What Happened to My Margin?
Leveraging the Power of Data Integration and Analytics – Lessons from the Field
Drive Sustainable Value and ROI

How financial leaders leverage disparate clinical and financial data to create new insight and drive VALUE and ROI

South Carolina HFMA Annual Conference,
May 29, 2015, 0900-1000, Myrtle Beach, SC
I. Evolving Analytics and the CFO/Financial Strategy
   - Leverage cloud technology to aggregate disparate hospital data
   - Analyze and interpret data in a whole new way
   - Frame potential benefit opportunity with a laser focus
   - Align right resources, right processes and right plans
   - Monitor and realize sustainable ROI and value

II. Hospital Case Study
   - Current State - Conducting the Assessment and Sizing the Benefit Opportunity
   - Ideal State - Getting from Here to There; Best Practice Workplan with Continuous Performance Improvement approach
   - Future State – Effective Implementation with Sustainable Results to prove the Value

III. Closing/ Go Forward Thoughts

IV. Q&A
Session Speaker

- **Contact Name:** Laurie A. Jaccard, President
- **Organization:** Clinical Intelligence, LLC (“CI”)
- **Email:** LJaccard@clinical-intelligence.org
- **Logistics:** South Carolina HFMA Annual Conference, May 29, 2015, 0900-1000, Myrtle Beach, SC

**Clinical Intelligence:** Founded in 2001, CI has collaborated with +100 hospitals in +40 states, providing consultancy/advisory services to include Physician Advisory, Advanced Care Management, Clinical Business Intelligence, Quality System Design, Service Line Planning, and Interim Leadership.

**Consultancy:** CI’s sole purpose is to assist hospitals and healthcare systems to perform at peak effectiveness of quality patient care coordination and outcomes.

**Analytics:** CI’s computing platform ClinView® has aided healthcare providers with data discovery, action and results.
## Company Background

### Business
A national consulting firm providing high-value solutions to hospitals and healthcare systems to perform at peak effectiveness of quality patient coordination and outcomes.

### Corporate
Founded (2001); St. Louis, MO
Headquarters in Hilton Head, SC

### Solutions
- Cloud Based SaaS Analytics
- Advanced Care Management Consulting
- Interim Leadership
- Business Intelligence & Hospital Operations
- Quality Improvement

Since 2001, we have assisted 150+ hospitals including small Critical Access Hospitals to large integrated health systems and academic medical centers.
I. Evolving Analytics and the CFO/Financial Strategy

- From Budgets to Value Creation
- Business Case for Analytics – Clinical, Financial, Operational Value
- Nothing Should Stop You From Staying Ahead of Change
- A Stepwise Approach to Successful Implementation
Business Challenges

- What financial/business challenges concern you most in your organization?
Those that are able to leverage their data, derive key business insights resulting in improved financials, confidence, compliance, competition, and more.
Hospital leaders are increasingly investing in data analytics to create clinical and operational value.

Capture Disparate Health Data from Source Systems

Combine and standardize data

Actionable Clinical Information with Analytics

Nothing Should Stop You From Staying Ahead of Change
There are many options available to aggregate disparate data sets into a single source of truth; through internal IT or external resources.
A Stepwise Approach
Data to Value

✓ Hospitals are relying on business intelligence tools to drive workplans and ROI/Value to a new level

❖ It all begins with **ACTIONABLE DATA**.
Step 2: Data **ANALYSIS**

✓ **Many CFOs are providing tools to leaders and/or effective means for analyzing clinical performance and data measurement.**

- **Identify Collaborative Platform.** Analyze Your Big Data Thoroughly and determine frequency and access of reports.

- **Management buy-in and support.** Demonstrate not only cost savings and risk avoidance, but also the value that high-performing healthcare providers can bring.

- **Alignment with organizational goals and objectives.** Without alignment, value is more difficult to demonstrate. Dashboards should not be created in a vacuum.
Assessment & Planning

- Assessment Overview
- Business Imperative
- Study Methodology
- Project Timeline
Implement Game Changing Action with Confidence

1. Identify High Value Targets with Opportunity Analysis
   - Conduct opportunity analysis on historical data and identify associations and special cause variation.

2. Develop & Execute Value Driven Work Plans
   - Improve daily workflow operational process and education to decrease practice pattern variation and outcomes.

3. Measure, Monitor and Realize Results
   - Closely monitor process improvement and outcomes and ensure feedback loop with key stakeholders.

