach to improving performance by finding ways to make it easier for management and frontline staff to do the right thing for the patient, every time,” says Kyle Gibler, a McKinsey partner and physician by background.

Jackson's leadership team worked with McKinsey to assess a broad set of opportunities; through data analysis, staff interviews, walkthroughs, and comparisons to peer systems nationally, they identified a holistic set of opportunities for how it could transform. Together, they also tailored a set of solutions, including redesigning key workflows (such as discharge planning and OR scheduling), establishing new performance management systems, and deploying AI-enabled tools. McKinsey also supported Jackson in training its frontline staff and future leaders and implementing sustainable changes through process redesign and technology integration.

“Not only did we achieve our financial goals, but through these efforts, we increased patient safety, quality, and experience,” says Carlos.

The work focused on ten different areas of improvement across growth, cost, and efficiency, including:

Improving frontline workforce effectiveness

One of the primary expenses facing Jackson was premium pay, which included overtime and contract labor costs. Jackson's productivity system used a worksheet-driven approach geared toward the finance staff. However, frontline workers, who typically relied on paper schedules, required the information to be translated for their use.

McKinsey introduced its [Workforce HQ](#) platform to manage workforce performance and identify opportunities to improve staffing efficiencies, with a simplified, insight-focused dashboard for frontline staff.

“Some of our nurses manage hundreds of employees and had to visualize staff placement on a paper schedule,” says Mark Knight, executive vice president and chief financial officer at Jackson Health System. “Workforce HQ allowed frontline managers to identify opportunities to shift work from overtime or contract labor to a per diem or other employee that was not working their full complement of hours.”

The platform's data and analytics enabled managers to make informed decisions more reliably, ensuring appropriate staffing relative to patient volume and acuity, and reducing reliance on premium labor—saving the health system \$44 million annually.

Optimizing OR throughput

McKinsey introduced an AI solution to ensure Jackson's ORs were being efficiently utilized. Using predictive analytics, the scheduling platform identifies gaps in OR schedules across each of Jackson's hospitals and automatically reaches out to surgeons to offer additional time to schedule surgeries. OR schedules had previously been managed manually, with different systems at each campus hindering effective coordination.

"A clean dataset is something we did not have. Each of the hospital campuses had its own approach to case scheduling and information used for booking," David says. "Getting everybody, including affiliate surgeons and offices, on board with the ideal dataset to book a surgery, and fully integrating onto a single, intelligent scheduling platform, allowed us to find opportunities for filling open OR time and to get patients access to needed surgeries faster."

Tech-enabling discharge planning to support timely, high-quality care

Jackson was experiencing significant hospital capacity challenges, which were partially driven by issues with managing length of stay. To help reduce excess days patients spent in the hospital, the McKinsey team worked with Jackson clinical and operational leaders to optimize the discharge planning process—ensuring that patients could transition to the right next level of care without avoidable delays. The new process focused on identifying and addressing barriers to discharge, such as connecting patients with a post-acute care facility.

To make the discharge planning process more consistently effective, McKinsey introduced an AI and automation solution; this EMR-integrated technology helps automate key parts of the discharge planning process. This allowed care teams to plan ahead more effectively and better address patient needs.

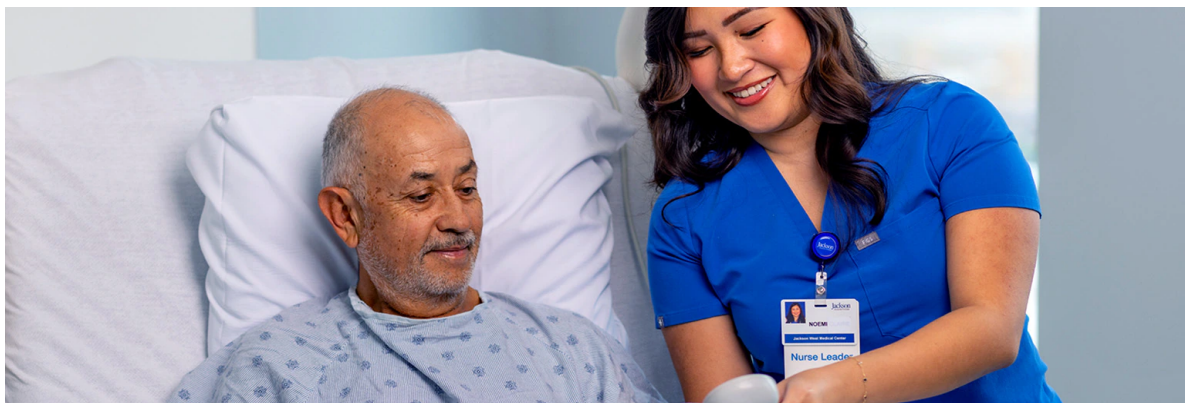
"The team members are now prompted with a patient's estimated discharge date and barriers to discharge during rounds, and they work backward on what needs to happen on each of the days the patient is with us," says David. "It elevates the quality of the discussions during rounds, enhances future planning, and successfully positions us for the estimated discharge date."

