



**2020 Advisory Conference**

October 27–29


Converging knowledge and behaviors to deepen client relationships

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**USING BUSINESS INTELLIGENCE TOOLS TO ENHANCE HEALTH CARE CLIENT CONVERSATIONS**

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**Rock Island Capital**

## Speaker

**Donna McKinney****Manager, Freed Maxick Healthcare Consulting Services**

Donna McKinney has over 16 years of experience serving the healthcare industry. She specializes in leading transformational initiatives and implementing operational imperatives system-wide. Donna has significant experience in hospital and ambulatory services operations, system turnarounds, expense and productivity management, and organization change and process re-design.



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## Speaker

**Dan Gerena****Principal, Freed Maxick Healthcare Consulting Services**

Dan has extensive experience leading BI initiatives and deployments in various healthcare settings (LTC/SNF, Assisted Living, Homecare, Hospice, Acute Care, Physician Practices, MLTC).

Dan's experience includes data modeling, SQL development and data visualization. He has a Six Sigma Black Belt. Prior to joining Freed Maxick, Dan served as Director of Business Intelligence & Analytics at a large health system in Western New York for over 14 years, as well as leading BI initiatives and deployments at a large financial institution and defense contractor.



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## Agenda

Topic	Minutes
Service Line Analytics	25
Physician Practice Analytics	25
Q&A	10



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## Breakout Objectives






By the end of this course, you will be able to understand how to advise clients to utilize data analytics to:

- Determine the value of service lines and opportunities to improve
- Determine overall physician practice performance and opportunities to improve.



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# SERVICE LINE ANALYTICS



**Healthcare Business Analytics Management**  
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Many independent, rural and critical access acute care hospitals have a need to understand what service lines and provider relationships generate profits. Absent of this knowledge, it's challenging to understand where to make investments and how best to structure physician compensation models.





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Unfortunately, cost accounting software is complex to implement, expensive to acquire and often requires an FTE investment to manage and maintain.

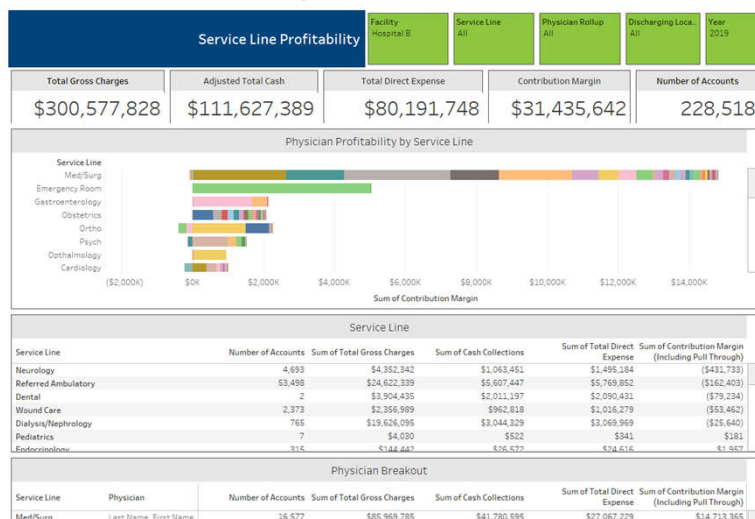
**HBAM has designed a methodology to allocate cost and net revenue to patient activities, in order to enable these decisions. Further, we host all of the technology, including a data warehouse, automated data migration and dashboards that empower our clients to make fact-based decisions.**



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## Service Line Analytics



The tool is designed to build out a Ratio of Costs to Charges (RCC) in order to assign a profitability to each patient account.

Profitability then gets aggregated by Service Line and Physician in order to understand the profitability of each service and drive strategic or operational initiatives to maximize margin.

