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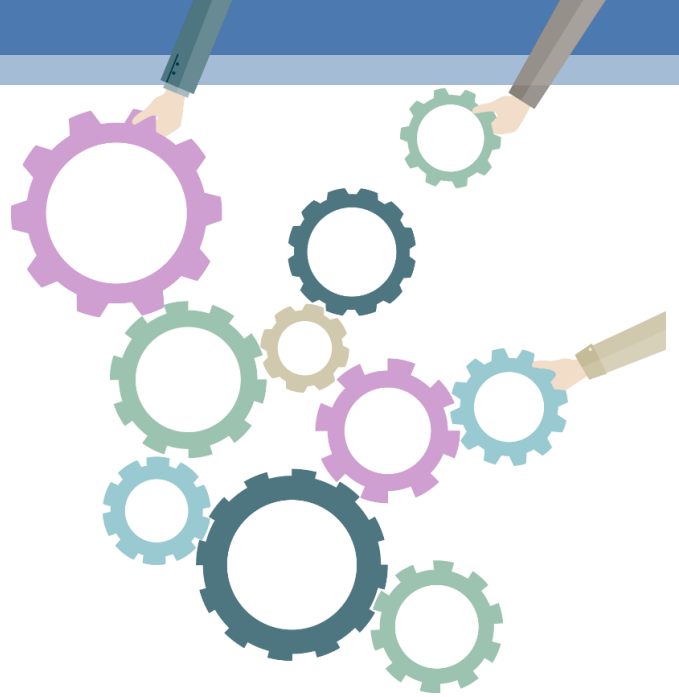
Agenda



- Introductions
- Goals and Objectives
- Todays Healthcare Challenge
- Who Should Consider an SCM Assessment?
- Why Power BI instead of Excel?
- Test Case Findings, Data and Conclusion
- Summary
- Questions and Discussion

Goals and Objectives

- Gain insight into the importance of completing a supply chain assessment to maximize revenue and validate data
- Understand how outcomes of an assessment can transform into an executable road map with tangible outcomes to reduce operational expenses and increase revenue.
- Gain Knowledge on how Power BI data can sustain a supply chain best practice environment.

Leave session having gained knowledge on the value of utilizing Power BI to assess your supply chain data and charging systems

Healthcare Financial Challenge

Healthcare Financial Challenge

Patient-Centric Clinical Focus

Typical Revenue Lifecycle Review Areas

Overlooked Revenue Enhancement Areas

Financial System Maintenance & Enhancement

Supplies

Who Should Consider a Supply Chain Assessment?

Facilities Needing Any of the Following Should Consider Assessing Their Supply Chain

- **Additional Revenue**
- **Data Cleanup**
- **Address SCM Operational Concerns**
- **Prepare for Migration or Upgrade**
- **Potentially Provides Additional Project Funding**

Why Utilize Power BI in a Supply Chain Assessment

Why Power BI?

- Power BI is a **robust business analytics tool** that can provide extensive modeling, custom development, and real-time high-level analytics.
- Power BI is designed for collaboration
- Automatic data refresh capability
- Ability to handle large data sets
- Simple drill down capability
- Dashboard capability
- Workspace function allows for a single source of truth

Approach

Baseline Regulation Understanding

- **Charges DO Matter**

Even hospitals that are primarily reimbursed on a fixed fee or DRG basis, have significant charging opportunities.

In almost every case, facilities were able to recover significant incremental revenue due to an assessment.

CMS regulations do not allow all supplies to be rolled into procedure, level or room charges.

Only routine (used on every patient) supplies may be rolled into procedure, level, or room charges.

Non-routine (not used on every patient) supplies must be for billed separately.

Assessment Approach

- Obtain C-level buy in and full support to proceed
- Gather data on from Supply Chain Management System
- Create a multi-disciplinary assessment team
- Create Power BI dashboard for data monitoring
- Set up weekly team meeting for status updates and problem solving
- Initial phase - clean up old or unused data elements
  - This can be accomplished via scripting to improve timeline and accuracy
- Thoroughly investigate supply charging workflows to maximize revenue
- Update charging data and methodologies
- Typical timeline 3 - 6 months

