

Business Intelligence in Healthcare:

Strategies to Ensure Financial Success





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EXECUTIVE SUMMARY

As the healthcare industry transitions from managing individual episodes of care to a broader focus on “value-based” care, success is largely defined by enhanced clinical outcomes. In fact, with access to more data than ever before, most large multi-specialty medical groups are embracing the power of data to improve patient outcomes.

By contrast, much less attention typically is directed toward financial processes. Yet, to thrive in today’s tumultuous environment of constantly changing regulations and care models, up-to-date revenue cycle management (RCM) strategies are as indispensable as ever, especially in a time of constantly changing clinical protocols.

Academic and non-academic medical groups alike must recognize how to leverage financial analysis as an essential component of highly efficient and effective care while understanding the impact of the new clinical outcomes based regulations. Appropriately, this white paper will discuss:

- The importance of leveraging data in light of new healthcare models;
- Ways in which technology has evolved to aid business processes; and
- Three top considerations for developing smart, intelligence-driven business practices.

HOW FAR WE’VE COME: WHY DATA IS CRUCIAL TO HEALTHCARE TODAY

The idea of paying for patient care on a “per person” rather than a “per service” basis (capitation) first took hold in the 1980s and 1990s. Given that most patient records at the time were paper-based it was difficult to compile and analyze enough data to develop best practices.

Since then, regulatory initiatives such as the Centers for Medicare & Medicaid Services (CMS) Electronic Health Record (EHR) Incentive Program and the Affordable Care Act have driven the adoption of EHRs and other information technology (IT) tools that enable the capture and analysis of large volumes of electronic information. According to a January 2014 Data Brief from the National Center for Health Statistics (NCHS), for example, 78.4 percent of office-based doctors used an EHR in 2013. That is up from 71.8 percent in 2012 and 57 percent in 2011.

While most medical groups are using this accumulation of data to drive improvements in clinical care, proactive financial tactics also can be identified using this same wealth of data. Indeed, a healthcare organization’s overall success is increasingly contingent on its ability to balance clinical accomplishments with financial performance. Remaining competitive requires a strong approach to financial systems integration and data management.

CHALLENGES

Despite all the benefits that electronic patient data presents, it also comes with new challenges as well. Perhaps the biggest of these is the complexity related to managing huge volumes of information that originate from disparate systems. At the root of this data management obstacle has been a lack of interoperability — the ability for technology systems to easily exchange data.

Few patients stay within the confines of a single group practice for the course of their care. Yet many practice management systems, EHRs and other supporting IT solutions operate using different technical specifications. As a result, it can be a cumbersome and costly task to bring all the right information together to paint an accurate patient care picture. It can be just as costly to water down information by trying to conform data from many disparate systems.

This challenge is not limited to just clinical operations either. Because lack of interoperability impacts the flow of *all* information, it also affects other aspects of a healthcare organization's performance — including RCM. It creates obstructions when medical groups attempt to observe reimbursement trends across a network of providers and limits the ability of practices to adequately use the data in conversations with payers.

It is clear that relying on the wrong technology — i.e., legacy data management systems without the interoperability and flexibility needed to coordinate among clinical and financial operations — can have a ripple effect over the entire bottom line.

BETTER TECHNOLOGY, BETTER BUSINESS PROCESSES

On the other hand, the right technology offers healthcare organizations an opportunity to use “big data” to effectively improve both the clinical and business aspects of patient care. Central data repositories, for example, are becoming a valuable asset for organizations that wish to exchange and analyze large volumes of patient data. Robust repositories have the ability to mitigate interoperability obstacles and combine multiple sources of financial and clinical data to produce quality performance metrics by which practices can measure their performance against their peers.

The advanced business intelligence (BI) technology of today also transforms these data repositories to offer reports and dashboards in a far more timely and efficient manner, and enables healthcare organizations to visualize their performance more accurately. Effective BI tools enable real-time access to essential information through not only on-demand reports, but also through the ability to interact with the data for ad hoc analyses.

