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INDUSTRY INSIGHTS

In Healthcare, It's Not About More Data -- It's About the Right Data

By Angie Franks, CEO, Central Logic

Healthcare data is expected to grow at a rate of 36% per year through 2025, faster than industries such as manufacturing, financial services, and media and entertainment. This rapid pace is even more remarkable considering that only 11 years ago, only 9.4% of nonfederal acute care hospitals had basic electronic health record (EHR) systems.

Such an onslaught of data could not come at a worse time for an industry that is also in the midst of two foundational changes: One is trying to effectively access, interpret and share the tsunami of data from electronic health records (EHRs), which is a whole other column unto itself. The other is the changing payment model for physicians and hospitals.

Gone are the days when hospitals were paid strictly on the number of services provided or a fee-for-service (FFS) model. The Centers for Medicare and Medicaid Services (CMS), along with private health insurers, are attempting to rein in healthcare spending through value-based care payment programs, or fee-for-value (FFV) payments that compensate hospitals and doctors based on the quality and efficiency of care provided.

Deftly managing the impacts of these changes requires that facilities pay attention to a number of key financial and operational metrics. To this point, most health systems have looked at various care quality, overall patient volume and expenditure data to measure performance, but have generally overlooked three other key pieces of data. These three data points -- patient attraction, retention and repatriation -- can offer a highly accurate snapshot of where the health system stands in terms of achieving its financial and care quality goals and where it needs to go.

1 Patient Attraction

For decades, many hospitals and health systems were unconcerned about attracting patients because there was always a steady flow of patients coming in the door. More recently, despite consolidation across many markets, competition is increasing for patients who carry commercial health insurance plans compared to the lower-reimbursing Medicare and Medicaid coverage. In fact, according to a recent report from the Medicare Payment Advisory Commission, even highly efficient hospitals spent 2% more than they earned caring for patients with Medicare. However, many Medicare and Medicaid patients' outcomes and spending can directly impact the health system's bottom line if the organization participates in a FFV program through the CMS.

This is where data and analytics play a major role. For large health systems, transfers from community hospitals to one

of their specialty hospitals -- such as those for cardiovascular disease or stroke -- can be a way to attract new patients. Few health systems I've worked with, however, track and analyze the number of transfers coming into their specialty hospitals, where they are coming from, or how many patients they failed to attract and lost to competitors. Track and analyze that information for improvement opportunities to help your health system drive both its FFS and FFV payments and ensure better outcomes for patients.

2 Retention

Once a patient has been admitted and discharged from one of the health system's hospitals, the organization needs to work to keep that patient within its network of inpatient and outpatient facilities for future care, for both additional FFS payments and for FFV reasons. For example, in 2019, nearly 11 million Medicare patients were part of one of 518 accountable care organization (ACO) programs, which essentially involves a group of hospitals and doctor's offices that have contractually agreed to care for this group of patients and share in the revenue. In this program, ACOs could lose money if a patient receives unnecessary services, while others will receive a financial bonus (called a shared-savings incentive) if they keep spending in line and meet care quality standards. This means even if a patient seeks care from a competitor, the ACO covering the patient will end up having to pay for the services delivered, even if they were redundant, repetitive or medically unnecessary.

Studying and analyzing patient records, Medicare claims, commercial insurer claims and other information can help health systems uncover trends in how well they retain patients within their health system and identify the most common facilities or specialties from which they are slipping away. Some health systems, again, may find that patients are lost during hospital-to-hospital transfers due to lack of bed availability or a referring emergency physician in a community hospital who was forced to wait too long for approval or consultation. Either way, such insight can help the health system focus on opportunities to improve patient retention rate.

3 Repatriation

Likewise, analyzing claims and other data can reveal which patients need to be brought back, or "repatriated," into the health system to manage their care and costs. Your ability to prioritize outreach to these patients will likely depend on numerous factors, such as what type of healthcare service they received at the competing organization or if the patient is attributed to the health system's ACO. You can cull through this data to identify these top-priority patients

based on your health system's goals.

You can conduct repatriation activities such as scheduling an office visit with a primary care physician, a telehealth visit with the patient at their home, or simply a phone call with a nurse or other clinician. The key is to let the patient know the health system and its providers share in their health goals and want to ensure they continue to receive the highest-quality care.

As healthcare data continues to accumulate, homing in on and examining these three data points offers health systems an advantage. Not only is it highly efficient from a time management perspective to examine these key performance indicators, but improving all the related metrics can also support the health system's goals, regardless of its payment model or other changes occurring in the healthcare industry.

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About Central Logic

Managing patient transfers is a life-saving endeavor. Central Logic is a pioneer in the space and was founded to support this mission. Our flexible, purpose-built solutions provide superior real-time visibility and unmatched business intelligence to optimize the operations of health system transfer centers. Clients count on Central Logic to deliver strong growth, find new ways to improve patient outcomes and make their operations more effective, today and into the future. Based in Utah, Central Logic is an industry leader with a 95% customer retention rate. The company has been named a "fastest growing private company" by both Inc. 500 and Utah Business Magazine. For more information, visit www.centrallogic.com.

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