Assessment Approach

SUPPLIES AND PATIENT CHARGING

Kickoff
Assessment overview and approach

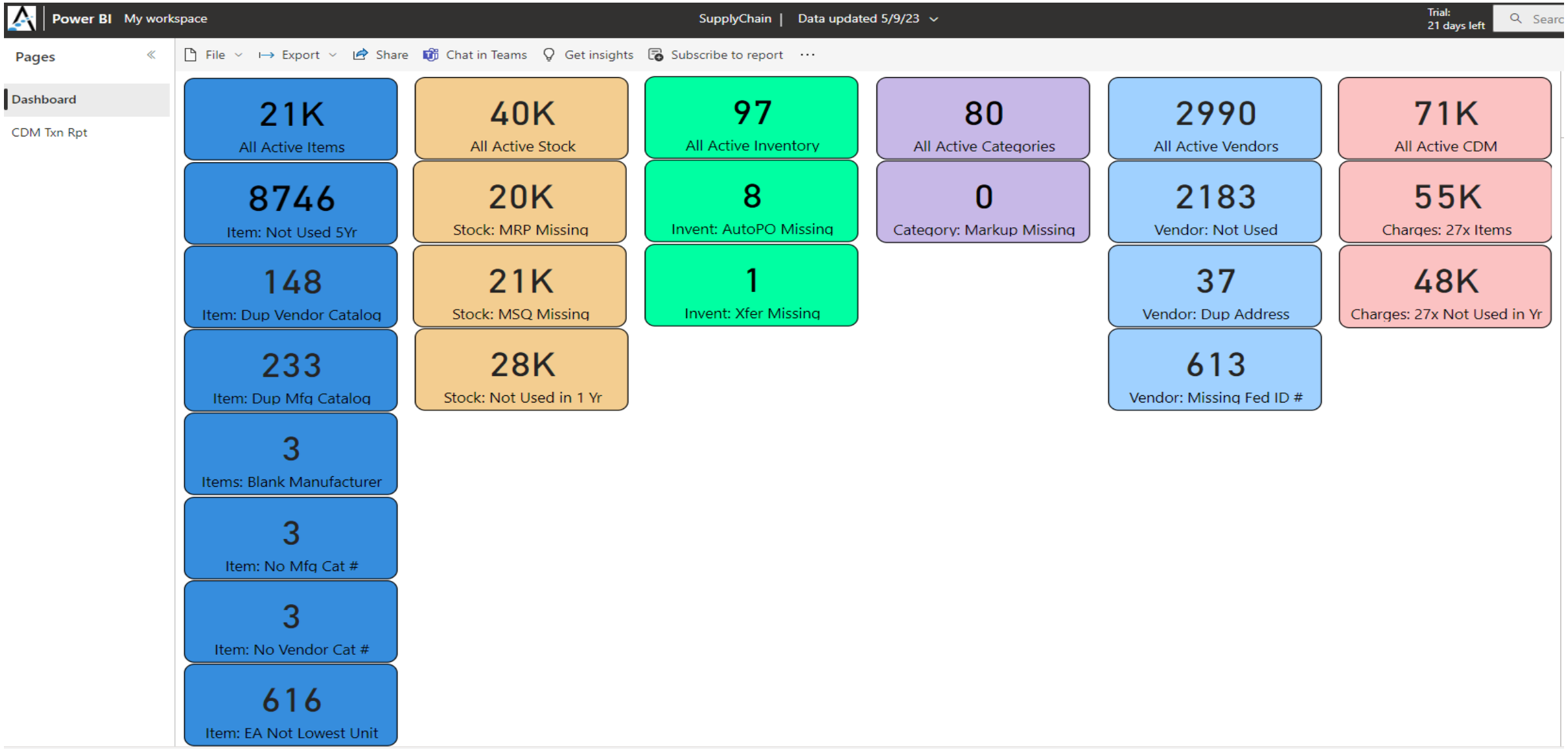
Gather Metrics and Prioritize
Collect remaining key operational information and metrics. Then prioritize findings into project plan

Collect and Analyze
Data collected from MEDITECH MM and CDM using Power BI

Assess Current Build
Review core application functions and configuration, to include: markup matrix and high-level review of the Item dictionary, Vendor dictionary, and Procedure dictionary

Interview and Observe
Interview stakeholders and observe current core workflows in key operational areas

Approach – Dashboard



	Decision Drivers	Weight
1	Predecessor to Other Projects (None = 1, At Least 1 = 5, Several = 8)	10
2	Revenue Potential (1 = Low, 8 = High)	10
3	Current Pain Point (1 = No, 8 = Yes)	6
4	Resource Requirement (1 = Significant, 5 = Moderate, 8 = Low)	5
5	Scope Complexity (1 = Significant, 5 = Moderate, 8 = Low)	5
6	Timeline Duration (1 = Long, 5 = Moderate, 8 = Short)	5

