

A Fresh Perspective to Medical Practice Analytics

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Executive Summary



Medical practices, independent of their type, size and specialty; require a unified view of their performance for better decision making. The leadership needs to be

empowered with accurate and timely knowledge of the current performance. It is simply not enough to consider the financial benefits as a unit. A unified view of the practice leads to overall understanding of the services and a transformational plan will result in sustained growth and long-term viability. DTS's expertise in revenue analysis, cost management and operational excellence; our multi-sector expertise and proven methodology to deliver services differentiates us from traditional analytic specializations. This article showcases our offerings for a small to medium scale medical practice. In future postings, we will drill into the extended offerings for larger healthcare care organizations. Our goal is to connect the dots, present a fresh perspective to the existing problems and provide guidelines for a successful implementation of the processes.

[A traditional retrospective view](#)

Traditionally, claims were used to retrospectively analyze the revenue prospects of a Medical Practice. Over the years, claims data produced standard yet important financial reports showcasing revenue misses and possibilities. Analysts used claims to understand what a Medical practice performance has been over several years by considering Accounts receivables,

Charge Lags and Bad Debt. The measures are compared with national benchmarks to position practice's services. Even though there is nothing wrong with such conventional analysis, it is just that such analysis limits the number of parameters used. Also, revenue maximization is not the only concern that a medical practice or a larger healthcare organization faces. They need to participate in improving the health of a patient at lower cost, without foregoing profitability. A siloed, departmental analysis is not enough to survive and prosper in this competitive and regulatory environment. Claims might have lot of important information on the financial performance of the organization, but more obscure cost of operations and quality of care dimensions need to be considered for the overall effectiveness.

[Our offerings](#)

As Healthcare Organization's services are more complex with information distributed across multiple systems, there should an effective method to aggregate this information from multiple systems, apply advanced analytic and best practices to come up with insights and predictions. DTS prefers to observe the problem from multiple directions with our proven methodology of execution in multiple sectors with similar or much larger complexity in operations.

DTS offers three strategic services and provides transformative analysis by looking at the problem from multiple dimensions – Revenue, Cost and Operations. We use claims in our retrospective revenue cycle analysis, but offer much more on Quality driven initiatives, by looking at cost of operations and link them to patient health outcomes. We believe that - "what's not measured can't be improved". We offer unified advanced analytics that empower the decision-maker new insights, lead them into better decision making and eventually result in providing better healthcare services to their target patients.

