



# Data reporting: Bridging the Gap Between Finance & Clinicians

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# UCSF Medical Center



- 560 beds
- Ranks among top 10 premier hospitals for 8<sup>th</sup> consecutive year
- 2008 "America's Best Hospitals" survey by U.S. News & World Report.
- Retained No. 7 position of 171 hospitals chosen on the magazine's "honor roll," assessment of 5453 medical centers
- Hospitals that make the list follow – and often pioneer – new treatment guidelines, conduct bench-to-bedside research and utilize the latest advances in imaging, surgical devices and other technologies.

# Agenda

- Background
  - UCSF Medical Center Perspective
  - Aligning physicians and medical center goals
    - Physician Champions
  - Increasing hospital transparency
    - Dashboards
      - Executive Dashboards
      - Physician Profiles
      - Key Performance Indicators
  - Aligning strategic support to facilitate collaboration





“Does this look like a happy chart to you?”

[http://www.almeidacartoons.com/Med\\_toons2.html](http://www.almeidacartoons.com/Med_toons2.html)

UCSF Medical Center

# Wealth of information exists.....from multiple sources

- State Databases i.e. OSHPD
- Sg2
- University Healthsystem Consortium
- Advisory Board
- Internal Cost Accounting Systems
- Press Ganey

# Why should the physicians want to participate?

- **Burning Platform**

- *Loss of patients due to competition*
- *Hospital full*
  - Can't get patients in and/or surgical procedures cancelled/delayed



- **Need support from the Medical Center**

- *Capital*
  - Equipment
  - Facilities
- *Personnel*
  - Patient authorization assistance
  - Care coordination assistance (Nurse Coordinators, NP's)
  - Support to recruit new physicians to their practice

# Working With Physicians

- **Translating Finance speak into Clinical speak**
  - *How do you turn data into meaningful reports physicians understand and that will compel them to improve financial and clinical performance?*



# Working with Physicians: Explicating Terminology

- **Contribution Margin**
- **Total Revenue**
- **Net Revenue**
- **Net Margin (profit/loss)**
- **Direct Cost**
- **Indirect Cost**
- **Case Mix Index (CMI)**
- **Diagnosis-related group (DRG)**
- **Average Cost per Patient**
- **Length of Stay (LOS)**
- **Case**
- **LOS**
- **Payors-How Hospitals get paid**
- **Charges**
- **Office of Statewide Health Planning and Development's (OSHPD)**

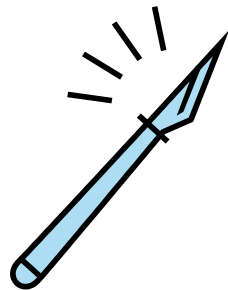


# Difference between Medical Physicians and Surgeons

- **Medical physicians- Round, discuss-debate, will usually put up with meetings**



- **Surgeons- Cut, Fix and Get Out**



# Hospital Accounting.....

## Physician Accounting

- *Reconciling the numbers*
  - What is a case?
    - *Hospitals are paid on a discharge basis for Inpatients and per episode of care for outpatients*
    - *Physicians are paid based on RVU's and a per procedure basis*
      - > Multiple procedure codes on a single patient