1 = Red, 3 = Orange, 5 = Yellow, 7 = Lime Green, 8 = Green

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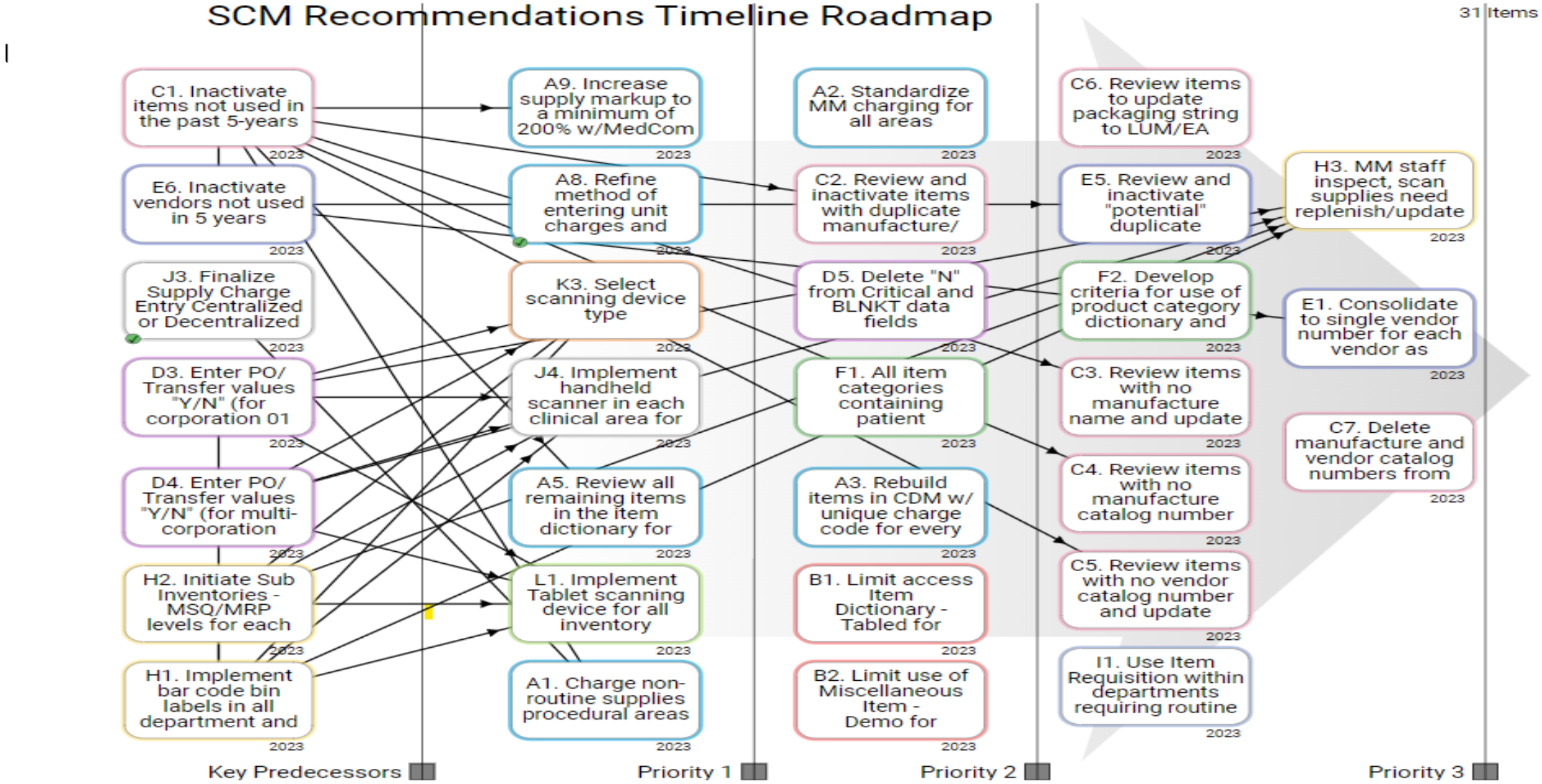
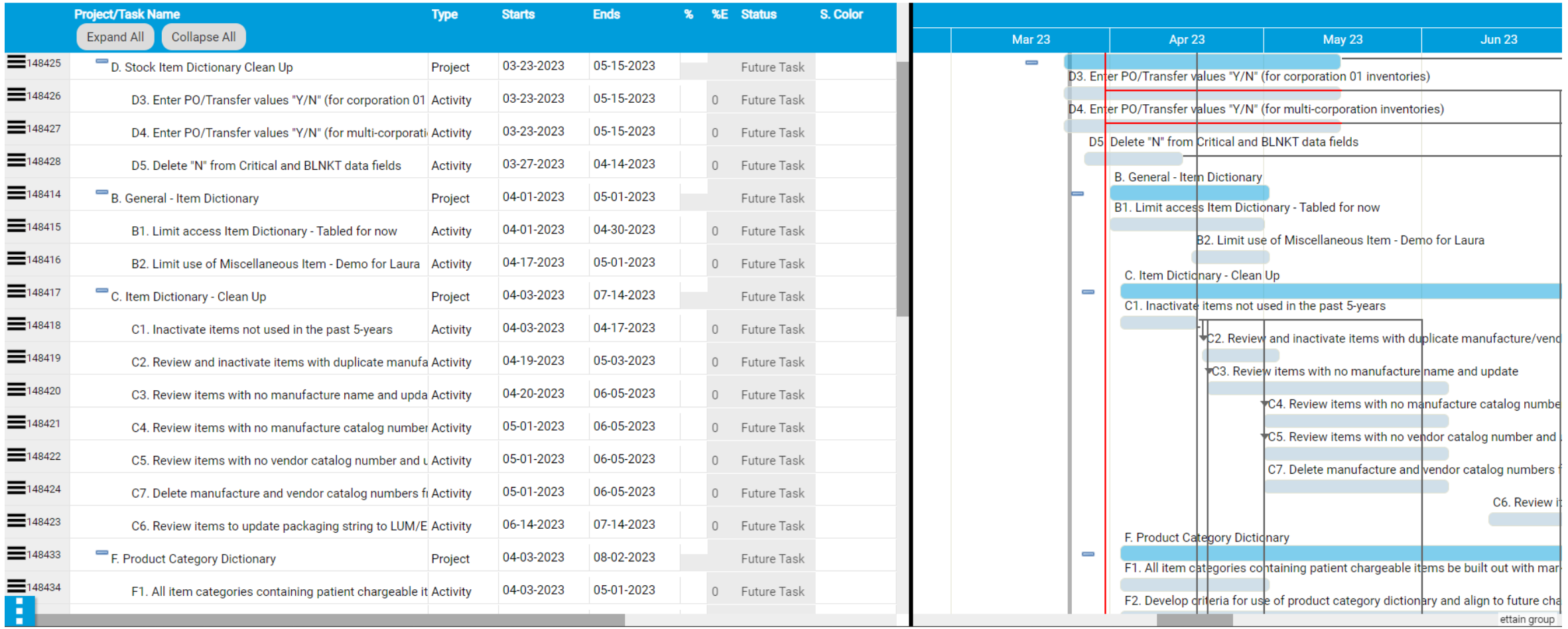
	Recommendations (Max Score = 328)	Score						
1	A9. Increase supply markup to a minimum of 200% w/ MedCom (consider graduated matrix)	258	40	40	40	48	80	10
2	C1. Inactivate items not used in the past 5-years	233	35	25	35	48	10	80
3	A8. Refine method of entering unit charges and follow-up on rejections	203	25	5	35	48	80	10
4	K3. Select scanning device type	203	25	25	25	48	30	50
5	E6. Inactivate vendors not used in 5 years	197	35	25	35	42	10	50
6	J3. Finalize Supply Charge Entry Centralized or Decentralized decision	197	25	25	25	42	70	10
7	J4. Implement handheld scanner in each clinical area for scanning of supply charge stickers	197	25	25	25	42	70	10
8	A5. Review all remaining items in the item dictionary for chargeability	183	25	5	25	48	70	10