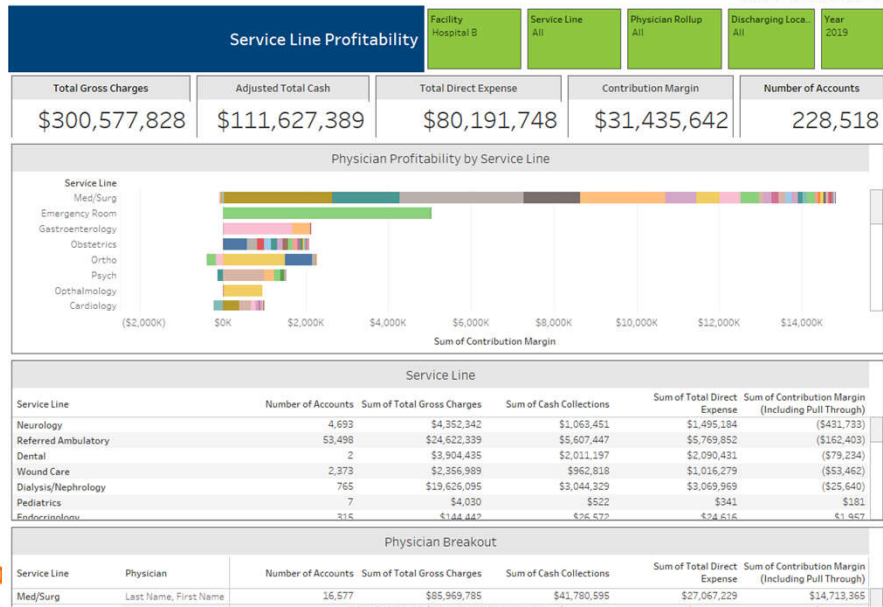
- Service line can be defined by discharging DRG or service, or physician specialty.
- The RCC is developed utilizing patient detailed charge data and trial balance information.
- The RCC then assigns cost at the patient detail level so that the cost can be aggregated in order to understand the profitability of each patient.



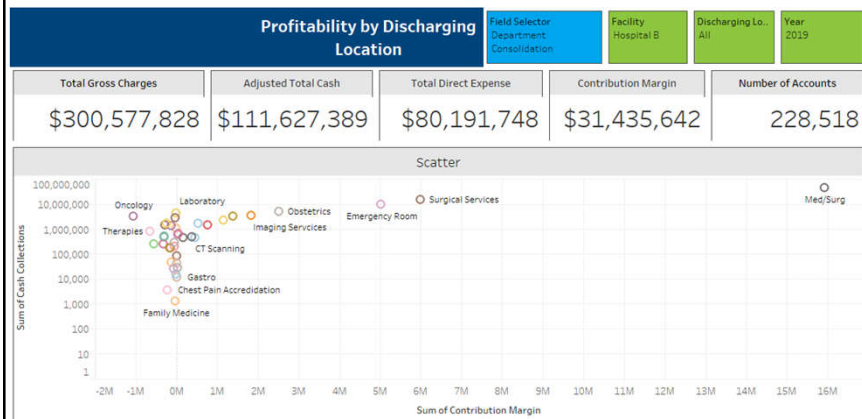
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## Service Line Analytics