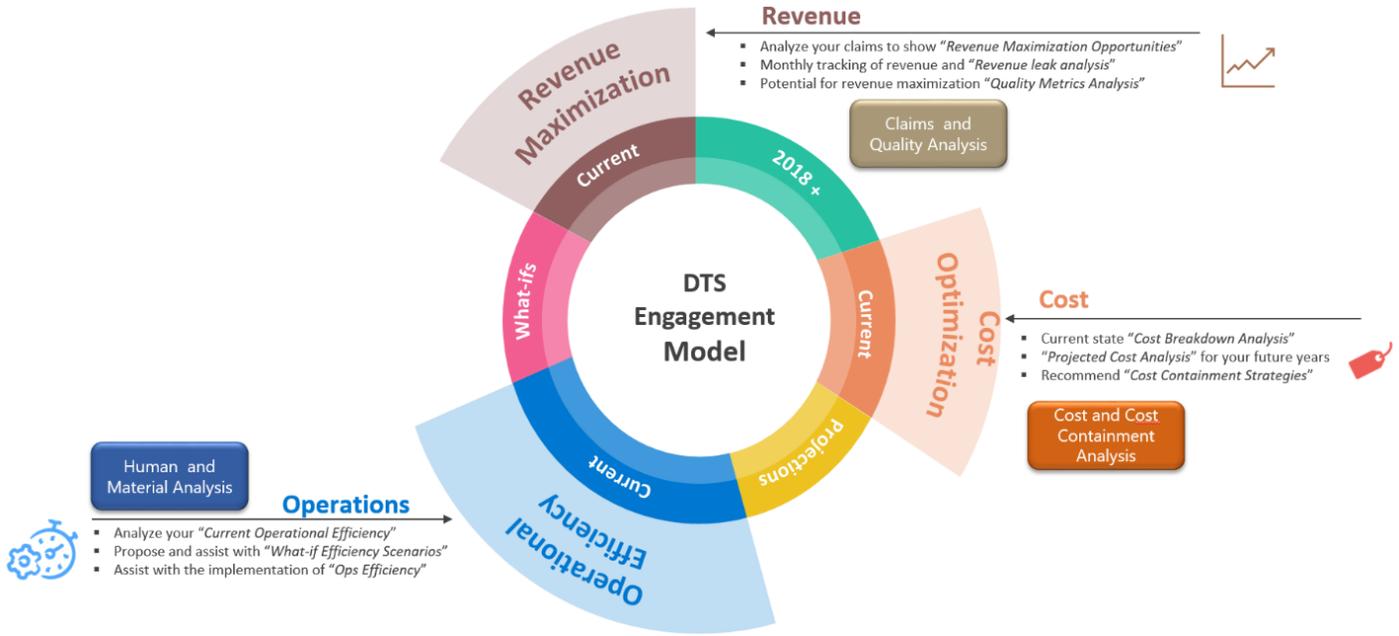


Figure 1: DTS Engagement Model

Revenue Strategy:

Showcases the opportunities for maximizing revenue, filling in revenue leaks and effectively adapting to quality based regulations.

Cost Strategy:

Identifies cost-centers, measures cost, makes projections of future costs and outlines cost containment proposals.

Operational Excellence:

Observe current operational efficiencies, identify gaps and propose policies and practices to improve overall efficiencies.

A fresh perspective

Hypothesize with no pre-conceived notions

DTS brings a multi-industry operational, transformative and strategic perspective to healthcare, not tout "healthcare specialized" knowledge. Focused and siloed knowledge can potentially limit the "out-of-box" thinking and introduces a bias in the analysis. We believe that "a fresh perspective" on the known and unknown data can bring a new viewpoint which we have

helped solve effectively in various other sectors. So, hypothesizing, acquiring and analyzing the healthcare clinical and financial data will pave a new insightful path for the Healthcare organization(HCO).

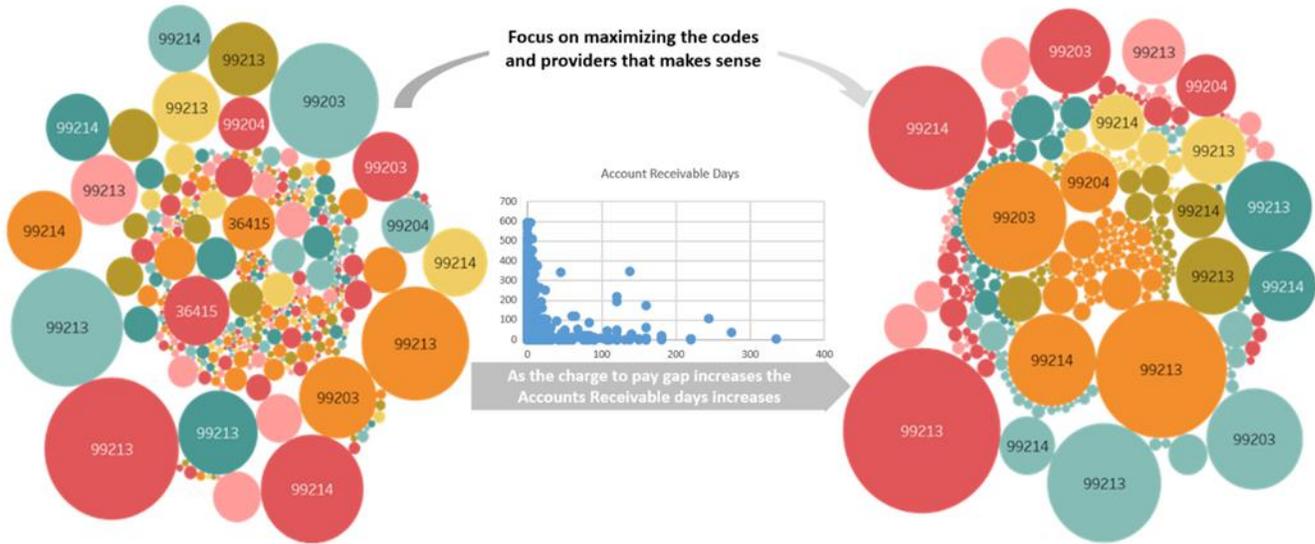
What is important for the client?

