

Leveraging Analytics to Reduce Risk & Control Cost

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Agenda

- Introduction to NMHS
- Industry Challenges Inform Focus Areas
- Analytics are Key to Driving Action and Results
- Partnerships Across the Hospital Support Efforts
- Our Results



Methodist Hospital



Methodist Jennie
Edmundson



Methodist Women's
Hospital

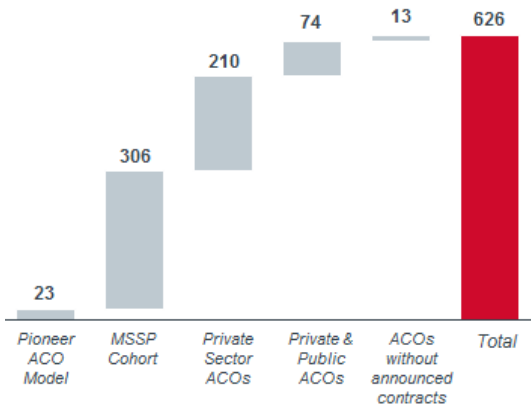


Methodist Physicians
Clinics (22)

- ✓ 740 licensed beds
- ✓ 230+ employed full time equivalent physicians
- ✓ Greater than \$720 million in net operating revenue in 2014
- ✓ Community Teaching Organization
- ✓ Nursing and Allied Health College

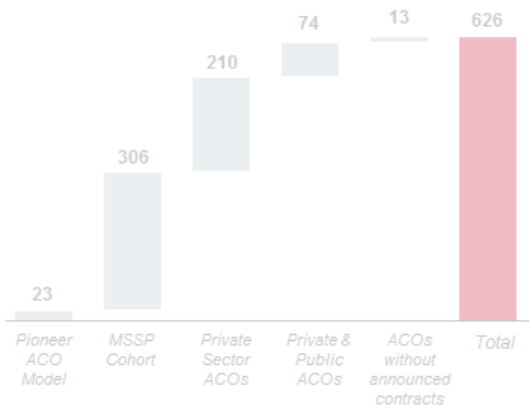
Industry Challenges Inform Focus Areas

*Total Number of Operating
ACOs (May 2014)*

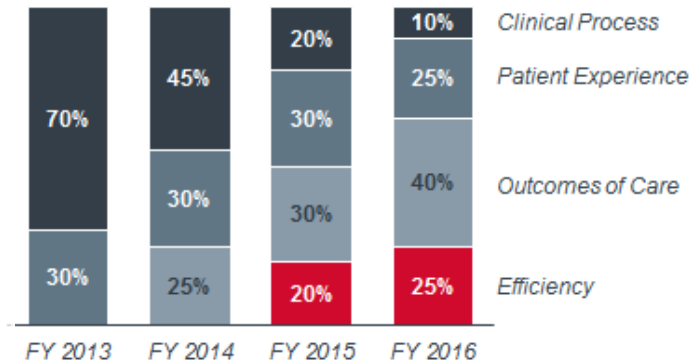


Industry Challenges Inform Focus Areas

Total Number of Operating ACOs (May 2014)

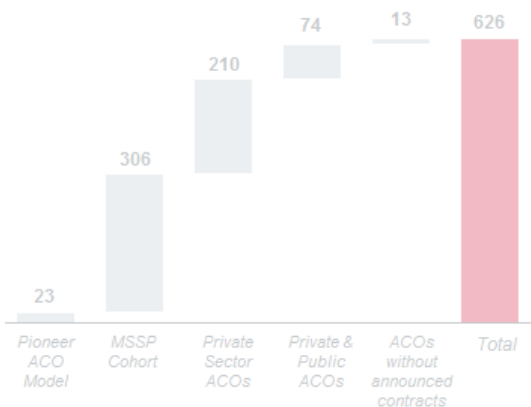


Medicare VBP Program Domain Weights

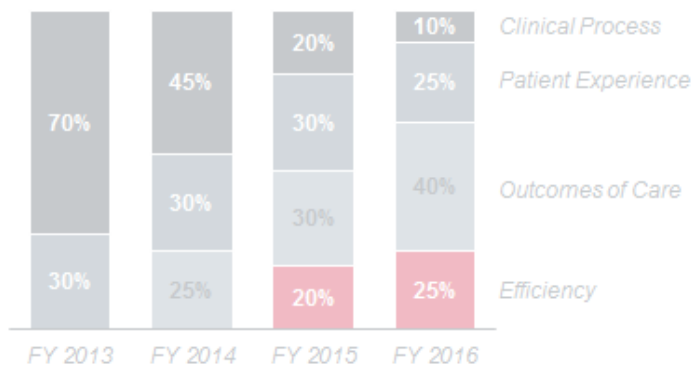


Industry Challenges Inform Focus Areas

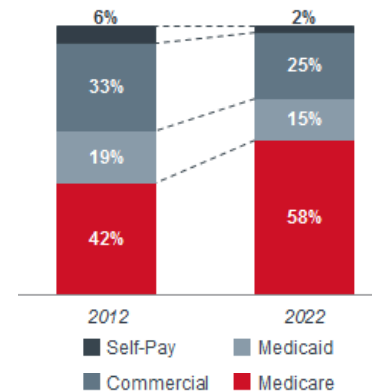
Total Number of Operating ACOs (May 2014)



Medicare VBP Program Domain Weights



Average Inpatient Payer Mix by Volume



Analytics are Key to Driving Action and Results



Cost
Management



Clinical
Documentation



ICD-10
Preparation



Patient Claims
Data



Payer Audit
Management

Cost Management Analytics



Cost
Management



- Understand total spend
- Link unit level clinical data to cost data
- Benchmark and compare price and utilization
- Flag outlying providers and orders outside of contracts

Clinical Documentation Analytics



Clinical
Documentation



- Charge capture
- CMI
- SOI
- ROM
- LOS

ICD-10 Preparation Analytics



ICD-10
Preparation



- Where are there risks?
- Where can we educate and train physicians (by specialty)?
- Where are there additional clinical documentation opportunities?

Patient Claims Data Analytics for Performance Management



Patient Claims
Data



- Benchmark provider quality scores
- Risk adjust performance for more accurate comparison (quality and utilization)
- Track utilization

Patient Claims Data Analytics for Population Health



Patient
Claims Data



- Understand total cost of care
- Ability to stratify risk
- Ability to benchmark cost and utilization

Payer Audit Management Analytics



Payer Audit
Management



- Pre-payment audits
- Post-payment audits
- Preemptive audits
- Track appeal status

Partnerships Across the Hospital Support Efforts

Identify data



Institute Analytic Tools

Leverage multiple technologies providing sophisticated and meaningful analytics

Validate data



Link Data

Integrate finance and clinical data to identify opportunities for improvement

Educate team



Establish Leadership Collaboration

Dedicate time to discuss the various data sources and best data



Share Information

Engage in robust discussions around data from various sources and how to use best

Our Results



Net Patient Revenue per Equivalent Discharge increased by 3.4% in 2014 compared to 2013



Net Operating Expense per Equivalent Discharge decreased by 2.6% in 2014 compared to 2013



The Health System's 2014 case mix index reflects a \$19 million annual increase over the 2010 baseline

Our Results



NMHS was upgraded in 2014, driven in part by the health system's improved revenue cycle performance and liquidity.

The **system's liquidity has increased 28 percent.**