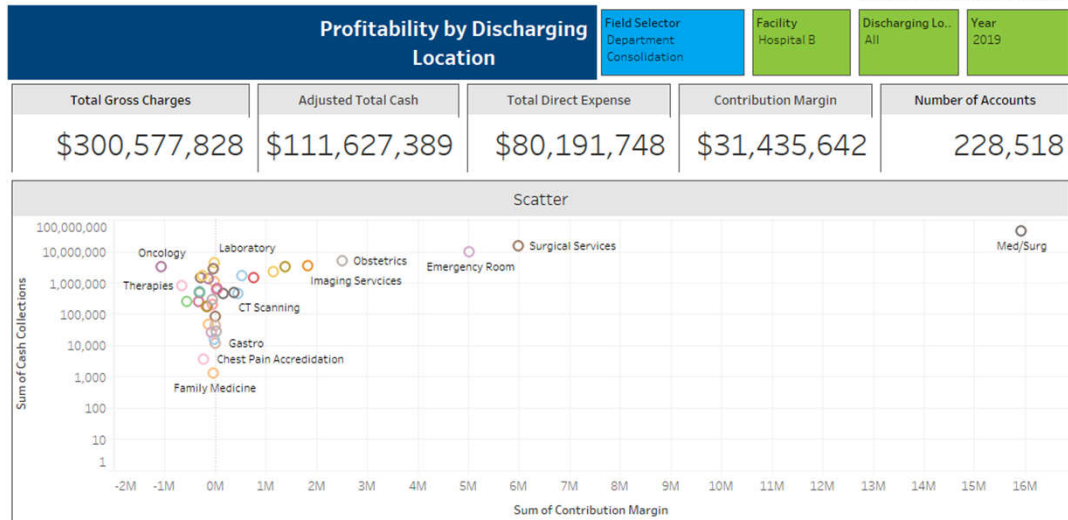


## Service Line Analytics



- Drilling down by discharging location code gives a view into your most profitable services regardless of the service line or physician specialty.
- From this view, there are further drill downs to the department level that assist in identifying opportunities to improve revenue capture or decrease expense related to the service.

## Service Line Analytics



## Service Line Analytics

**Service Line Detail**

Facility: Hospital B  
 Physician Rollup: (All)

Total Gross Charges	Adjusted Total Cash	Total Direct Expense	Contribution Margin	Number of Accounts
\$8,114,423	\$3,338,088	\$3,322,438	\$15,371	7,744

Department Detail

Service Line	Physician Rollup	Discharging Location	Number of Accounts	Sum of Total Gross	Sum of Cash Collect.	Sum of Total Direct	Sum of Contribution
Grand Total			7,744	\$8,114,423	\$3,338,088	\$3,322,438	\$15,371
Ortho	Physician A	Total	5,169	\$4,301,167	\$1,736,236	\$2,033,057	(\$296,945)
		Ambulatory Care	1	\$1,082	\$371	\$55	\$315
		CT Scanning	44	\$35,030	\$5,143	\$1,857	\$3,273
		Diabetes Clinic	14	\$3,187	\$972	\$3,185	(\$2,212)
		EKG	16	\$12,079	\$1,369	\$2,639	(\$1,266)
		Laboratory	100	\$25,201	\$5,440	\$5,625	(\$1,977)
		MRI	199	\$266,660	\$64,105	\$23,025	\$41,065
		Nuclear Med	7	\$10,495	\$2,142	\$2,871	(\$728)
		Physical Therapy - OP	206	\$275,768	\$87,054	\$58,074	\$28,981
		Radiology	1,150	\$286,445	\$76,762	\$69,515	\$7,265
		Sameday Surgery	92	\$511,511	\$234,741	\$159,027	\$75,714
		Ultrasound	17	\$10,731	\$2,724	\$1,665	\$1,061
		Acute Care	84	\$2,206,952	\$1,004,748	\$896,029	\$108,712
		Ortho	3,239	\$656,026	\$250,665	\$809,490	(\$58,930)
		Total	1,282	\$1,435,943	\$506,894	\$571,026	(\$64,908)
	Physician B	Ambulatory Care	1	\$12,618	\$3,533	\$1,959	\$4,152
		Cardiac Rehab	1	\$60	\$60	\$31	\$29
		CT Scanning	9	\$13,385	\$1,472	\$847	\$626
		EKG	3	\$2,339	\$245	\$509	(\$264)
		Laboratory	19	\$2,837	\$789	\$663	\$128
		MRI	86	\$123,744	\$26,924	\$10,686	\$16,233
		Nuclear Med	10	\$16,264	\$3,084	\$4,799	(\$1,715)
		Physical Therapy - OP	47	\$41,732	\$20,164	\$12,697	\$7,463
		Radiology	292	\$46,930	\$23,339	\$16,450	\$6,885
		Sameday Surgery	24	\$269,639	\$88,995	\$85,773	\$3,222
		Spine Clinic	767	\$207,487	\$76,815	\$218,532	(\$141,875)
		Acute Care	19	\$658,857	\$261,423	\$217,977	\$43,446
		Ortho	2	\$51	\$51	\$63	(\$12)
		Total	305	\$1,400,000	\$515,500	\$571,000	(\$15,000)

Drilling down by the service line and then the physician allows you to understand the impact that providers have on the margin of your facility at the location level.

This allows you to identify all medical, surgical, physician practice and referred services associated with the provider.