Structured, Actionable Analytics have promising potential to drive workplans, performance and operations.
Step 3: Develop Robust ACTION Plans (ROAD-MAP for Change)

Ensuring a keen focus on effective development, implementation and evaluation of interdisciplinary corrective action plans is vital.

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**Target Game Changing Actions and Gains**

Dashboards without actions, improvements, and follow-up is futile. Go beyond collecting data for the sake of data. Deliver improved performance, reduced costs and increased physician value.
Step 4: Drive ROI/ **VALUE**

✔ **Sustainable results reporting with key leaders, providers and stakeholders is critical to success**

**Measureable Results** - A Collaborate Analytics system is about results. It captures the value and communicates it to management and all involved stakeholders. When properly deployed and fully adopted, it can create both top line and bottom line value. Capture the value and communicate it to all key stakeholders.
Automate Daily and Monthly Scorecards

Metrics flow from performance expectations and are derived from and aligned with the hospital plans (i.e. UM and/or PI).

Clarity of hospital and UM goals should guide the development of performance metrics.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Goal</th>
<th>2013</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>Inpatient Discharges</td>
<td>17,562</td>
<td>17,050</td>
<td>1,675</td>
<td>1,475</td>
<td>1,427</td>
<td>1,480</td>
<td>1,331</td>
<td>1,393</td>
<td>1,373</td>
<td>1,286</td>
<td>1,436</td>
<td>1,375</td>
<td>1,438</td>
<td>1,438</td>
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<tr>
<td>%Inpatient 1DS</td>
<td>11.70%</td>
<td>10.20%</td>
<td>11.50%</td>
<td>11.40%</td>
<td>11.80%</td>
<td>10.90%</td>
<td>13.20%</td>
<td>12.20%</td>
<td>13.00%</td>
<td>11.00%</td>
<td>12.60%</td>
<td>12.10%</td>
<td>10.90%</td>
<td>10.90%</td>
</tr>
<tr>
<td>Case Mix Index (CMI)</td>
<td>1.72785</td>
<td>1.7191</td>
<td>1.6328</td>
<td>1.7329</td>
<td>1.7329</td>
<td>1.7329</td>
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<tr>
<td>ALOS</td>
<td>5.0</td>
<td>5.3</td>
<td>5.4</td>
<td>5.2</td>
<td>5.1</td>
<td>5.1</td>
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<td>5.1</td>
<td>5.1</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>LOS Index</td>
<td>1.23</td>
<td>1.27</td>
<td>1.29</td>
<td>1.28</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
</tr>
<tr>
<td># Potential Excess Days</td>
<td>26,766</td>
<td>30,263</td>
<td>3,016</td>
<td>2,552</td>
<td>2,570</td>
<td>2,622</td>
<td>2,705</td>
<td>2,517</td>
<td>2,514</td>
<td>2,246</td>
<td>2,066</td>
<td>2,383</td>
<td>2,227</td>
<td>2,846</td>
</tr>
<tr>
<td>% Potential Excess Days</td>
<td>32.3%</td>
<td>33.80%</td>
<td>34.10%</td>
<td>35.30%</td>
<td>34.40%</td>
<td>32.40%</td>
<td>31.60%</td>
<td>33.00%</td>
<td>32.10%</td>
<td>35.70%</td>
<td>35.70%</td>
<td>35.70%</td>
<td>35.70%</td>
<td>35.70%</td>
</tr>
<tr>
<td>$ Potential Excess Days</td>
<td>$10,706,398</td>
<td>$12,105,290</td>
<td>$1,206,399</td>
<td>$1,028,114</td>
<td>$1,048,935</td>
<td>$1,081,883</td>
<td>$1,006,654</td>
<td>$1,005,478</td>
<td>$893,368</td>
<td>$826,311</td>
<td>$953,200</td>
<td>$890,920</td>
<td>$1,138,400</td>
<td>$1,138,400</td>
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</tbody>
</table>

- What Aspects of Clinical Performance Are you Measuring?
Hospital leaders define the strategic focus for the patients and organization.