# How do you present information to physicians so that they can understand it quickly.....

- **Dashboards**
  - *Quality*
  - *Financial*
  - *Patient Satisfaction*



# Data Presentation





# **From High Level Data to Physician Specific Score Cards**

# Providing Business Intelligence for Informed Clinician Decision- Physician Scorecards

## UCSF Medical Center



**Eula McKinney, BS, MSHA**  
*Director Spine Service Line*  
February 13, 2009

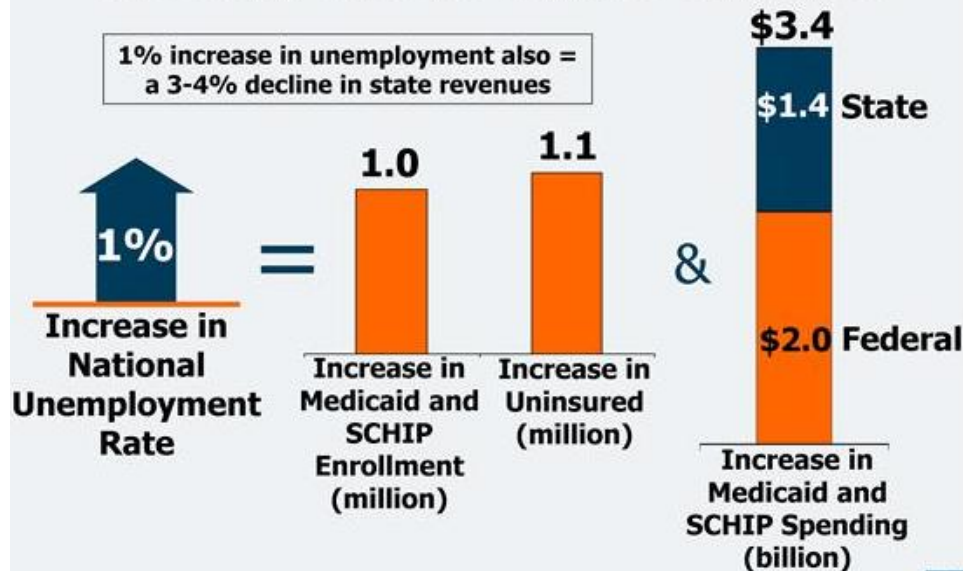
# Why Engage Physicians and Clinical Staff?

## Maximize Savings and Enhance Revenues

- According to Aon Consulting Worldwide survey health care costs are expected to rise more than 10% in 2009...
- 3.6 million jobs lost YTD
- 10% nationwide unemployment

[KAISER FAST FACTS HOME](#) > [RETURN TO SEARCH RESULTS](#) >

### Impact of Unemployment Growth on Medicaid and SCHIP and the Number Uninsured



Source: Stan Dorn, Bowen Garrett, John Holahan, and Aimee Williams, *Medicaid, SCHIP and Economic Downturn: Policy Challenges and Policy Responses*, prepared for the Kaiser Commission on Medicaid and the Uninsured, April 2008



# The Conundrum

- Great patient care, satisfaction, state-of-the art teaching and research
- Financial issues, the Neuro/Orthospine program experienced three consecutive years of net income losses and was projected to loose \$13.9 in FY07 and charged to realize significant improvements in FY08 with an increasing case load
- Established 4 action teams to turn the tide:
  - Clinical Care Optimization
  - Vendor and Product Optimization
  - Revenue Optimization
  - Department Optimization
- **Develop physician commitment and participation**
  - *Peer Chosen Physician Liaison*

# Aligning Physicians:

## Why should the physicians want to participate?



### Burning Platform

- ❖ Spine program at risk for cuts due to excessive financial losses
- ❖ *Access challenges*
  - ❖ Ambulatory
  - ❖ Operating Room
  - ❖ Outpatient Surgical Suites
- ❖ Need strategic support from the Medical Center
  - ❖ Economic recession
  - ❖ Contribution margin threshold must be met to for marketing support

