



STRATA DECISION TECHNOLOGY INTRODUCES STRATAJAZZ ONEPLAN

Healthcare's First Purpose-Built Advanced Planning Platform Brings FinTech to Budget Process for Hospitals

CHICAGO, October 23, 2019 – [Strata Decision Technology](#) (Strata), a pioneer and leader in the development of cloud-based financial planning, analytics and performance tools for healthcare, today introduced StrataJazz® OnePlan™, the first purpose-built advanced planning platform for hospitals to help address the major budget issues that they face. OnePlan provides a radically more efficient, accurate, agile and accountable approach to planning, providing hospitals and healthcare systems the ability to significantly improve their performance.

With this latest version of StrataJazz introduced this week at Strata's [Lift19](#) user conference, OnePlan addresses the archaic process many hospitals and health systems still use to budget and plan. Thousands of hours are spent creating a budget that is typically tens of millions of dollars off the mark and cast aside almost as soon as it is submitted. Rather than helping to control costs and build strategic alignment, the budget is viewed as a distraction, providing little to no value and even negatively impacting performance.

- The typical large healthcare delivery system spends four to six months and up to 20,000 hours building their annual budget.
- Senior executives and financial managers devote up to 30 percent of their overall time throughout the course of the year to this process.
- 66 percent of healthcare chief financial officers say their organization's budget is irrelevant within the first three months due to built-in inaccuracies and the difficulty of adjusting the plan to changing conditions.

To help address this combination of issues, close to 50 percent of healthcare providers are now moving to Advanced Planning - a radically more effective approach to planning, budgeting, forecasting and managing expenses. One benefit many are targeting is a reduction of waste in the system. According to a [recent study in the Journal of the American Medical Association \(JAMA\)](#), there is close to \$1 trillion in waste per year in U.S. healthcare. With over 50 percent of the cost of U.S. healthcare coming through healthcare providers, they are in a unique position to help reduce waste and better steward resources.

"The most powerful tool any hospital has in controlling cost is ultimately their plan and budget. Unfortunately, many hospitals are still in the dark ages and budgeting and planning is not only a stunningly inefficient and ineffective process, it is also a source of enormous waste," said Dan Michelson, Chief Executive Officer of Strata. "In the same

way that FinTech applications such as online banking and tax preparation services have simplified complex processes for consumers, OnePlan is an Advanced Planning Platform that radically streamlines the budgeting and planning process for hospitals.

Instead of burning cycles on creating a budget that doesn't hit the mark and they don't believe in, providers and administrators can now be accountable for improving performance and better stewarding the finite resources of their organization and their community."

OnePlan simplifies and automates many of the most time-consuming and difficult elements of planning and budgeting, reducing time and effort by up to 50 percent. 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 advanced planning platform.

A Planning Approach that is Accurate, Efficient, Agile and Accountable

As health systems continue to navigate fee-for-service while preparing for the next generation of full value-based payment, they must be able to plan and perform based not only on department verticals, but also horizontally across patient populations, service lines and payors. OnePlan is the first and only planning platform that enables organizations to plan and manage the full Income Statement on both a vertical and horizontal basis. As a result, OnePlan helps hospitals and health systems rapidly shift toward an Advanced Planning approach that is more efficient, accurate, agile and accountable.

- **Accurate**—OnePlan provides new, advanced budgeting methods, such as Patient Activity Flexing, an approach that leverages accurate and detailed data in Strata's cost accounting solution to automate and increase the accuracy of the budget process. As compared with a traditional flex budget, Patient Activity Flexing has proven to be significantly more accurate, revealing that up to 50 percent of budget variance can be attributed to the lack of accuracy in traditional budget models versus a true deviation from plan.
- **Efficient**—With OnePlan, finance administrators can develop accurate projections and set targets in days rather than weeks. A 5-hospital health system based in the Southeast compared the results of a 5-month budget process developed in their old system to an automated projection developed in minutes with OnePlan. The OnePlan projection proved to be 10x more accurate than the budget they had built over 5 months and thousands of hours with the prior system.
- **Agile**— No planning solution has ever made pivoting between traditional hierarchies and horizontal perspectives so simple, or even possible. Within minutes, analysts can translate the impact of service line strategies, patient utilization changes and shifts in payor mix across the full P&L and down to a granular, operational level. Sophisticated algorithms translate volume shifts modeled by the finance team into variable staffing and non-staffing expense targets at the department level. Department managers

then have a simple interface to react to, adjust and itemize the fixed staffing and non-staffing expenses within their control.

- **Accountable** — Following the planning process, targets seamlessly flow into the StrataJazz Management and Productivity Reporting modules to be compared against actual results. The monthly variance commentary process solidifies ownership of the budget and plan by front-line managers and quickly highlights areas where the organization is deviating from the plan, so corrective actions can be documented, taken and tracked.

A Single Platform Approach to Financial Planning

Over the last decade, healthcare providers have made significant investments in Electronic Health Records to provide a single clinical platform for their organization. Hospitals and health systems have now concluded that they need to get rid of the many disconnected applications that they use for the financial side of their organization and move to a similar platform approach. OnePlan provides a single platform approach:

- **Short and Long Term** – Combines long-term planning and short-term budgeting with the ability to apply different lenses and levels of detail. Supports a rolling approach to planning with annual, monthly and/or quarterly budgeting.
- **Department and Service Line** – Leverages patient-level data that already exists in the StrataJazz platform. Easily pivots to view P&L's by entity, service line, physician, department, etc.
- **Finance and Cost Accounting** – Aligns finance and cost accounting teams by leveraging cost data to drive and automate more of the budget process.
- **Planning and Performance Management** – Provides the ability to adjust the plan as needed and seamlessly update targets, react to financial adversity and drive intervention immediately, as opposed to waiting for the next planning cycle.
- **Capital and Operational** – A single model provides the ability to layer initiatives and the impact of capital projects on or off of the baseline plan.
- **Enterprise-wide Support** – Encompasses budgeting for the entire organization, including provider, acute, post-acute, health plan, etc.
- **Manager to Executive-Level Accountability** – Quickly identifies and escalates performance issues via Management Reporting to help understand root causes, drive corrective action, and track progress.

Advanced Planning Institute

As organizations look to understand more about Advanced Planning and learn from their peers, they can participate in the Advanced Planning Institute, supported by Strata. The Advanced Planning Institute brings together a network of organizations interested in improving planning through leveraging their collective experience as they journey towards Advanced Planning. For more information on the Advanced Planning Institute, please contact api@stratadecision.com.

Join the OnePlan Webinar on Nov. 14

Click [here](#) to join the webinar on Thursday, November 14th to better understand how StrataJazz OnePlan™ can help your organization achieve a more accurate, efficient, agile and accountable planning process.

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.

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