<table>
<thead>
<tr>
<th>Strategic Focus</th>
<th>Performance Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>Leadership, Workforce</td>
</tr>
<tr>
<td>Service</td>
<td>Customer (Patient) Focus</td>
</tr>
<tr>
<td>Quality</td>
<td>Processes, Knowledge Management</td>
</tr>
<tr>
<td>Finance</td>
<td>Processes, Operations Focus</td>
</tr>
<tr>
<td>Growth</td>
<td>Strategic Planning</td>
</tr>
</tbody>
</table>
Quantify Economic Impact and Value

They also define the vital few measures that truly matter to patients and the organization.

<table>
<thead>
<tr>
<th>Examples Include:</th>
<th>“True North” Patient Focused Measures</th>
<th>Organizational Process Measures</th>
<th>Organizational Outcome Measures</th>
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<tbody>
<tr>
<td>Readmission Reductions</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortality Rates</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pain</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infections as Complication</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Necessity Denials</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Compliance Risk Exposure</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Staffing/ Labor Productivity</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Clinical Documentation/ CMI</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Preventable Admissions</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Length of Stay Reduction</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td></td>
<td></td>
<td>x</td>
</tr>
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</table>
Evolving Analytics and the CFO/Financial Strategy

✓ Potential benefit opportunity is framed with a laser focused approach. **Illuminate Opportunity to ACT!**
Monthly Scorecards Provided to Nursing Directors/Managers & Physicians

✓ Monthly Data Discovery Scorecard Reviews Facilitate Workplan Strength and Measurable Change
Evolving Analytics and the CFO/Financial Strategy

✓ Scorecards monitor and measure realized sustainable ROI and VALUE; can be Hospital Specific or Enterprise

![Patient Flow/ Care Coordination Scorecard](image)
Drill Downs into Cost Center Costs

✓ CFOs and Financial Leaders Can Help Clinical Performance Teams Examine Resource Utilization Patterns to identify variation in practice, over and under utilization

<table>
<thead>
<tr>
<th>Service Line</th>
<th>MS DRG Cluster</th>
<th>MS DRG</th>
<th>Prin Dx</th>
<th>Attending</th>
<th>Surgeon</th>
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<tbody>
<tr>
<td></td>
<td>INTRACRANI</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>2,204</td>
<td>45,134</td>
<td>17,644</td>
<td>10,282</td>
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<tr>
<td></td>
<td>SEPTICEMIA</td>
<td>2,142</td>
<td>58,336</td>
<td>16,098</td>
<td>9,586</td>
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<td></td>
<td>HEART FAIL</td>
<td>1,733</td>
<td>34,024</td>
<td>1,894</td>
<td>11,472</td>
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<tr>
<td></td>
<td>RENAL FAIL</td>
<td>1,681</td>
<td>32,417</td>
<td>3,075</td>
<td>9,586</td>
</tr>
<tr>
<td></td>
<td>MAJOR JOIN</td>
<td>1,660</td>
<td>65,118</td>
<td>20,098</td>
<td>4,942</td>
</tr>
<tr>
<td></td>
<td>PERC CARDI</td>
<td>1,503</td>
<td>71,332</td>
<td>2,909</td>
<td>6,377</td>
</tr>
<tr>
<td></td>
<td>ESOPHAGITI</td>
<td>1,432</td>
<td>24,201</td>
<td>2,909</td>
<td>6,377</td>
</tr>
<tr>
<td></td>
<td>CESAREAN S</td>
<td>1,420</td>
<td>18,782</td>
<td>3,919</td>
<td>6,486</td>
</tr>
<tr>
<td></td>
<td>SIMPLE PNE</td>
<td>1,304</td>
<td>32,304</td>
<td>1,723</td>
<td>9,635</td>
</tr>
<tr>
<td></td>
<td>RESPIRATOR</td>
<td>1,243</td>
<td>62,561</td>
<td>3,476</td>
<td>9,635</td>
</tr>
<tr>
<td></td>
<td>CHRONIC OB</td>
<td>1,200</td>
<td>28,061</td>
<td>4,576</td>
<td>9,028</td>
</tr>
<tr>
<td></td>
<td>KIDNEY &amp; U</td>
<td>1,131</td>
<td>26,744</td>
<td>5,030</td>
<td>7,949</td>
</tr>
<tr>
<td></td>
<td>CARDIAC AR</td>
<td>1,046</td>
<td>27,791</td>
<td>5,563</td>
<td>8,551</td>
</tr>
</tbody>
</table>
II. Hospital Case Study

Hospital A brought new insight into the hidden financial opportunities that existed from improved operational efficiencies.
Case Study Hospital A
Opportunity and Action Plan