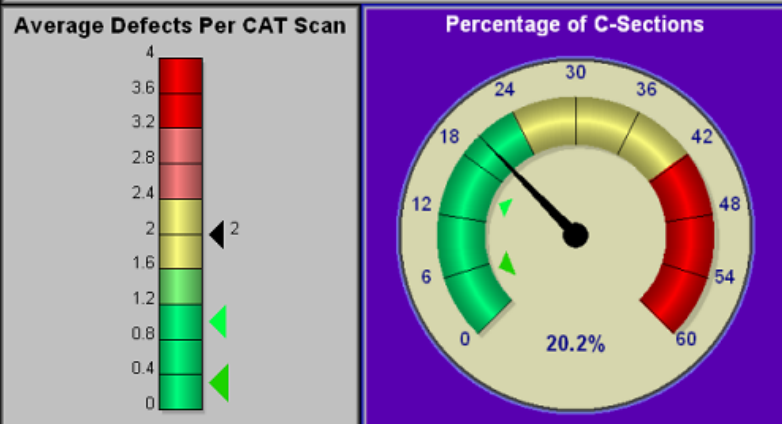
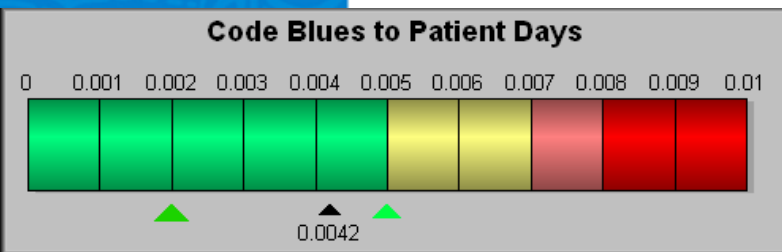
# UCSF Medical Center

## Data Presentation:

### Capitalize on Performance Metrics



# Dashboards



# Executive Dashboards: High Level Data

## UCSF Medical Center Spine Program - Executive Scorecard

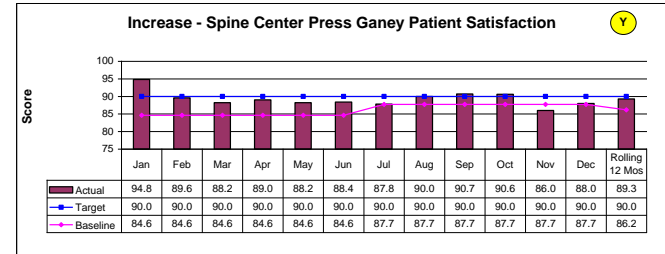
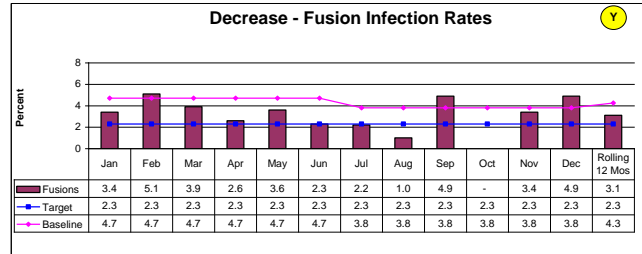
\*Traffic lights\* are assigned based on the 12 month rolling average performance

G = green, on or exceeding target

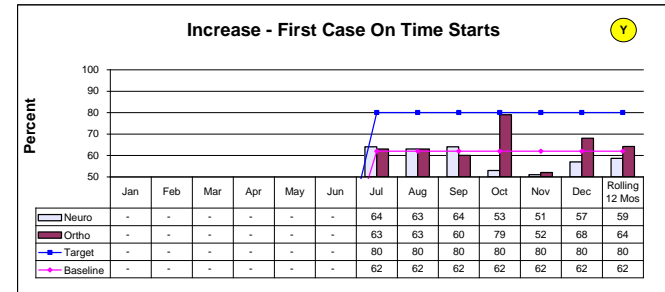
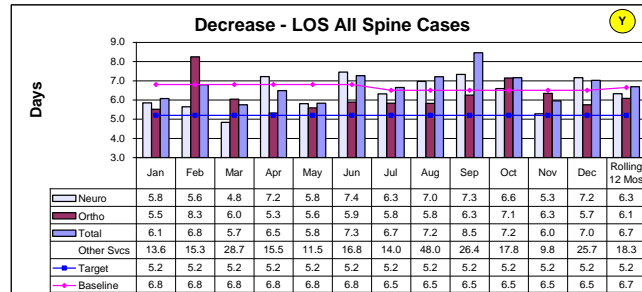
Y = yellow, better than baseline but not at target

