



highlights

Identified \$1.7M in savings from quality improvement opportunities

Launched over 40 new initiatives to improve quality and cost

Empowered clinical and quality teams to identify improvement opportunities

To learn more about quantifying the cost of harm at your organization, visit our website at www.stratadecision.com.

impact story

Identifying Over 110 Opportunities Helps Organization Quantify the Cost of Harm

problem

Quantify Impact of Improved Quality of Care

While healthcare organizations have long believed that higher quality amounts to lower cost, quantifying the impact of improved quality of care has proven difficult. Without the necessary tools, processes, and strong internal support, providers have been unable to demonstrate the real cost and margin impact of higher quality care.

For many organizations, the sheer number of potential improvement initiatives can be overwhelming. To quantify the cost of harm and prioritize where to take action, this small Midwestern health system made an effort to conserve resources and build internal capacity for identifying improvement opportunities.

play

Understand and Communicate Cost and Margin Impact (CI 202)

Leveraging StrataJazz® Continuous Improvement, the health system can now identify variation in quality and resource utilization on their own to quantify the cost and impact of in-hospital harm. As part of rolling out their continuous improvement process, this organization utilized cross-functional leadership in finance, quality, and clinical operations, such as the Sr. VP of Quality and CMO, to establish monthly meetings as a unified group aligned to same vision. This alignment enabled front-line leaders to feel engaged and encouraged to identify variances and hold a shared sense of accountability. Further, front-line teams can use the tool's performance indicators and dashboards to see the direct impact of their performance on projects, enabling them to course correct and act when needed.

Now, the internal team uses the Continuous Improvement tool and built-in algorithms to analyze data from multiple sources, including general ledger, cost accounting, line-item charges, DRG/CFP/ICD-10 codes, contracted rates and reimbursement, supply chain, payroll, time and attendance, and admit/discharge/transfer data. This tool provides organizations with over 200 quality variation indicators (QVIs), or proprietary algorithms to identify potentially preventable, adverse clinical outcomes among hospitalized patients. This organization chose to focus on 43 initiatives that would impact their organization, including adverse drug effects, sepsis, pneumonia, and respiratory failure.

impact

Sustained and Growing Top-Line and Proactive Margin and Net Revenue Analysis

This organization used Continuous Improvement to identify, track and review quality improvement opportunities. This empowered their team to gain visibility into the root causes and true financial impact of adverse quality events, enabling them to adopt a unified internal process and trust the projected impact of their quality initiatives.

Using the Continuous Improvement tool ultimately enabled this organization to identify \$1.7 million in cost savings from quality improvement opportunities. In reviewing the data, the team committed to focus on a few specific areas, including adverse drug reactions. In the first seven months of tracking, they were able to achieve over 90 percent of their savings targets from 25 dedicated initiatives specific to those drug-related adverse outcomes.