- **Opportunity:**
  - 300+ Bed community hospital experiencing a **decline in margin and external compliance pressures**
  - **Opportunity:** The Director of Case Management, CMO and hospital CFO sensed there was a need to improve care management structure and process to drive performance to a new level. The CFO was motivated to sponsor **clinical performance** activities that would help improve **financial performance.**

- **Action:**
  - **Assessment/Plan:** Consultants conducted 30 day assessment and quantified the potential benefit of improved performance.
  - **Care Management Redesign:** Redesign included model, staffing, acuity of patients, high risk stratification, palliative care screenings, interdisciplinary care coordination rounds, and evidence based care.
Short Term Workplans help to frame the critical milestones and tasks of each phase of the project.
**Long Term Workplans** pave the road and resources

**Care Management Redesign**

<table>
<thead>
<tr>
<th>Project Steps</th>
<th>Planning &amp; Discovery Weeks 1-8</th>
<th>Implementation Weeks 9-32</th>
<th>Monitor Weeks 33-52</th>
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</thead>
<tbody>
<tr>
<td>Draft Master WorkPlan and Communication Strategy</td>
<td>Jan '15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish Redesign Steering and Team Charters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Data Analysis, Establish Baseline and Realization Metrics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Validate Opportunities and Develop Initial Implementation Plans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan/Implement Management Tools and Execute on Implementation Plans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Rapid Cycle Improvements and Work Process to Drive Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitor Realization and Sustain Value; Communication with Steering</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Transition of CM Redesign Workplan and Knowledge Transfer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begin Post Project Engagement</td>
<td></td>
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</tbody>
</table>
Result:

- Redesigned Structure/Model
- Productive Position Control with the RIGHT people doing the RIGHT functions
- Improved Interdisciplinary Teaming and Care Coordination
- Improved Decision support (debate over data veracity minimized)
- Improved clinical documentation resulting in increased case mix index
- Improved proactive discharge planning and patient flow (LOS decreased)
- Denials decreased
- Readmissions decreased
- Conditions of Participation compliance improved

$1.7M Realized
Case Study Hospital A
Current State

✓ **Consultants conducted the assessment and sized the benefit opportunity**

Objectivity is the key to developing an effective approach to assessing and managing clinical and financial performance.
Overall, the organization identified the **strategic changes** that needed to occur, not just the **operational changes**.

Leaders realized that strategic and operational changes were interwoven and both were required to advance the hospital to the next level.
### Case Study Hospital A

#### Benefit Summary

**Potential Economic Impact**

<table>
<thead>
<tr>
<th>**Opportunity</th>
<th>$5M Potential Excess Dollars**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inpatient Discharges:</strong></td>
<td>5,676</td>
</tr>
<tr>
<td><strong>Average Length Of Stay:</strong></td>
<td>5.2 days</td>
</tr>
<tr>
<td><strong>CMS Geometric LOS:</strong></td>
<td>3.8 days</td>
</tr>
<tr>
<td><strong>Potential Excess Days:</strong></td>
<td>11,259 days</td>
</tr>
<tr>
<td><strong>LOS Index</strong></td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Potential Excess Days:</strong></td>
<td>38.2%</td>
</tr>
<tr>
<td><strong>Potential Excess Dollars:</strong></td>
<td>$5,066,763*</td>
</tr>
</tbody>
</table>

* Based on $400 direct cost per last day
Case Study Hospital A
Baseline Performance Medicare Inpatient
11,259 potential excess days, $5M, 5.2 day ALOS

### Executive Summary

<table>
<thead>
<tr>
<th>DCs</th>
<th>#Distinct Pts</th>
<th>CMI</th>
<th>ALOS</th>
<th>GMLOS</th>
<th>ALOS/GMLOS</th>
<th>Pt Days</th>
<th>Pot Excess Days</th>
<th>%Pot Excess Days</th>
<th>Pot. Excess $</th>
<th>IP Accts w/Cols Chgs</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,676</td>
<td>3,700</td>
<td>1.3645</td>
<td>5.2</td>
<td>3.8</td>
<td>1.4</td>
<td>29,500</td>
<td>11,259</td>
<td>38.2%</td>
<td>5,066,763</td>
<td>742</td>
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</table>

