



OVER 100 TOP U.S. HEALTH SYSTEMS ATTEND 2019 STRATA DECISION TECHNOLOGY SUMMIT TO HELP BEND HEALTHCARE'S COST CURVE

Virginia's VCU Health and Kentucky's Owensboro Health Receive LEAP Awards as Centers of Excellence for Healthcare Finance

CHICAGO, Oct. 24, 2019 (GLOBE NEWSWIRE) -- A record 750 attendees from 110 healthcare delivery systems across the country came together this week for *Lift19*, the three-day **Strata Decision Technology** (Strata) user's conference. Summit attendees heard from national centers of excellence that leverage Strata's cloud-based StrataJazz® platform, rated #1 in KLAS, to drive financial planning, analytics, and performance in support of their clinical mission.

Summit keynote speaker Robert Pearl, MD, former Chief Executive Officer of Kaiser Permanente's medical group, and now a professor at Stanford University, shared the factors driving out-of-control costs in American healthcare that he highlighted in his bestseller, "*Mistreated: Why We Think We're Getting Good Health Care—and Why We're Usually Wrong.*" During the keynote, Michael Allen, the Chief Financial Officer of OSF Healthcare and board chair of the Healthcare Financial Management Association (HFMA), outlined the steps that finance executives need to and can take right now, including moving away from the traditional ineffective approach to budgeting to a more advanced planning process as well as better leveraging data to drive action.

"America's healthcare delivery systems are working hard to implement best practices to drive more value for their providers, their organization and the communities they serve," said Dan Michelson, Chief Executive Officer of Strata. "This week we released StrataJazz OnePlan™ and StrataSphere™, two new breakthroughs and game changers for healthcare finance. And we heard ample evidence of the success of many organizations, including the achievements of two organizations that have driven meaningful improvements in value."

VCU Health and Owensboro Health Win 2019 LEAP Awards

Strata announced the winners of the 2019 Strata Decision LEAP Award, VCU Health and Owensboro Health. The LEAP (Lead, Excel, Achieve, and Progress) Award recognizes

healthcare organizations for outstanding performance in the areas of finance and strategy to benefit both their organization and the communities they serve. Past award winners include CHRISTUS Health, Legacy Health, Parrish Medical Center, Mission Health, Northwestern Medical Center, CGH Medical Center, and Aurora Health Care.

VCU Health is part of Virginia Commonwealth University, a major, urban public research university with national and international rankings in sponsored research. The VCU Health brand represents the VCU health sciences academic programs, the VCU Massey Cancer Center and the VCU Health System, which comprises VCU Medical Center, Community Memorial Hospital, Children's Hospital of Richmond at VCU, MCV Physicians and Virginia Premier Health Plan. A Strata customer for 10 years, VCU Health was recognized for their work increasing the effectiveness of financial planning, driving accountability by managing performance, and streamlining capital planning, with results that include:

- Reducing the time spent preparing a traditional budget by over 20,000 hours
- Driving 97% compliance among department managers with action plans to address budgeting variances
- Tracking 531 capital projects totaling over \$900 million; and making cost data available across the entire continuum of care

"VCU Health is honored to be recognized as a Strata LEAP Award winner," said Melinda Hancock, System Chief Administrative and Financial Officer of VCU Health System. "I am so proud of the progress we have made in making this change and creating buy-in to the new approach of Advanced Planning. I want to thank our team for their tremendous effort, which has left us well-positioned to continue our journey to be nimble and knowledgeable in our planning and resource utilization."

Owensboro Health, based in Owensboro, KY, is a nonprofit health system serving 14 counties in Kentucky and Indiana. The system includes two hospitals, a 200-provider medical group, as well as numerous outpatient facilities and a cancer center. A Strata customer for 10 years, Owensboro Health is the first health system in the nation to achieve Level 7 on the **HFMA-Strata L7™ Cost Accounting Adoption Model**, healthcare's first roadmap to help providers access accurate cost data via the use of advanced cost accounting. Owensboro Health was recognized for their work

improving the accuracy of cost accounting, strengthening payer negotiations and pricing, and reducing the cost of care delivery, with results including:

- \$450,000 saved per year by using decision support to identify an IV catheter that was exponentially more expensive but no more effective than a cheaper brand
- Using what-if analysis for lesser-of clauses to identify charge increase opportunities of \$1 million a year
- Preventing a potential \$12 million net loss through more accurate analysis of a payer's proposed risk-based contract

"With the help of Strata, Owensboro Health has been able to move from a position of having interesting facts to having actionable data," said John Hackbarth, System Executive Vice President and Chief Financial Officer of Owensboro Health. "We finally have data at a discreet level to show the comparative resource consumption profiles by providers. Additionally, we are able to identify costing of items compared to national median data to sharpen our focus on annual use levels by provider, payer, and service line. And we can now evaluate proposed changes to managed care contracts against the actual utilization rate for preceding periods and know the impact on net revenue before we agree to any contract adjustments. Most importantly, we can now depend on the data so when a provider questions the results, we have the ability to drill down and prove the numbers."

Strata Launches New Solutions for Advanced Planning and Benchmarking

During the Summit, Strata announced the release of StrataSphere™ and StrataJazz OnePlan™.

StrataSphere leverages the company's management of trillions of data points across more than 200 health systems and 1,100 hospitals to deliver advanced analytics, insights, benchmarks and industry-level financial management standards. All Strata customers can opt in to StrataSphere at no cost.

The OnePlan Advanced Planning platform simplifies and automates many of the most time-consuming and difficult elements of planning and budgeting, significantly reducing time and effort. It breaks down the silos that exist within the traditional planning process, combining operating budgeting, variance reporting, long range and capital planning together in a single, powerful financial planning platform. Cleveland Clinic was named Strata's 2019 Development Partner of the Year for their assistance in

the development of OnePlan to help drive greater value from their planning and budgeting processes.

About Strata Decision Technology

Strata Decision Technology provides a cloud-based planning, analytics and performance platform that is used by healthcare providers for financial planning, decision support and continuous improvement, helping hospitals and healthcare systems bend the cost curve and drive margin to fuel their clinical mission. Founded in 1996, the Company's customer base includes over 1,000 hospitals and many of the largest and most influential healthcare delivery systems in the U.S. The Company's headquarters are located in Chicago, IL. For more information, please visit www.stratadecision.com.

Media contact:

Todd Stein

Todd Stein Communications

510-417-0612

todd@toddsteincommunications.com