R = red, no improvement from baseline

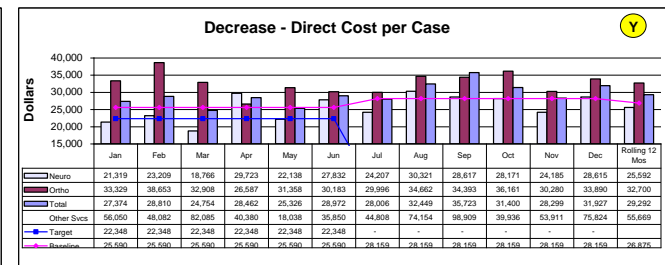
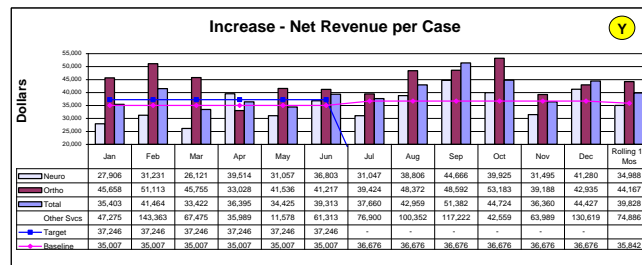
### Quality



### Efficiency

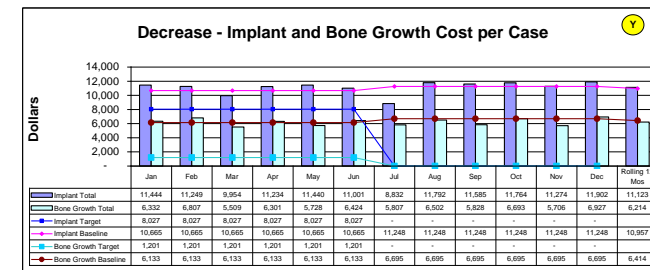
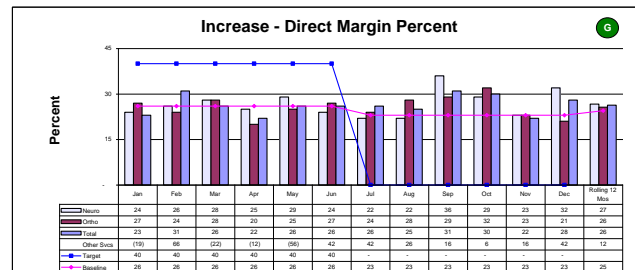
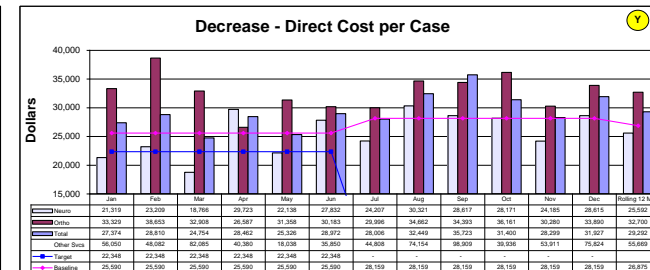
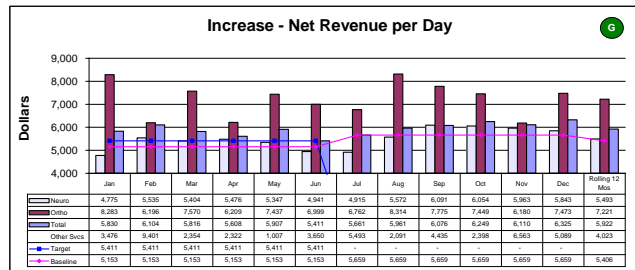
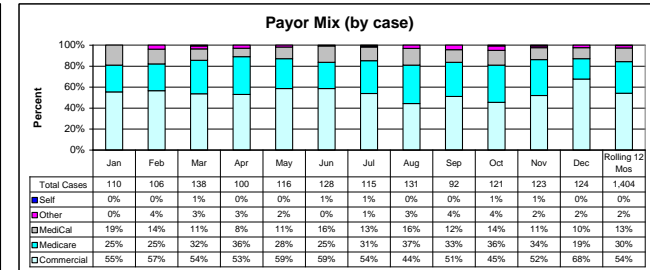
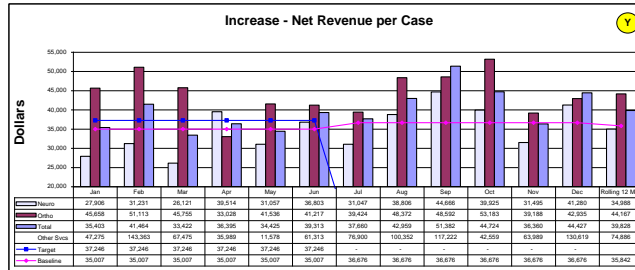