**DISCHARGE TIMELINESS**

<table>
<thead>
<tr>
<th>7D &amp; 30D READMITS</th>
<th>Median Adm Tl Hr</th>
<th>Median DC Tl Hr</th>
<th>%Sat DCs</th>
<th>%Sun DCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>933</td>
<td>14.0</td>
<td>16.0</td>
<td>12.6%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

**MORTALITY**

<table>
<thead>
<tr>
<th>Deaths</th>
<th>%Deaths</th>
<th>#Comps</th>
<th>%Comps</th>
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</thead>
<tbody>
<tr>
<td>172</td>
<td>3.0%</td>
<td>183</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

**MORBIDITY**

<table>
<thead>
<tr>
<th>18.2 DS</th>
<th>&lt;3D SNF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,558</td>
<td>165</td>
</tr>
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</table>

**FIN. SUM**

<table>
<thead>
<tr>
<th>Charges</th>
<th>PMT</th>
<th>Direct Cost</th>
<th>%Reimb</th>
<th>Contr. Mgn</th>
<th>Oper. Mgn</th>
</tr>
</thead>
<tbody>
<tr>
<td>130,278,051</td>
<td>42,681,162</td>
<td>27,453,365</td>
<td>32.8%</td>
<td>15,227,796</td>
<td>435,625</td>
</tr>
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</table>

**MGN. SUM**

<table>
<thead>
<tr>
<th>Avg Charges</th>
<th>Avg PMT</th>
<th>Avg Direct Cost</th>
<th>%Reimb</th>
<th>Avg Contr. Mgn</th>
<th>Avg Oper. Mgn</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,952</td>
<td>7,520</td>
<td>4,837</td>
<td>32.8%</td>
<td>2,683</td>
<td>87</td>
</tr>
</tbody>
</table>

**DC CY/Month**

|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

**Current Selection Criteria**

**PATIENT TYPE**

- 2a - 1
- 2b - 12 of 24
- 2c - MANAGED CARE MEDICARE, MEDICARE PPS
- 2d - 70 of 225

**FINANCIAL CLASS or PAYOR GROUP**

**MS DRG CLUSTER**

58.9% with ALOS > GMLOS
Case Study Hospital A

PRIORITY MAPPING

Segmented Opportunity by High Value Targets

**Type**
- Medical $3.9M
- Surgical $1.3K

**DC Disposition**
- Home $1.7M
- SNF $1.4M

**Financial Class**
- Medicare PPS $4.2M
- Medicare Managed $867K

**MSDRG**
- Septicemia $403K
- Heart Failure $306K
- Renal Failure $199K
- Simple Pneumonia $206K
- Respiratory Infection $111K

**Attending**
- Attending A $506K
- Attending B $376K
- Attending C $307K
- Attending D $294K
- Attending E $245K

**DC Nursing Unit**
- Unit A $1.4M
- Unit B $1.3K
- Unit C $1M
- Unit D $978K
- Unit E $179K
Everyone Standing by the Facts

✓ CFO Validated and Insisted on Fact with Data Front and Center

Driving Performance

- With the power of new associative technology, Hospital A increasingly became interested in using detailed and advanced analytics to help run their business more effectively.

Realizing Value

- Today, the analytics allow the hospital to gain a deeper, more actionable understanding of performance improvement opportunities.

Collaborative Strategic Single Source of Truth
The primary goal was crystal clear for everyone – to effectively manage the transition of patients across the continuum.
Established the Right Team & Process

- Daily Interdisciplinary Team Conferences was key to the successful decrease in excess days and dollars.
- Standard work across the enterprise was key to reduce variation and improve quality.
- Physician Advisor led to reduce variation and improve quality.

Situation

Purpose of Tool:
This tool is intended to be the Interdisciplinary discharge planning tool to coordinate patient care.

