DAVID HARTIG

CHALLENGES AND OPPORTUNITIES IN DATA ANALYTICS

Analysis and in-depth discussion from healthcare leaders at the HealthLeaders Media Revenue Cycle Exchange in March 2016

An independent HealthLeaders Media report

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Analysis

Using Data Analytics to Improve Your Financial Picture

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Revenue cycle professionals have an immense amount of data at their disposal—the challenge is accessing it and turning it into actionable information. Data can be used to bring about change in the culture of organizations. However, data manipulation and interpretation also present inherent pitfalls.

At the HealthLeaders Media Revenue Cycle Exchange at the Fairmont Grand Del Mar in San Diego, held March 23–25, 33 financial leaders shared ways in which they are using data analytics and benchmarks to measure the financial health of their organizations. They discussed their top tools for getting the most out of their information and offered insights for handling problem areas in data analytics and management.

The revenue cycle leaders discussed the difficulty in finding relevant benchmarks for areas such as accounts receivable days, and the ways in which they work with clinical department heads to ensure those leaders have an accurate picture of cash flow in and out of their departments; they also addressed strategies for managing denials. Data and analytics are powerful tools, and organizations are discovering how to maximize the value of their information to improve their financial picture.

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Discussion

Challenges and Opportunities in Data Analytics

MELISSA OSBORN

Healthcare organizations have become mass gatherers of data. But without sophisticated analytics, integrated IT tools, and processes to mine that data, they may not be able to take advantage of it.

The 33 leaders who gathered for the HealthLeaders Media Revenue Cycle Exchange, held March 23–25 at the Fairmont Grand Del Mar in San Diego, discussed some of the challenges and opportunities they've identified within their organizations around data analytics, as well as the tools that help them maintain an effective revenue cycle.

Let the data do the talking

Popular wisdom says culture starts at the top—but data is another important catalyst for change.

The ongoing managed Medicaid expansion is requiring organizations to collect more prior authorizations and pre-certifications, presenting a challenge for revenue cycle leaders. Changing the culture of the organization is often key to handling that challenge, and one way to make the change is through data, says Jane Berkebile, MA,

CPAM, system vice president of revenue cycle for OhioHealth in Columbus.

> **TAKEAWAYS**
> * **Let the data do the talking**
> * **Turn data into information**
> * **Ensure 'clean' data**
> * **Measure the right things**

One significant challenge for OhioHealth is educating physicians about the increased need for pre-authorizations under managed Medicaid. In the past, many of these patient accounts were written off as charity care. However, Berkebile's organization now needs to focus on the administrative requirements around Medicaid.

Educating OhioHealth's 343 physician practices, as well as the employed specialists and primary care physicians, by showing them the importance of pre-authorizations has represented a change in culture. "For communication with

our physicians, clinicians, and administration, the best tool we have is to show them in the data what's really happening," says Berkebile.

Her organization's data analytics team drills down to the information that impacts each department. Departments usually see the gross charge number and think they are doing well, she says. However, if a department is not getting appropriate authorizations, it may not actually be getting paid that amount.

Berkebile finds physicians in particular react positively to seeing data. "If you show them the data and don't preach to them, and let them discover the problem, you can get more positive reactions from the physician community," she says.

Following the data trail can also help you avoid pitfalls, such as relying on anecdotes that may hide the actual problem.

"The tyranny of the anecdote will not be allowed in this organization," says Doug Robison, performance improvement leader for John Muir Health in Walnut Creek, California. "You have to back it up with data."

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PEER INSIGHTS: Members of the Revenue Cycle Exchange listen thoughtfully to peer discussion. From left, Charlie Brown, MBA, vice president of revenue cycle at The University of Chicago Medicine; David Cohn, corporate vice president of revenue cycle at Scripps Health in San Diego; and Scott Ulrich, MBA, director of revenue cycle operations at Houston Methodist Hospital.

Turn data into information

Even data only goes so far—it needs to be turned into information, says Russ Weaver, vice president of revenue cycle/finance for Adventist Health System in Burleson, Texas, relating advice he once received. "You will be more successful if you figure out how to turn data into information. When you're given something, ask, 'What does this tell me?'"