A HCO can adopt multiple strategies in solving a profitability problem. A strategic partner who understands the vision and links them to value-added services. For example, they can:

- improve the "patient-mix" by promoting new services that include multiple age groups, risk levels and demographics
- reduce "cost of servicing" a patient and improving adopting to cost-effective, unified processes which utilize current resources.
- Provide "newer services" through mergers and acquisitions, or by employing new providers with multiple specialties.

Some Examples:

Next, let's look at a few examples of some of the problems we have analyzed.



Sample 1: Knowing your “top charged and top paid” billing codes can lead into related analysis of, is it being collected promptly or is there a correlation between high charges and collection delays?

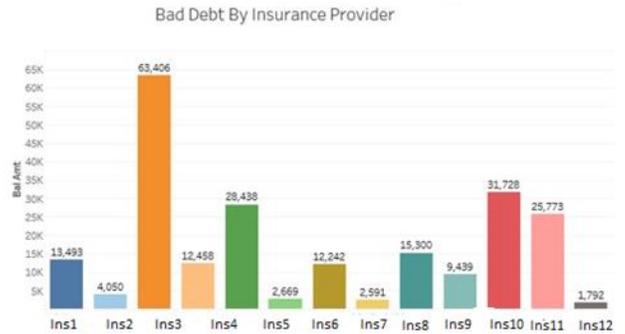
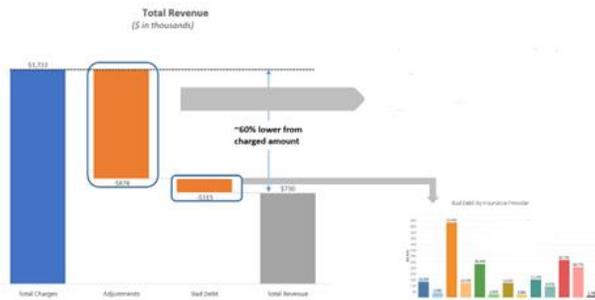
Sample 2: What is the difference between your total charges to the adjustments? Can the adjustment variation be minimized by better contracting? If so, by how much? Who are your top payers?

Where is the trouble?

There are times where the outcome of the problem is overserved, but the root-cause of it is not clear. This can be resolved by identifying the processes which are causing the trouble and come up with process improvement activities. For example, a problem of high denials of claims can be analyzed by looking at the reasons for denials and resolve it by changing the processes. A timely validation of patient’s insurance by front desk personnel will decrease the claim denial rate because it resolves the concern of “ineligible” patients getting services.

What can you improve and by how much?

By knowing the effectiveness and measurement of various choices, a HCO can choose the correct path for improvement. Is it a choice between “process, people or technology” or combination thereof? Hiring front desk personnel to offset the new patient volume is a good choice, but one can also decrease the time to verify and onboard a patient through better technology.



Sample 3: What is causing “bad debt” for you, how much, and by whom? Such analysis can lead to identifying the root-cases for the debt and showcasing the effectiveness of working with top payers in avoiding

claim rejections and in improving internal processes to avoid this delayed or lost revenue.

What is the relative weight of each of the choices?

Analytics can also predict the level of outcome based on multiple varying factors. The relative nature of various factors can be captured and choices can be validated empirically. Revenue can be maximized by adopting to a combination of proven activities. For example, revenue can be maximized by increasing patient volume, choice of services or by decreasing the cost of services.

Our Services

A combination of experience in solving complex strategic concerns in multiple sectors, a problem-solvers view of the world and a proven analytic methodology are the factors for DTS success. DTS specializes in retrospective and predictive analytics; and offer tailored services to meet customer's needs.

About Authors

Dennis Edens:

Dennis has over 25 years of experience and has worked in the telecommunications, automotive, and printing industries in the areas of Operations, Engineering, and Business Development. Prior to joining DTS, he worked for a large telecommunication equipment provider, where he held positions as Test Engineering Manager and Senior Product Line Manager, among others.

Randal Cauley:

Randal has 20+ years of experience throughout numerous fields of the telecom industry. In his many roles, Randal has been committed to finding solutions to problems with an on time, cost-effective approach. He has extensive experience in planning, design, permitting, cost analysis, project management, construction, and public relations.

Kishore Dharanikota:

Kishore has more than 18-years of success in client-centric, service-driven environments at various progressive management roles. He is a capable technical leader and solutions-driven strategist with a passion for leveraging emerging technologies to achieve key business objectives. He has significant experience in leading complex solution delivery engagements for multiple innovative companies across various sectors including Healthcare, Logistics, Financial, and Automobile.