Background

1. What is keeping the patient in need of care on this unit/hospital?
   - Clinical Needs/Medical Necessity:
     - ABNORMAL vital
     - ABNORMAL lab
     - Therapeutic INR
     - INR
     - WBC
     - Other:
     - Pending procedures:
       - Other:
   - Other:
2. What are we doing that cannot be done in lower level of care / home?
3. What are Anticipated DC Barriers?
   - No pay patient / Financial issues
   - Patient/family do not agree with plan
   - Complex social issue
   - Other:
   - Potential Avoidable Day(s):

Assessment

4. What do we need to do today to progress the patient?
   - PICC Line Placement
   - Pain Management
   - Ambulation
   - Patient Teaching
   - GI Diet
   - GI/Foley
   - Therapy Service
   - Other:

5. What does patient need upon DC?
   - Home
   - OMDC
   - Home Health Care
   - SNF
   - L/TACH
   - Acute Rehab
   - Outpatient Therapies
   - Hospice
   - Other:

Recommendation

6. What referrals/consults are needed?
   - Cardiology
   - PT/OT/Speech
   - Palliative Care
   - Social Services
   - Physician Advisor
   - Other:

7. Follow-up / Next Steps?
   - WHAT is specific Action Plan?
   - Completed?
   - When?
   - Other:

8. What is Final Discharge Plan?
   - D/C:
     - Transportation:
     - With:
     - Live with:
     - Expected DC Date
     - Actual DC Date
     - Was NY/UMO Approved

Interdisciplinary Care Conference
Care Coordination and Discharge Planning Tool

Physician Advisor led to reduce variation and improve quality.
Case Study Hospital A
Segmented Data by Discharge Disposition

✓ Leaders identified discharge and care coordination opportunities with SNF ($2.4M). The data did not lie.

Discharges to Skilled Nursing Facilities represent 28% of the volume and 36% of the potential avoidable dollars ($2.4M/$6M)
Discharge Nursing Unit A & B represent 30% of the volume (263/890) and 36% of the potential avoidable dollars ($842K/$2.4M)

✓ Physicians validated the “Tuck them in” Weekend Pattern

Discharges to SNF by Day of Week

- Sunday: 2
- Monday: 178
- Tuesday: 184
- Wednesday: 174
- Thursday: 154
- Friday: 191
- Saturday: 7

# Patients
Case Study Hospital A
Timely Discharge Planning

✓ Leaders studied discharges by Day of Week/Time of Day.

They determined that prolonged length of stay was partially due to lack of timely discharges to Skilled Facilities on weekends. There were productivity opportunities, handoffs and care coordination opportunities identified, including weekend “tuck them in” patterns causing high LOS on Monday.
Case Study Hospital A
Financial Class Analysis

- Medicare (PPS and Managed) represented 65% of the total potential avoidable dollar opportunity ($3.8M of $5.9M) and 64% of the Operating Margin Loss.
Volume was carefully inspected

Sample All Payor Inpatient Data
Market View geomaps patient origin by zip code
10 MSDRG Clusters represented 53% of the total potential avoidable dollar opportunity ($2M of $3.8M) and 59% of the Operating Margin Loss.
10 Physicians represented 40% of the total potential avoidable dollar opportunity ($1.5M of $3.8M) and 39% of the Operating Margin Loss.
Visualization helped identify high-value targets and special cause and common cause variation.
Case Study Hospital A
Well Designed Visualizations Promote Actionable Data

- Outlier - LOS Excess and %30 day Inpatient Readmission

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Case Study Results

• Realized Benefit
• Return on Investment
• Continuous Improvement and Refinement
**Case Study Hospital A**

**IMPLEMENTATION**

**FY13**
- Length of Stay *5.2*; GMLOS *3.4*
- Potential Excess Days *11,259*
- Potential Excess Dollars *$5M*
- Case Mix Index *1.3647*
- Inpatient 30 day Readmission Rate *16.4%*

**FY14**
- Length of Stay *5.0*; GMLOS *4.0*
- Potential Excess Days *8,508*
- Potential Excess Dollars *$3.8M*
- Case Mix Index *1.4203*
- Inpatient 30 day Readmission Rate *17%*

Realized Significant Improvement and Results
$1.2M per year
Lessons Learned from the Leaders Voice

- Nothing was more essential than understanding our **customer segmentation** for driving bottom-line growth.

- The analytics helped **identify high-value targets** and more effectively understand practice and behavior patterns.

- The intense competition for improving **high value performance** underlined the importance of using analytic tools and help us get closer to the process.

- Analytics tools identified the **dollars potentially being left on the table** because of the less than favorable pricing or agreements in place.