This initiative led to a reduction of 50,000 unnecessary inpatient days over the course of the project, creating the equivalent of 150 beds of capacity, allowing more patients to access the care they needed when they needed it.

Building a next-generation RCM function

Jackson Health System implemented a series of revenue cycle management (RCM) enhancements aimed at improving how insurance coverage was identified, increasing the accuracy of reimbursements, and reducing denied claims. Central to these efforts was Jackson's commitment to its mission of delivering a consistent standard of care regardless of a patient's ability to pay.

Using new technology, Jackson adopted best-of-breed coverage discovery processes and vendors to identify insurance coverage for patients. If patients were not aware of their insurance benefits, this approach could simplify patients' future access to care and the reimbursement process.



The staff at Jackson were trained in new technology and workflows that led to lasting work improvements and better care.

To address the complex issue of denied claims, which many patients experience as a critical challenge, Jackson expanded a systemwide initiative focused on denial prevention and mitigation. The health system implemented a “fingerprint” cluster modeling technique to identify patterns in denials, then established standardized auditing processes to identify upstream reasons for denials. By improving hospital-wide engagement and creating feedback loops, Jackson ensured patients could access care while avoiding unexpected costs.

Building capabilities

Across all ten workstreams, workflow redesign and Jackson teammate training were core to the success of the effort. McKinsey focused on building the capabilities of Jackson Health System’s staff and leaders and identified cumbersome workflows that could be simplified or automated to make it easier for staff to perform their core responsibilities.

The team provided extensive training and coaching to managers and other frontline staff, helping them adopt the new workflows and technologies. Over 200 leaders were trained to plan initiatives, build business cases, and manage execution. Mid-level managers received coaching on operational effectiveness, and all staff were trained on the new technologies.

“We have seen our frontline leaders grow more confident in their ability to speak to data, understand technology, and more importantly, respond to changes in real time, adapt, and improve outcomes in their decisions,” Mark says.

“Not only did we achieve our financial goals, but through these efforts, we increased patient safety, quality, and experience.”

—Carlos A. Migoya, CEO of Jackson Health System



Jackson can schedule more surgeries through tech-enabled planning that optimizes use of ORs.



Across ten workstreams, workflow redesign and new technology streamlined processes and made it easier for staff to perform core responsibilities.

THE IMPACT

A sustainable future for critical care

The Jackson Health System transformation resulted not only in significant and sustained financial and operational improvements, but also in enhanced quality and access to care. In parallel to this work, the Jackson team added more initiatives, with a particular focus on quality of care and staff experience. Jackson has improved its quality performance by a full letter grade over the course of the engagement and maintained top-decile employee experience and retention.

The health system credits the transformation with helping it achieve these additional goals, including its lowest-ever rate of hospital-acquired infections.

“A huge takeaway for us was the organizational rigor that was put around all these workstreams,” says Mark. “It has changed the way that we identify opportunities and act on them—putting us in a strong position to continue finding ways to contain costs and grow.”

By embedding new processes, Jackson positioned itself to keep improving care for the community it serves.

“We’re a stronger organization today because of the cost savings and efficiencies we’ve achieved, and the new processes we’ve incorporated into our daily work,” Carlos says. “At the core of everything we do is ensuring our patients receive the highest level of quality care, delivered with excellence and efficiency.”

MEET OUR EXPERTS



Kyle B. Gibler
Partner, Carolinas



Dr. Jim Kretlow
Partner, Houston



Drew Ungerman
Sr. Partner and Global
Coleader, Dallas



Andre Dua
Sr. Partner, Miami



Michael Peterson
Sr. Partner, Dallas



BJ Tevelow
Sr. Partner, Miami



Brianne Bowen
Partner, Seattle

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