The Financial Benefits of An Effective IT / Informatics Relationship

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Agenda

• Introductions and Why this topic?
• CHRISTUS Health overview
• IT, Informatics, and Medical Staff relationships
  – Governance, Staffing Model, Roles and Responsibilities
• Healthcare Challenges
  – Regulatory, Technological, Demand, and Fiscal
• Participant survey and break
• Financial opportunities
  – Meaningful Use, Operational Improvements, Informatics
driven cost avoidance, State incentives
• Summary
William Morgan

- New Orleans, LA
- Tulane University
- USMC – Logistics
- ISH & Healthlink
- Provena & CHRISTUS
- Senior Regional Director of Information Management, CHRISTUS Spohn Health System

Marc Stearman, PA-C

- Tampa, FL
- U.S. Navy Corpsman & Spec Ops Diver
- SUNY Stony Brook
- George Washington University
- Emergency and Hospitalist Medicine – 10 years
- Clinical Informatics – 10 years
- Regional Director of Health Informatics – CHRISTUS Spohn Health System
Dr. Charles Volk
• Corpus Christi, TX
• Rice University
• UTMB, Galveston
• Surgery Residency Baylor University Medical Center
• 25 year career surgeon
• Chief Medical Officer, CHRISTUS Spohn Health System

Why this topic?
Over 1500 years later…

- Advanced commerce – capitalism, enjoying all of the conveniences and a high standard of living.

- One “truism” common to all industries, but especially in healthcare, is that just like in Rome, all roads lead to…

- The General Ledger!

ERP Module Flow

In healthcare, we must look at finance through the lens of multiple clinical drivers supporting the new culture of safety and reliability
CHRISTUS Health

“To Extend the Healing Ministry of Jesus Christ”

Overview

• Founded in 1866
• Headquarters in Irving, TX
• Eight states, Mexico, and Chile
• 350 Sites with focus on:
  – Acute
  – Non-Acute
  – International
Governance

- Governance consists of the rules and oversight by which an organization leads efforts required to achieve its strategic goals.

- IT, Informatics, and Medical Staff governance effectively links system strategy, operational priorities and functional accountabilities with execution, performance and value measurement.

Goals: Attestation, Go-Lives, etc.
Governance Characteristics

- Representation
- Process
- Consistency
- Compliance
- Discipline
- Accountability

 Governance must drive, assign, adjudicate and monitor funding and performance according to an approved Strategic Plan and Guiding Principles.

CHRISTUS Health Information Management Relationship with Health Informatics

- CIO
  - VP / CTO
    - Enterprise Technology Services
  - VP / ACIO
    - Strategy and Applications
- CCO
- VP / CMIO
  - System Director
    - Business Intelligence
  - Director of Compliance and Risk
  - HI Department / Corporate Staff / Regional Directors
Independent IT & Informatics
Model Characteristics

Pros
• Tight integration with clinical team
• Provider focus
• Specialization
• Quicker “First pass” issue resolution

Cons
• Communication Challenges
• “Us” vs. “Them” mentality of staff
• Resource competition (Financial and Human)

Compelling Driver for this structure: Integration with Medical Staff to overcome the Cultural Dynamic* barrier of technology adoption and change management

IT and HI Roles and Responsibilities

• Information Technology
  – Technology Architecture
  – Hardware Install & Support
  – Software Application Delivery
  – Data Storage & Retrieval
  – Service Desk
  – Portfolio Management

• Healthcare Informatics
  – Applied Technology
  – Patient Care Focus
  – Clinical Protocols & Decision Support
  – Data Dictionary Maintenance
  – Process Analysis & Optimization
  – Clinician Support

IT Delivers the Technology, HI ensures the technology delivers value to our providers and support staffs
Healthcare Challenges: Regulatory, Technological, Demand, and Fiscal

Regulatory Challenges
Regulatory Environment

• ARRA & HITECH
  – Subtitle A – Promotion of HIT
  – Subtitle B – Testing of HIT
  – Subtitle C – Grants and Loans Funding
  – Subtitle D – Privacy
• ICD-10 – “Yes, No, Maybe so…”
• CMS, TJC, CAP
• State Agencies

Regulatory Challenges

• EHR Meaningful Use Demonstration
  – Currently in MU Year 2 attestation
• Health Information Exchanges
• Ongoing Privacy and Security
  – Patient Portals
• Mobile Device Management (MDM)
  – Mobile Access, Remote Wipe, BYOD
Technological Challenges

- Cloud Computing; “to Cloud or not to Cloud”
  - Core Financials? No. CRM? Yes.
- Disaster Recovery / Business Continuity
  - High Availability, Warm Start, Cold Start
- Explosion of data; storage and security
  - Typical PACS Images:
    - CT Scan: 1 MB
    - Angiogram: 3 – 5 MB
    - Diagnostic CT (64 slice): 8 MB
  - Typical CPACS Image/Study: 500MB

"640K ought to be enough for anybody."
- Bill Gates, 1981 on the new 640KB IBM PC
Size Matters

IBM 640KB PC  CT Scan
circa 1981       1 MB

Angiogram
5MB

Diagnostic or 64 slice CT
8MB

CPACS Study
500 MB

Not quite a days work in your facility – about 1.5 TB
(Based on a 250-bed facility with various specialties/sub-specialties)

Demand Management
Healthcare IT Demands

- EHR
- ERP
- ICD-10
- CRM
- PACS
- CPACS
- CPOE
- eICU
- BMV
- RIS
- SSO
- MDM
- ACO
- HIPAA
- TJC
- SOX
- Stark
- eHealth
- Robots
- Nomadics
- RFID
- Carts