- Leaders knew clearly which **population segments** were profitable and those that were opportunities.
Integrated administrative and clinical data

✓ **Integrated Data Tells the Complete Story**

- Built and improved upon comprehensive analytics to better understand patient populations.
- Built on a foundation of integrated administrative and clinical data.
- Used previously siloed data sets to closely monitor cost, quality, and risk via analytics.
- Leaders desire this to be the new normal for business.
Financial Dimensions

✓ Focus on High Value Financial Targets

- Volume Management (market analysis, inpatient to outpatient shift)
- Payor Mix
- Rising costs/lower margins
- Taking on performance risk
- Lower reimbursements
- Federal penalties
- Referral leakage
- Insurance Denials (Technical)
- Billing for Outpatient Services
- Others
Operational Dimensions

✓ **Identify High Value Operational Targets**

- Medical Necessity and Compliance (short stays, observation management)
- Insurance Denials (Clinical)
- ED Revisits
- Preventable Unnecessary Admissions
- Service Line Performance
- Clinical Documentation Improvement
- Length of Stay Controls and Potential Excess Days/Dollars
- Resource Utilization/ Operational Cost Pressures
- Use of Post Acute
- Readmissions
- Others
Service Line Performance

✓ Drill into Service Lines to Find Margin

Leaders analyzed their core service lines.

- To make the margin leaders analyzed their core service lines with a keen focus on volume growth plus cost management and efficiency strategies.
- They got a fresh handle on the cost of care in a given service line to determine if they needed to eliminate the service line or implement operational changes to improve the financial performance of the service line.
- They also refocused their managed care contracting strategies in that service line.
Clinical Quality Dimensions

✓ Clinical Performance Was Not Overlooked to Find Margin

Leaders analyzed their clinical performance.

- To make the margin leaders analyzed their clinical performance with a keen focus on medical necessity, compliance, and care management functions.
- They engaged consultants to redesign their care management structure and process to help realize margin and drive sustainable outcomes.
- They focused on high value care management strategies and VBP Penalties to include length of stay controls, readmissions, and denial prevention.
- Clinical Care Redesign
- Clinical Variation
- LOS Controls and use of Post Acute
- “Value” improvement (Quality/Cost)
Current State Assessment

Is your healthcare system performing optimally?

✓ Is Your Healthcare System Performing Optimally?
✓ Is there an opportunity to look more closely at clinical performance to Find Your Margin?

Are You:

☐ Achieving positive financial margins?

☐ Balancing the growing challenges of sustaining accurate and reliable public reporting, and financial, regulatory and clinical management demands?

☐ Attaining the gold standard with your hospital’s service line strategies and department operational improvements?

If not, it may be a perfect time for you to conduct a clinical performance assessment to drive your bottom line.
III. Closing/ Go Forward Thoughts
Start Here – Analytics to Results

- **Issues/Facts:** What business problem are we trying to solve? What data can be leveraged to understand the business and improve performance?

- **Understanding Current State:** What is currently happening or has happened related to our business and why? What should we do about it?

- **Actions for Future:** How do we look to the future and build analytic insights directly into business processes?
### Questions to Ask Yourself

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Do you have the capabilities required to deliver analytic-driven improvements?</td>
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<tr>
<td>Do we have the ability to pull and integrate data from multiple, disparate systems?</td>
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<tr>
<td>Are we capturing and analyzing the proper data, the proper way?</td>
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<td>Can we triangulate to an answer when addressing an issue?</td>
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<tr>
<td>Do we have the required people and organization in place?</td>
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<tr>
<td>Do we have a process and results that will challenge conventional wisdom?</td>
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Go Ahead.....**Own** the analytics agenda to drive top and bottom-line growth.
It’s Not Just About the Perfect Scorecard

✓ It’s not just about getting a perfect scorecard indicating the best performance and outcomes at a given moment in time. It is about continuous performance improvement and monitoring the business needs and measuring the providers ability to meet those needs.

Repeat all steps to ensure performance monitoring is continuous.
Closing Thoughts

- Look before you leap - Assess data from all dimensions of performance
- Build a workplan or ROAD MAP for Change *first*
- Understand what the doctors think. Cultural clashes may be undefeatable
- Build a communication plan and involve the physicians and interdisciplinary team
- Implementation will drive success or failure with sustainable outcomes
- Continuously measure with communication and feedback loops
- Celebrate and/or reward wins
IV. Q&A
It’s a New Day!

Annual Institute 2015
"The Revenue Cycle - Changing Gears"
Thank you

Contact Us
Clinical Intelligence, LLC
29 Flagship Lane
Hilton Head Island, SC 29926

(888) 341-1014
Ljaccard@clinical-intelligence.org