It is important to get back to the root cause and have a sufficient level of detail to address change. As part of the transition to the Cerner Patient Accounting product, Adventist has taken the opportunity to review its processes and reporting. As part of this, Weaver is careful to avoid relying on anecdotal information. "You can't go to the director of patient accounts and say you think his or her department is doing something

> "You will be more successful if you figure out how to turn data into information. When you're given something, ask, 'What does this tell me?'"
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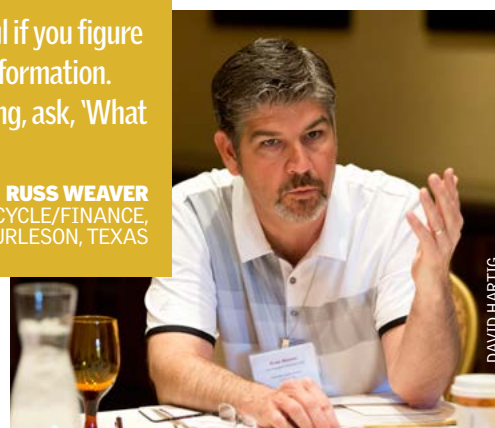
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Which of the following types of finance-related data does your organization now draw on for your analytics activity?

Medicare/Medicaid patient claims data	79%
Commercial payer patient claims data	74%
Internal provider productivity data	64%
Patient financial data	58%
Chargemaster data	55%
Payer cost data	37%
Care partners' provider productivity data	19%
Care partners' cost data	16%
None	2%

Multi-response

SOURCE: HealthLeaders Media Intelligence Report, *IT and Analytics Advantage: Managing Data to Master Risk,* April 2015; *hlm.tc/1q35z2h.*

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wrong without having meaningful data to back it up."

Sometimes what seems like a data problem is really something else, so it's important not to lose sight of the basics, such as whether your organization is collecting required data on the front end, according to Doug Brandt, CPA, associate chief financial officer for Truman Medical Centers in Kansas City, Missouri. "We're focused on capturing the data items that need to be captured. There is always some low-hanging fruit, so identify and fix that first, then move to the harder-to-fix items."

For example, it is important for revenue cycle leaders to look at the root cause of things such as denials. Even if you are measuring all the right things, if something is not happening at the front end (for example, the registration department is not verifying the patient insurance), you are going to get denials.

UnityPoint Health in Des Moines, Iowa, is using data to get to the root cause of denials. "We're using data to drive that change by having the service providers focus on getting it correct at the beginning, versus always having to do it on the back end," says Renee Rasmussen, CPA, MBA, FHFMA, vice president of revenue cycle for UnityPoint Health.

Ensure 'clean' data

Organizations that can't trust their data might run into problems with data standardization. Alternatively, organizations can fall into the trap of having too much data, but not enough accountability.

The first step to ensuring clean data is to assemble a group of stakeholders to determine what

"By looking at your data and seeing where you are, you see the opportunities and continually set targets to improve your own data."

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In which of the following does your organization expect to begin or increase investments over the next year to support or enable analytics?

Improving quality of data	75%
Integration of data from external sources	58%
Adding or training analytics staff	48%
Training clinicians in analytics	39%
Acquiring an analytics platform or module	28%
Obtaining outside data analytics services	19%
Acquiring a data warehouse appliance	17%
Contracting for data warehouse cloud services	11%
No analytics investments expected	8%

Multi-response
SOURCE: HealthLeaders Media Intelligence Report, *IT and Analytics Advantage: Managing Data to Master Risk*, April 2015; hlm.tc/1q35z2h.

data is necessary and where it will come from, says Tammy Thomlison, chief revenue cycle officer for the University of Mississippi Medical Center in Jackson. Her organization has set up a team to look at the data warehouse generated by Epic and agree, organizationwide, where they will pull data from.

"As an organization, we had to decide where we would pull certain information from the data warehouse, so that when we're pulling reports we all get the same results," says Thomlison. Her team also uses the Qlik software to provide reporting options on top of the data warehouse.

Having data in multiple systems and managing various interpretations of that data is a challenge for many organizations. Systems must also ensure the data is clean once they have it, says Don Shaw, vice president of revenue cycle for Baton Rouge (Louisiana)

General Medical Center. "Once you start pulling information, you find that sometimes you have surprises that you have to fix."