Answering even deeper questions about *why* the information looks as it does falls into the realm of “analytics.”



Although sometimes used interchangeably, the terms “BI” and “analytics” do have distinct meanings. Analytics technology allows organizations to work proactively — moving away from a mindset of, “What happened and what should we do?” and toward one of, “What might happen and how can we prevent/encourage it?” While BI is the foundation, enabling an organization to gain valuable insight into operations through reporting and analysis to uncover areas of financial opportunity and improvement.

Working together, BI and analytics solutions can decipher raw data to identify meaningful trends. Armed with this insight, medical groups can build more efficient business practices that help reduce costs and improve patient care.

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THREE TIPS TO DEVELOP SOLID BUSINESS PRACTICES

For most medical groups, building data-enhanced financial processes will require at least these three key elements:

1) Take advantage of financial trending

“Business intelligence” may simply sound like a buzzword, but its effective application involves much more than just searching numbers looking for highs and lows. True BI provides transparency into an entire enterprise’s financial data to reveal both high-level and granular information.

For example, financial trending can highlight the team’s performance against budgets and goals. Like a cockpit is to a pilot, valuable financial dashboards can provide a lot of information in a very limited amount of space by highlighting metrics such as denial rates, bad debt volumes, current accounts receivable (A/R), payer performance, etc.

This kind of knowledge enables the leadership of the organization to identify and address the very statistics that can lead to achieving the strategic goals of improving financial performance and ultimately, clinical care.

2) Don’t overlook the patient experience

Very few medical groups currently deem financial policies to be a critical component of the patient experience. Yet today’s patients are savvy consumers who are responsible for a much greater portion of their medical charges. Therefore, using data to offer patients greater transparency and payment flexibility also can help enhance an organization’s reputation.

Medical groups that leverage financial data to its fullest potential — such as by using integrated technology to enable pre-service cost estimates — can positively impact the overall patient experience. As the patient experience improves, so will an organization’s ROI. For example: By offering patients the opportunity to set up payment plans in advance and online, a medical group is more likely to see a drop in “negative” metrics such as days in A/R or accounts sent to collections. With the coming requirements under Meaningful Use Stage 3 calling for more proactive wellness messaging and appointments, organizations can use a dynamic BI and analytics solution to help easily identify specific at-risk populations and enable patient-facing technologies to be more effective for patient outreach, electronic communication, care management and even scheduling.

Putting patients at the center of healthcare delivery — from the time appointments are scheduled through the time they log into a patient portal to see their test results and pay their bills — is tightly linked to a group’s cash flow. While patient-centered financial initiatives are slowly picking up steam throughout the country, there is still a lot of room for improvement. Healthcare organizations at the front of the curve are best poised to gain competitive advantage.

3) Use “agile” technology to spur business growth

With value-based care and market consolidation in full force, healthcare organizations are pushed to expand access and increase control over their market. However, medical groups using legacy technology systems typically cannot scale to accommodate market growth, thus locking up volumes of data and preventing the advancement of the organizational financial development. As a result, transitioning to more “agile,” flexible and scalable technology is an important factor for gaining interoperability, addressing data management challenges and adapting to a constantly evolving environment.

Future business growth is tied to an organization’s willingness to start evaluating the holes in its existing RCM and other IT systems. The ability to see and interact with data quickly and accurately is imperative as well, but use of enabling technologies to increase the value of an organization’s investment in people and technology is critical.

Implementing an “agile” system brings many benefits into reach including interoperability so that both patient experience and ROI can be enhanced.

STRATEGIC SOLUTIONS, POSITIVE IMPACT

Clinical improvement certainly is central to a healthcare organization’s ability to thrive. However, enhancing financial operations is just as vital to its long-term success in the era of value-based care, consumerism and big data. Therefore, leveraging the right processes, business intelligence tools and analytics solutions should be part of any organization’s strategic approach. Using technology to address these three priorities — enhancing the patient experience, gaining insight into financial trends and positioning for business growth — will impact not just clinical outcomes, but financial outcomes as well.