## Service Line Analytics

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Service Line Detail				Facility	Physician Rollup			
				Hospital B	(All)			
Total Gross Charges	Adjusted Total Cash	Total Direct Expense	Contribution Margin	Number of Accounts				
\$8,114,423	\$3,338,088	\$3,322,438	\$15,371	7,744				
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		Ortho	3,239	\$666,026	\$250,665	\$809,490	(\$558,930)	
		Total	1,282	\$1,435,943	\$506,894	\$571,026	(\$64,307)	
		Physician B	Ambulatory Care	3	\$12,618	\$3,533	\$1,999	\$4,123
			Cardiac Rehab	1	\$60	\$60	\$31	\$29
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Acute Care	19	\$658,857	\$261,423	\$217,977	\$43,446			
Ortho	2	\$51	\$51	\$69	(\$12)			
Total	363	\$1,40,073	\$51,357	\$55,490	(\$11,073)			



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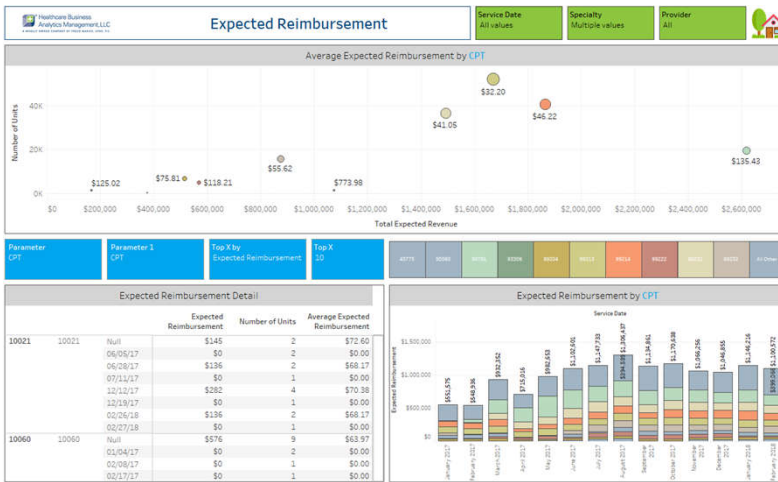
Avalara



# PHYSICIAN PRACTICE ANALYTICS



## Physician Practice Analytics



**Expected Reimbursement Dashboard** utilizes your billing data and contracted rate to calculate in real-time expected revenue.

- Why is this important?

This allows organizations to be more predictive and even understand trajectory mid-month



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## Physician Practice Analytics



**Open Accounts Receivable Dashboard** ensures prompt payment of your receivables and identify problem payers.

- Why is this important?

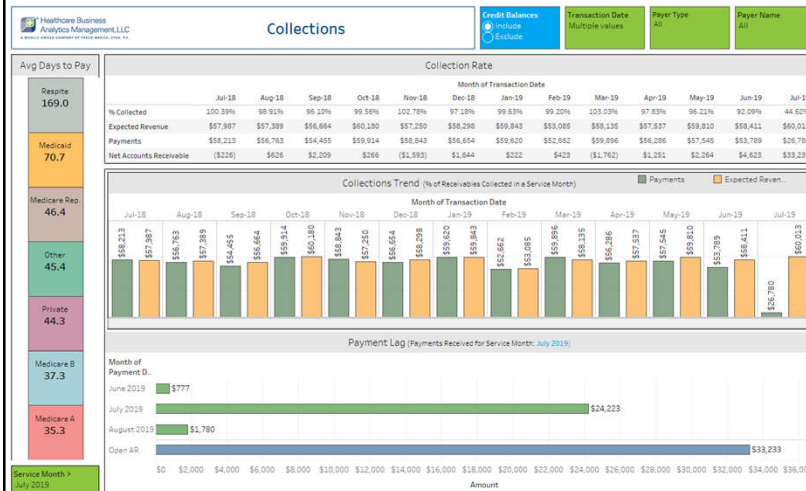
This allows organizations to identify opportunities to collect cash more optimally, enhancing cash flow



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## Physician Practice Analytics



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**Collections Dashboard** compares expected monthly revenue with actual payments received, highlighting open balances.

- Why is this important?

