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Traditional BI helps hospitals cope with shifting payment plans

Hospitals are leveraging traditional BI systems to help them negotiate the shifting terrain around insurance payment programs.

Go to any healthcare-focused IT conference today and you'll hear a lot of talk about analytics. In particular, the realms of big data and predictive analytics generate huge excitement.

But scratch the hype and you're likely to find that hospitals see the most value from their traditional BI implementations.

"It's critical," said Thomas McGill, M.D., CIO and vice president of quality and safety at Butler Health System in Butler, Pa. "The information tools help align the team effort and coordinate the effort."

Traditional BI may not generate the excitement that more advanced analytics does among healthcare providers, but in some ways, it's just what the doctor ordered for a changing healthcare landscape.

BI reporting tools good for business

At Butler, BI impacts both the clinical and administrative sides of operations. McGill helped deploy an Information Builders BI reporting tool called WebFOCUS, which care teams use to track clinical quality measures. That allows them to see how individual doctors are doing when it comes to things like prescribing medication according to evidence-based guidelines or preventing infections.

Such capabilities are good for patients and good for business, according to McGill. Starting in 2013, the Centers for Medicare and Medicaid Services, the federal agency in charge of paying medical claims made to those two programs, started penalizing hospitals for avoidable readmissions. McGill said that first year, Butler paid close to the maximum amount allowed under the law in penalties. But the hospital cut its penalties the next year by 60%, and the following year by an additional 30%.

McGill wouldn't give all the credit for that improvement to the traditional BI reporting tools and reports used by care teams -- they're also using a risk modeling tool to identify patients most likely to be readmitted. But he said BI has played an important role in getting doctors to be more consistent in delivering high-quality care, which has paid off clinically as well as administratively.

"We have to change how we do care in terms of figuring out what we want to happen and making sure that happens all the time," McGill said.

Despite these benefits, hospitals are still generally most excited by more advanced analytics applications. According to a recent survey of 245 hospitals conducted by

TechTarget and the College of Healthcare Information Management Executives, traditional BI isn't the top priority for most hospitals. General data analytics was the most common area respondents said they are investing in. Clinical data analytics was the top analytics tool respondents said they plan to use in the next two years. BI was the second most common response to both questions.

BI useful tool in healthcare

Although hospitals seem to prefer advanced analytics tools over traditional BI, there is no shortage of reasons why BI is a useful tool in today's healthcare system. Aside from penalties for preventable readmissions, many providers also face more general changes to the way they are paid. Instead of receiving payment for each patient visit they complete or procedure they perform, many hospitals are being paid based on quality. Both governmental and private health insurers are moving hospitals into accountable care programs, which essentially give the hospital a set budget for treating patients. It's up to the hospital to work within that budget.

BI tools help improve bottom line

Lutz and his team use a BI tool from Dimensional Insight, called Diver, to pull data from the health systems' electronic health record systems to identify frequent users of ER services. This enables doctors to discuss other options with these patients the next time they show up. They're also tracking readmissions to identify process improvement opportunities.

Since bringing on the BI platform in fiscal year 2013, Western Maryland has seen a $1.3 million improvement in revenues. Lutz didn't attribute that gain entirely to the BI tool, but he said that "being able to track and trend was significant."

One of the main benefits of the BI reporting tool, Lutz said, is that it allows hospital administrators to track patients through their entire interaction with the health system to learn what's working, what's not and where the hospitals can improve. This enables the administrators to make smarter decisions about how to allocate their budgets.

"We felt that if you couldn't access the data in any of our systems, there was a pretty big care gap," he said.

These changing standards for payment are raising the profile of traditional BI among healthcare providers, said Glenn Gutwillig, managing director for consulting services to health providers at Accenture Analytics. But, he added, hospitals could better leverage the technology. Although the potential benefits are large, he said most providers still struggle with deploying the fundamental technologies that support BI.

Still, as the benefits become better understood, adoption is likely to tick up. "The majority of our healthcare provider clients are becoming increasingly aware of the need to deploy BI," Gutwillig said.