Alignment & Prioritization – Roadmap Timeline





	Project/Task Name	Type	Starts	Ends	%	%E	Status	S. Color
	Expand All / Collapse All							
148425	D. Stock Item Dictionary Clean Up	Project	03-23-2023	05-15-2023			Future Task	
148426	D3. Enter PO/Transfer values "Y/N" (for corporation 01	Activity	03-23-2023	05-15-2023		0	Future Task	
148427	D4. Enter PO/Transfer values "Y/N" (for multi-corporati	Activity	03-23-2023	05-15-2023		0	Future Task	
148428	D5. Delete "N" from Critical and BLNKT data fields	Activity	03-27-2023	04-14-2023		0	Future Task	
148414	B. General - Item Dictionary	Project	04-01-2023	05-01-2023			Future Task	
148415	B1. Limit access Item Dictionary - Tabled for now	Activity	04-01-2023	04-30-2023		0	Future Task	
148416	B2. Limit use of Miscellaneous Item - Demo for Laura	Activity	04-17-2023	05-01-2023		0	Future Task	
148417	C. Item Dictionary - Clean Up	Project	04-03-2023	07-14-2023			Future Task	
148418	C1. Inactivate items not used in the past 5-years	Activity	04-03-2023	04-17-2023		0	Future Task	
148419	C2. Review and inactivate items with duplicate manufa	Activity	04-19-2023	05-03-2023		0	Future Task	
148420	C3. Review items with no manufacture name and upda	Activity	04-20-2023	06-05-2023		0	Future Task	
148421	C4. Review items with no manufacture catalog number	Activity	05-01-2023	06-05-2023		0	Future Task	
148422	C5. Review items with no vendor catalog number and u	Activity	05-01-2023	06-05-2023		0	Future Task	
148424	C7. Delete manufacture and vendor catalog numbers fi	Activity	05-01-2023	06-05-2023		0	Future Task	
148423	C6. Review items to update packaging string to LUM/E	Activity	06-14-2023	07-14-2023		0	Future Task	
148433	F. Product Category Dictionary	Project	04-03-2023	08-02-2023			Future Task	
148434	F1. All item categories containing patient chargeable it	Activity	04-03-2023	05-01-2023		0	Future Task	

Test Case Findings

Test Case #1 – – Colorado Hospital

FINDINGS

- 78 licensed beds, small rural hospital on the Western Slope in CO
- Very profitable historically, but revenues sharply declining
- Hospital over 50% Government payors, a significant increase over previous years
- Conducted project to repair errors in supply charging
- Material Management findings:
  - Item dictionary not maintained well
  - Supply markup matrix not evaluated for over 17 years
  - Automated supply markup matrix not used

Test Case #1 – Colorado Hospital

FINDINGS

- Operating Room findings:
  - Manual supply markup using incorrect formula
  - Barcode scanning not utilized
  - Supply inventory not logically arranged; making inventories difficult to manage
  - Many supplies not charged for correctly or inventories not decremented
- BAR findings
  - Supplies charged out through BAR at fixed rate
  - Supply procedures codes updated for inflation, but cost rarely re-evaluated
  - Procedures missing in BAR for many supply charges

Outcome: Increased revenue over $770K per month in the OR alone*

*An independent audit discovered and confirmed the financial results, along with validation of methods used to achieve those results

Colorado Hospital– Final State

- System supply costs automated eliminating need for future manual updates
- Significant financial results enabling facility to make annual budget
- Additional opportunities identified such as inventory structure
- Project very successful and used as template for subsequent projects in the facility
  - Endo procedure cost within OR
  - Acuity charge review
- In addition to financial gain, the automation will save significant update work in the future
- Close working relationship between OR, MM, and Patient Charging area
  - Meetings continue for the purpose of continuous improvement

Test Cases #2 – Upstate New York

- Medium sized hospital in Indiana
  - 290-bed community medical center
  - Only able to analyze their top 109 items
- Findings
  - **$5.2M in incremental supply charge potential identified. 10% of those findings**
  - **Many gaps and barriers in the current charging methodology**
  - **25,243 items that have not been used in 5 years**
  - **75 Stock items with no activity in the past 5 years**