- Internal – Organizational
- External – Community

Forecasting Consumer Driven Demands

Demand Management

**COST** -- The ever present challenge...

**PACE**

versus

**POCKETBOOK**
Example: Consumer Needs

  – Palm Pilot, Blackberry, iPAQ (Compaq/HP)
  – Palm OS, RIM/BB OS, MS OS/Windows Mobile
• June 2007
Fiscal Challenges

- Decreasing reimbursement / rising costs
  - Will decreases effect treatment behavior?
  - What are key cross-industry cost drivers?
- Of the previously stated challenges…
  - Regulatory
  - Technological
  - Demand Management

…all have some type of a fiscal component!
“Show Me the Money”
ACHE Top Issues Confronting Hospitals: 2013

• CHICAGO, January 13, 2014 — Financial challenges again ranked No. 1 on the list of hospital CEOs’ top concerns in 2013, making it their No. 1 concern for the last 10 years, according to the American College of Healthcare Executives’ annual survey of top issues confronting hospitals. Healthcare reform implementation ranked second and governmental mandates and patient safety and quality both ranked third.

• Executive Concerns
  – 1st Finance
  – 2nd Healthcare reform
  – 3rd (Tie) Government Regulations and Quality/Patient Safety

Challenges Perspective

• Audience poll
  – Greatest Current Challenges
  – Emerging Future Challenges
  – Wildcards?
Summary of Part One

- CHRISTUS Health
- IT, Informatics, and Medical Staff Organizations
- Healthcare Challenges

- (Informal) Survey of Participants
- Part Two
  - Trends and Financial Opportunities
Clinical Operations Considerations

- Evolution of Patient Flow
- Culture of Safety and Reliability
- Summary of the CMS “Triple Aim”
- Dynamics of advancing clinical operations

Evolution of Patient Flow
Culture of Safety and Reliability

Summary of the CMS “Triple Aim”
### Advancing Clinical Operations

**DYNAMIC**

**FOCUS**

**METRIC**

- **SYSTEM:** Software & Hardware Activities
  - Go-Live
  - Calls for a work plan

- **CLINICAL:** Clinical Operations
  - Order Sets
  - Calls for standards
  - Process Definitions & Best Practices

- **CULTURAL:** Providers
  - Medical Staff Acceptance
  - Calls for Executive Sponsor(s)

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#### Survey

1. Does your organization have an established Healthcare or Clinical Informatics Organization?
   - Yes
   - No
   - Not Sure

2. Does your Healthcare or Clinical Informatics department at your organization operate as an independent entity (not part of IT)?
   - Yes
   - No
   - Not Sure

3. Many organizations leverage operational initiatives to achieve financial benefits. Some initiatives produce better results than others. At your organization which initiatives listed below have produced positive financial results (Please check all that apply):
   - Meaningful Use Attestation
   - CPOE (Order accuracy & timing)
   - Cost Avoidance (Analysis driven cost savings)
   - Case Management (Length of stay discharge planning, throughput)
   - Radiology/PACS (Scanning via data and image/study sharing)
   - Pharmacy (Savings via efficiencies, safety, and/or process optimization)
   - Other (Please be specific):

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#### Results

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Financial Opportunities

- Meaningful Use
- DSRIP or other State level incentives
- Rad PACS – ICD-9/10 codes built in new systems
- Pharmacy saving – Med Safety Central and Intellifil
- Optimize CPOE

- Operational Improvements
  - Case Management (throughput, LOS, LWOBS, DP)
  - ED, OR, Specialty Clinics
- Informatics driven cost avoidance
  - Ancillary areas

CHRISTUS Health Meaningful Use Compliance
The Policy and Plan

• Meet regulatory requirements
• Leverage Information Technology
  – As part of the CHRISTUS Advocacy Framework
  – As an enabler of program compliance
• Utilize agreed upon measurement plan
  – Indicators support measures
  – Measures support requirements
  – Requirements support regulations

The Tools

MU Objective Gap Analysis

• Summary list of MU projects tracked on a weekly basis and reported to leadership
• Leadership can be "compliance incented"
The Outcome

• $20+ million in FY-13 incentives, $22 million projected in FY-14.
• Roadmap for enhanced technology supporting quality and future compliance
• Husbanding financial resources supports the organizational priorities of:
  – Clinical Integration
  – Asset Growth
  – Cultural Alignment

BI Supports Operational Change
• ED Wait Time Data
BI Supports Operational Change

• Rapid Admission Process & Gap Orders
• Improvements…

Other Operational Improvements
• Optimization efforts reduced LOS by 0.34 days.
  – Result (estimated) = $3,750,000 in annual savings
  – EHR, CPOE, Midas, CDI, Pharmacy rounding, etc.
• Pharmacy savings as a result of Med Safety Central, DoseEdge, and Intellifill Robot.
  – Reduced carrying and transportation costs, elimination of 65% of product waste and saved over $2,230,000.
• Multiple DSRIP initiatives enabled successful capture of former UPL and DiSH funds.
  – DSRIP returns will exceed $70,000,000 in FY-14
Summary

• CHRISTUS Health overview
• The IT and Informatics relationship
  – Governance, Staffing Model, Roles and Responsibilities
• Healthcare Challenges
  – Regulatory, Technological, Demand, and Fiscal
• Financial opportunities
  – Meaningful Use, Operational Optimization, Bus Intelligence
• Next Steps
  – Take the tools
  – Go home
  – Make fire

Thank You

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