### Financial



# Finance

## UCSF Medical Center Spine Program - Finance Scorecard



**Footnotes:**  
Data available 6 weeks after the end of the month  
Source = Data provided by DSS from Eclipsys system  
FY07 baselines = FY06. FY08 baselines = FY07 average actuals  
Sep case volume: Spine = 91, Implants = 80, Bone Growth = 19

- Recommendations**
- Improve reimbursement in upcoming payor negotiations
  - Improve charge capture via implant coordinators
  - Improve contract carve outs
  - Calculate department utilization targets for use by acute care & OR teams

- Develop and implement implant product preference guidelines
- Hold cost of new technology budget neutral
- Develop and implement guidelines for use of bone growth stimulators
- Finalize spine implant vendor negotiations

# Physician Specific Data

- **Collaborating on Efforts**
  - *Aligning Incentives: Contingency funding*
- **Perspectives**
  - *Medical Center Executives vs Physician Needs*
  - *DRG vs Principle Procedure Code*
  - *Actionable Data*
  - *Granular Details*
    - Implant Formulary
    - Risk Adjusted Data

# DRG vs. Principal Procedure

- Executives and Administration utilize DRGs for national reporting and databases
- Physician's need principal procedures to assess variances for clinicians to derive actionable information



# Physician Profile Cards

UCSF Medical Center  
Physician Profilecard - Spine<sup>1</sup>  
December -2007

AMES, CHRISTOPHER P.