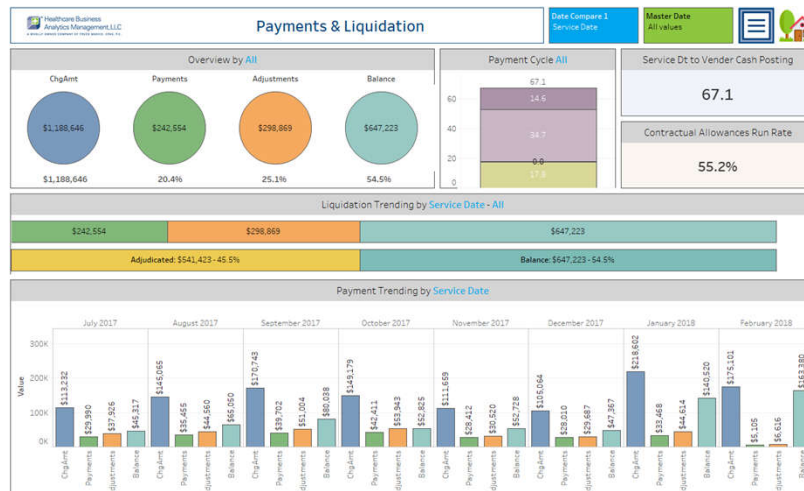
This allows organizations to understand the typical time it takes to collect Open A/R



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## Physician Practice Analytics



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**Payments and Liquidation Dashboard** trend of payment lags relative to service date.

- Why is this important?

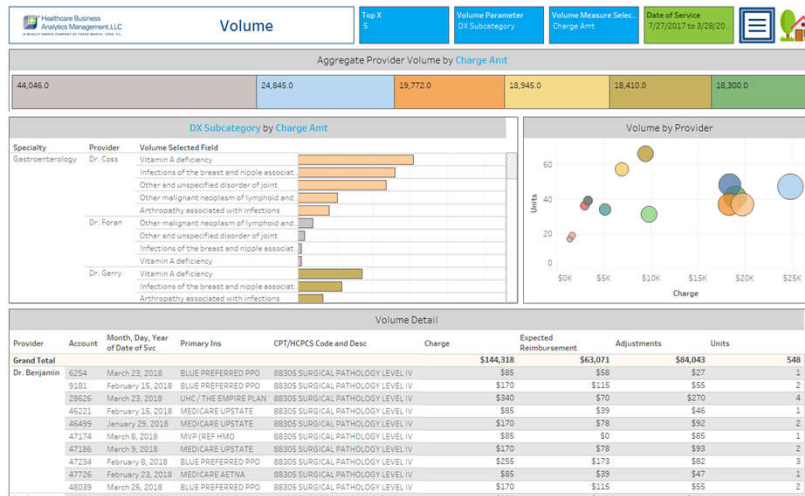
This allows organizations to monitor the liquidation of receivables, and the composition of Gross Charges relative to Payments and Contractuals



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## Physician Practice Analytics



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**Volume Dashboard**  
services and quantities performed, along with their billed amounts and experienced contractual write-offs.

- Why is this important?

This allows organizations to be monitor patient volume by Service Line, Provider, Diagnosis, etc.



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## Physician Practice Analytics



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**Compliance Dashboard**  
tracks your physicians' coding practices (to benchmark); exposes propensities for undercoding and overcoding.

- Why is this important?

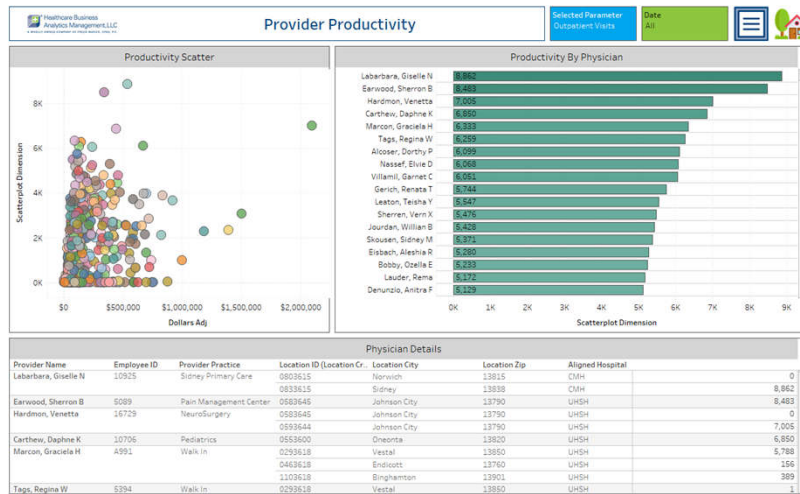
This allows organizations to monitor Level Charges amongst like Providers and compared to a Benchmark



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## Physician Practice Analytics



**Provider Productivity Dashboard**  
the value your providers bring to the organization.

- Why is this important?

