

## How Unlocking the Power of Data Can Proactively Shape Your Reimbursement Environment

Written by Mackenzie Garrity, Strata Decision Technology | October 9, 2018

For years, organizations have been talking about how to better use their data to influence payers, increase reimbursement and grow volume. Many health systems are feeling pinched by reductions in overall reimbursement rates, high deductible health plans, more aggressive payer tactics to reduce payments and potential growth in uninsured populations. They want to get rewarded for their high quality, their care coordination and their investment to go into the community.

In short, the environment is difficult and payment from traditional payers and plans is trending down.

One way to streamline pricing and payments is through advanced analytics. At Becker's Hospital Review 4th Annual Health IT + Revenue Cycle Conference in Chicago, Sept. 19-22, an expert panel explained how with the right tools in place, providers can understand the gaps and then craft specific initiatives to improve cost, quality or care coordination across the continuum.

The panel featured:

- Spencer Kowal, vice president of financial strategy at The Children's Hospital of Philadelphia
- Elizabeth Lipinski, associate director of analytics at The James Cancer Hospital and Solove Research Institute in Columbus
- Marlene Kinkov, senior systems advisor of revenue operations at Downers Grove, Ill.-based Advocate Health

Here are the panelists' biggest takeaways:

1. "We identified that focusing on strategic pricing was a high priority at the Children's Hospital of Philadelphia. Our focus has been to make our prices defensible, market-based and rational. Defensible means our pricing is cost based, market based means we are able to benchmark our charges, and rational means we have recognized in our pricing that some of our services are a commodity while others such as genomic testing are high-end services with a higher price point. At CHOP strategic pricing isn't primarily about optimizing revenue; rather, it helps us to respond to consumerism in the market and patient and family concerns about fair charging practices."

2. "Just last year, Advocate had a renegotiation process with one of the payers," said Ms. Kinkov. "Because we were able to model the 'what if' as we were negotiating at the claim level, we found when payers started to pay us our net revenue didn't match our payments. So, we knew the model was correct, but the revenue was missing. We quickly ran a report that pinpointed our shortfall. From this, we could go back to the payer to get the correct amount."

3. "When I started at the academic medical center, we had one side focused on bundled payments and being reactive while on the cancer side we were proactive and building bundled payments of care," said Ms. Lipinski. "The episode analytics tool allowed us to take different data sources and leverage cost accounting sources to build a unique functionality so we can design our own episodes of care. We can then track the episodes of care."

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