Revenue cycle leadership must hold itself to the same accountability standards it hopes to see from other departments. Data transparency is one way to increase collaboration and trust between the revenue cycle and clinical departments.

"I think it goes back to making sure our data is as accurate as possible. If other departments find differences or errors, we acknowledge that and go back and make those adjustments," says Rasmussen.

Measure the right things
The University of Chicago Medicine focuses more on internal benchmarks than external. "Your benchmark is what you did last week. Now do better than that,"

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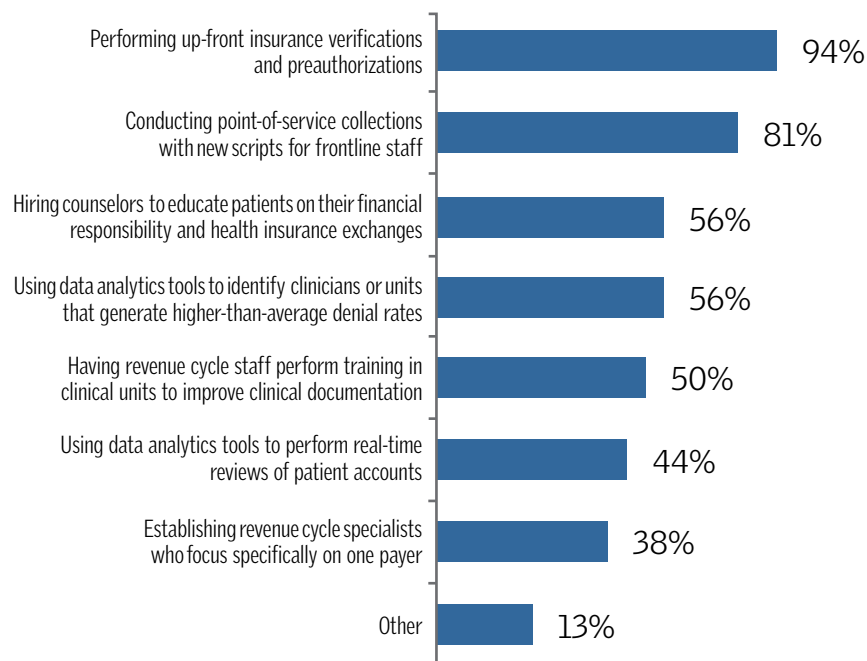Sentara Healthcare
Chesapeake, Virginia

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How is your organization adapting its revenue cycle to improve collections and reduce denials?

Measure	%
Performing up-front insurance verifications and preauthorizations	94%
Conducting point-of-service collections with new scripts for frontline staff	81%
Hiring counselors to educate patients on their financial responsibility and health insurance exchanges	56%
Using data analytics tools to identify clinicians or units that generate higher-than-average denial rates	56%
Having revenue cycle staff perform training in clinical units to improve clinical documentation	50%
Using data analytics tools to perform real-time reviews of patient accounts	44%
Establishing revenue cycle specialists who focus specifically on one payer	38%
Other	13%

SOURCE: HealthLeaders Media Revenue Cycle Exchange Pre-Event Survey.   Base = 32

says Charlie Brown, MBA, vice president of revenue cycle for The University of Chicago Medicine. "To really set those individual targets, you've got to measure against your own internal performance."

UnityPoint also focuses on internal benchmarks, but supplements them with HFMA's MAP App, says Rasmussen. "We look at the key performance indicator of net revenue yield for our nine regions to really compare different areas."

The most important thing is to set your own benchmarks and targets, adds Berkebile. "By looking at your data and seeing where you are, you see the opportunities and continually set targets to improve your own data. We don't try to

match somebody else's number— we continually work on improving our own performance."

Organizations need to avoid the pitfall of measuring the wrong things or being so inundated with data that they can't make a decision.

"There are an endless number of things we can measure, and you don't want to be playing a game of whack-a-mole where every time something pops up, you hit it and then another thing pops up," says Brandt. "It's important to find the balance and identify where we need to drill and what we need to focus on."

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