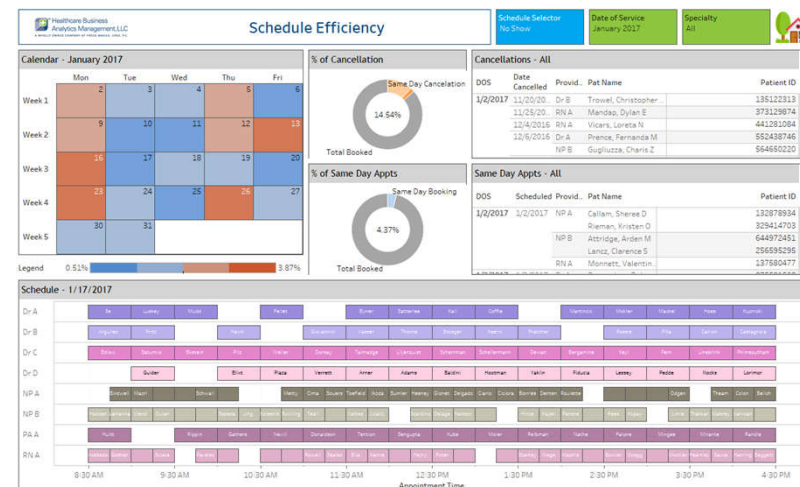
This allows organizations to track Worked RVUs by Specialty and Provider



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## Physician Practice Analytics



**Schedule Efficiency Dashboard**  
your organization's ability to fill empty appointment slots.

- Why is this important?

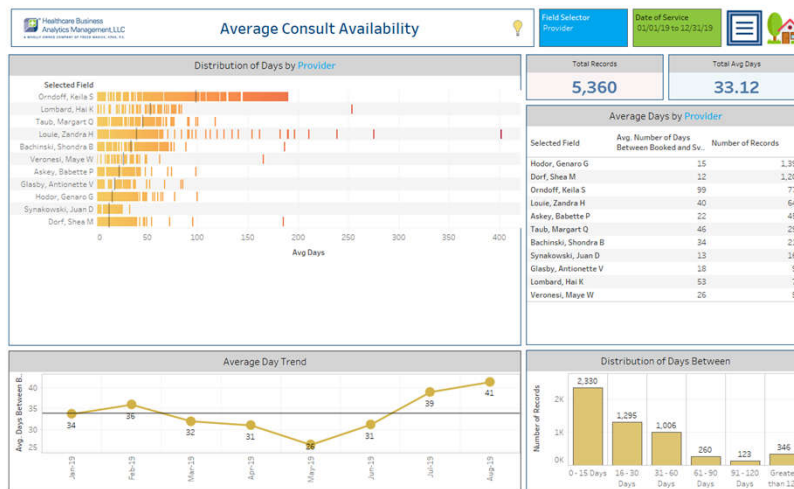
This allows organizations to optimize the use of the schedule to ensure slots are filled



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## Physician Practice Analytics



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**Average Consult Availability Dashboard**  
average days patients must wait to be seen for consultations.

- Why is this important?

