



highlights

Built trust to provide accurate supply cost data to physicians

Saved \$84K in one year from data-driven decision to switch to lower-cost tissue stapler

Reduced cost in one year by \$600/case from switching to the lower-cost tissue stapler

To learn more about how to impact the accuracy of the cost model at your organization, visit our website at www.stratadecision.com.

impact story

Easily Identifying Cost Variation Drives Savings of \$600 Per Case

problem

Use of Average Costs Leads to Inaccurate Information

In many organizations, it is difficult to meaningfully engage physicians in efforts to reduce the cost of care due in part to a lack in trustworthy information. Unfortunately, most organizations are not providing physicians with cost data or are providing cost data but seeing little action. For those organizations providing data, they may be using average costs for supplies and medications. This leads to inaccurate information in areas or procedures using high-cost implants, supplies, and pharmaceuticals, leading to data that is not trustworthy or actionable for physicians. However, many physicians are increasingly interested, and even passionate, about reducing costs. They are equally passionate about providing high quality care and achieving favorable clinical outcomes.

play

Leverage Supply & Pharmacy-Based Data in Cost Model (DS 103)

Combining their own trustworthy cost data with clinical, quality, and outcomes data, this large health system was able to integrate supply costs into their conversations on improvements. Showing their physicians actual cost, not derived cost, and actual variation in their supply choice, LOS, quality and outcomes, the organization engaged physicians to champion important cost and clinical improvements.

This large health system merged their Item Master data with cost data and showed physicians their own data, highlighting how supply cost was impacting the overall

financial picture. By comparing supply utilization across physicians who perform similar cases, the organization was able to assist facility surgical directors with lowering cost per case. A deep review of supply item use revealed that across physicians, items were being used that performed just as well as lower cost items.

When physicians learned this – and were able to look at trustworthy, accurate data – they realized the impact and power of their decisions.

impact

Easily Identified Variation in Cost and Outcomes for A Specific Supply

By providing physicians with trusted cost and clinical data, this organization was able to create physician-led action to encourage peers to use lower-cost, equally effective items.

In just one example, when a physician from the organization's Bariatric center reviewed this data, that physician made the decision to switch to the lower-cost tissue staplers, reducing their cost per case by over \$600. This alone saved over \$84,000 in one year. Intrigued with this data, more physicians are submitting their own cases for review to determine areas for additional savings, which has led to additional cost reductions.