Test Cases #3 – Midwest Hospital

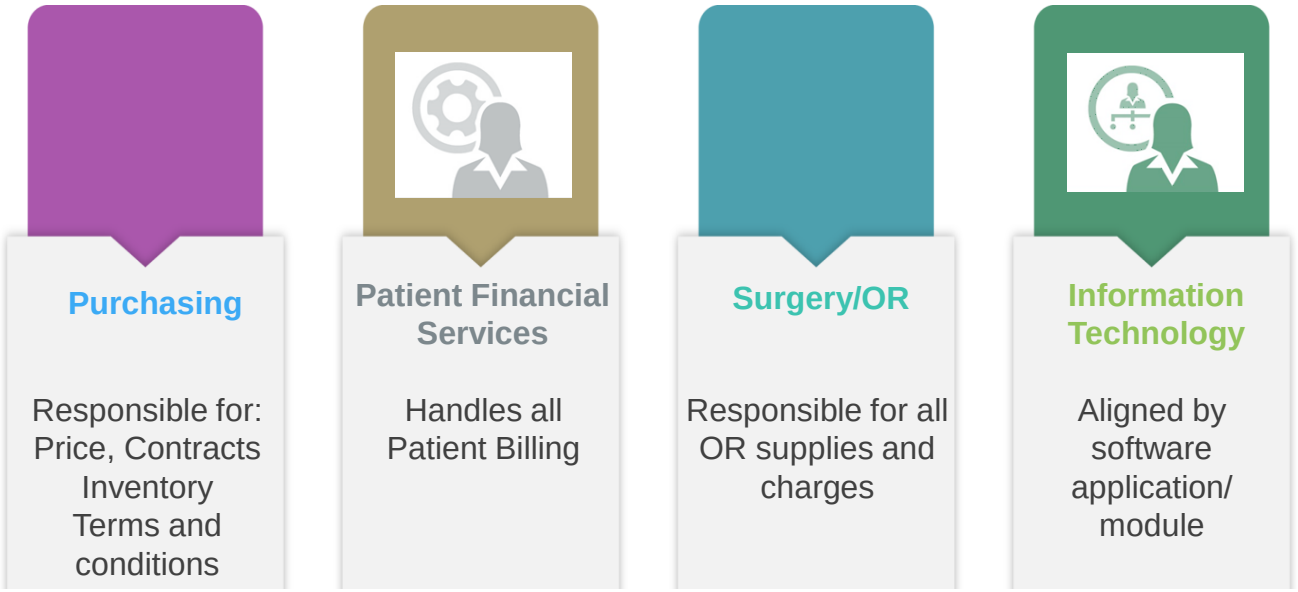
- Medium sized hospital in Indiana
  - 392-bed regional hospital
- Findings

- **ASSESSMENT IN PROGRESS NOW**
- **MORE TO BE ADDED**

Test Case Conclusions

Why would multiple, unrelated hospitals in different geographical locations all show similar opportunities?

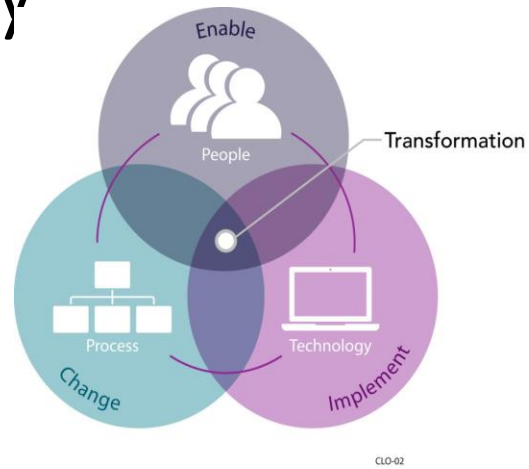
- Most hospitals do not have positions with an integrated charging process focus
- Details are overlooked because they cross typical, historical hospital silos



Best Practice Financial Approach

People, Process, Technology

- Collaborate with **People**
  - Executive Leadership & Operational Stakeholders
  - MEDITECH
  - Trainers
  - End users



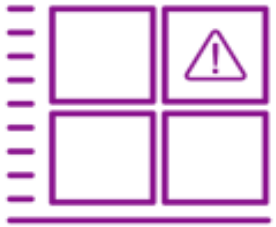
- Assess/Develop **Workflow Processes**

  Current Processes
  - Stakeholder interviews
  - Core workflow observation and documentation
  - Current metrics analysis
  - Application configuration analysis

  Future Processes
  - Incorporate “Best Practice” and enable technology alignment (address gaps)
  - Document and provide recommendations for future state core workflows

- Leverage **Technology**
  - Current application(s) configuration (if MEDITECH environment)
  - Identify data/dictionaries to be leveraged in current environment (if MEDITECH environment)
  - Incorporate “Best Practice” in build approach
  - Develop testing plans and validation cycles
  - Develop go-live and post–go-live check points

Supply Chain Assessment Deliverables



SCM Core Data Power BI Dashboard *

Assessment Findings and Recommendations

Summary Report

Presentation to Leadership

Summary

In Summary

- **Using Power BI to analyze the supply chain data allows hospitals to not only clean up their data, but also keep in clean moving forward and maximize supply charges**
- Power BI can be setup for automatic periodic updates to refresh dashboard data
- In all three test cases, a supply chain assessment identified significant revenue enhancement opportunities as well as significant data that needed to be inactivated
- More similarities than differences exist across typical hospital supply chains


Questions and Discussion

Points of Contact

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