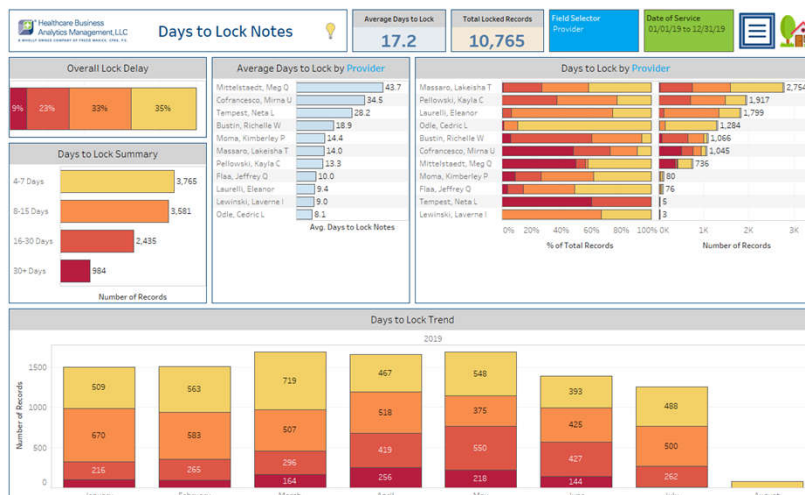
This allows organizations to know the lead time for scheduling consults by Specialty and Provider



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## Physician Practice Analytics



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**Days to Lock Notes Dashboard**  
visibility into your resources' ability to promptly complete their notes, readying the encounter for billing.

- Why is this important?

We can't bill until we lock the Notes. This tracks any unlocked Notes by Provider, as well as their historical lags

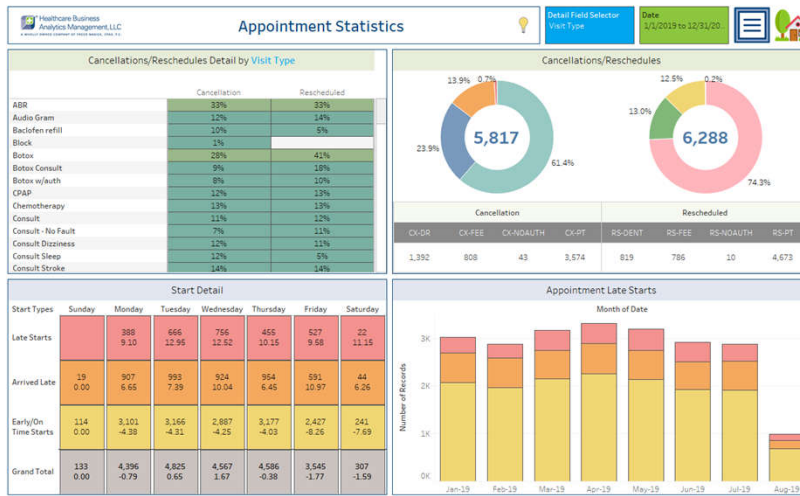


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## Physician Practice Analytics



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### Appointment Statistics Dashboard

negative appointment events (late starts and cancellations.)

- Why is this important?

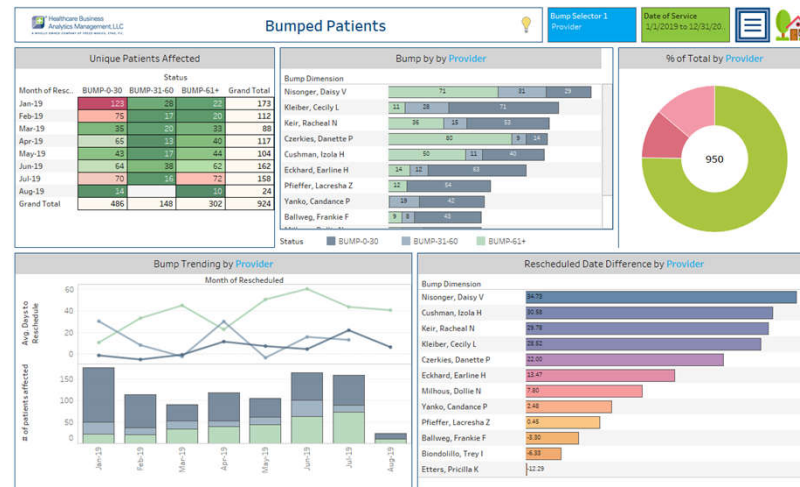
This allows organizations to track and understand Late Starts and Cancellations to maximize patient experience



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## Physician Practice Analytics



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### Bumped Patients Dashboard

instances where providers were forced to bump appointments.






- Why is this important?

This allows organizations to identify instances where patients are bumped (and why) and how far into the future the reschedule occurs



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