Select Physician

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Cases</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	4	33	18	124
81.06 - LUMBAR/LUMBOSAC FUS ANT	9	32	27	81
81.02 - OTHER CERVICAL FUS ANT		16	15	100
81.05 - DORSAL/DORSOLUM FUS POST	1	10	10	72
03.4 - EXCIS SPINAL CORD LESION		8	11	46
OTHERS	9	38	37	220
<b>Total</b>	<b>23</b>	<b>137</b>	<b>118</b>	<b>643</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Average Length of Stay (ALOS)</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	6.00	5.55	5.83	6.10
81.06 - LUMBAR/LUMBOSAC FUS ANT	7.67	8.16	7.78	7.10
81.02 - OTHER CERVICAL FUS ANT		6.63	3.47	5.51
81.05 - DORSAL/DORSOLUM FUS POST	12.00	13.00	9.40	9.67
03.4 - EXCIS SPINAL CORD LESION		6.63	7.09	8.93
OTHERS	6.00	5.84	7.27	6.32
<b>Total</b>	<b>6.91</b>	<b>6.97</b>	<b>6.85</b>	<b>6.81</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>ICU Cases</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	1	3	1	14
81.06 - LUMBAR/LUMBOSAC FUS ANT	3	9	10	18
81.02 - OTHER CERVICAL FUS ANT		5	1	14
81.05 - DORSAL/DORSOLUM FUS POST	1	4	4	33
03.4 - EXCIS SPINAL CORD LESION		2	5	16
OTHERS	2	9	11	33
<b>Total</b>	<b>7</b>	<b>32</b>	<b>32</b>	<b>128</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>ICU ALOS</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	2.00	2.33	2.00	3.07
81.06 - LUMBAR/LUMBOSAC FUS ANT	3.33	5.67	3.00	4.06
81.02 - OTHER CERVICAL FUS ANT		4.40	2.00	5.93
81.05 - DORSAL/DORSOLUM FUS POST	7.00	9.00	2.25	4.45
03.4 - EXCIS SPINAL CORD LESION		1.50	1.80	2.50
OTHERS	2.00	3.44	3.09	4.58
<b>Total</b>	<b>3.29</b>	<b>4.69</b>	<b>2.69</b>	<b>4.20</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Total Implant Cost</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	\$33,925	\$380,932	\$224,226	\$1,232,747
81.06 - LUMBAR/LUMBOSAC FUS ANT	134,071	635,538	695,997	1,551,610
81.02 - OTHER CERVICAL FUS ANT		146,532	113,157	646,317
81.05 - DORSAL/DORSOLUM FUS POST	10,831	213,953	199,873	1,340,750
03.4 - EXCIS SPINAL CORD LESION		31,719	52,926	136,551
OTHERS	127,515	408,256	365,629	1,182,828
<b>Total</b>	<b>\$306,343</b>	<b>\$1,816,930</b>	<b>\$1,651,808</b>	<b>\$6,090,802</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Severity of Illness (SOI) Cases</b>				
1 - Minor	10	54	48	235
2 - Moderate	5	44	46	275
3 - Major	8	32	24	160
4 - Extreme		7		36
<b>Total</b>	<b>23</b>	<b>137</b>	<b>118</b>	<b>706</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Patient Days</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	24	183	105	756
81.06 - LUMBAR/LUMBOSAC FUS ANT	69	261	210	575
81.02 - OTHER CERVICAL FUS ANT		106	52	551
81.05 - DORSAL/DORSOLUM FUS POST	12	130	94	696
03.4 - EXCIS SPINAL CORD LESION		53	78	411
OTHERS	54	222	269	1,391
<b>Total</b>	<b>159</b>	<b>955</b>	<b>808</b>	<b>4,380</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Case Mix Index (CMI)</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	4.04	3.90	3.31	3.88
81.06 - LUMBAR/LUMBOSAC FUS ANT	5.06	5.50	5.83	5.47
81.02 - OTHER CERVICAL FUS ANT		3.21	2.50	2.74
81.05 - DORSAL/DORSOLUM FUS POST	3.12	4.15	5.09	4.83
03.4 - EXCIS SPINAL CORD LESION		2.29	2.05	2.20
OTHERS	4.16	2.78	2.72	2.20
<b>Total</b>	<b>4.44</b>	<b>3.81</b>	<b>3.63</b>	<b>3.31</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>ICU Days</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	2	7	2	43
81.06 - LUMBAR/LUMBOSAC FUS ANT	10	51	30	73
81.02 - OTHER CERVICAL FUS ANT		22	2	83
81.05 - DORSAL/DORSOLUM FUS POST	7	36	9	147
03.4 - EXCIS SPINAL CORD LESION		3	9	40
OTHERS	4	31	34	151
<b>Total</b>	<b>23</b>	<b>150</b>	<b>86</b>	<b>537</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>% of cases with an ICU stay</b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	25.00%	9.09%	5.56%	11.29%
81.06 - LUMBAR/LUMBOSAC FUS ANT	33.33%	28.13%	37.04%	22.22%
81.02 - OTHER CERVICAL FUS ANT		31.25%	6.67%	14.00%
81.05 - DORSAL/DORSOLUM FUS POST	100.00%	40.00%	40.00%	45.83%
03.4 - EXCIS SPINAL CORD LESION		25.00%	45.45%	34.78%
OTHERS	22.22%	23.68%	29.73%	15.00%
<b>Total</b>	<b>30.43%</b>	<b>23.36%</b>	<b>27.12%</b>	<b>19.91%</b>

	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Implant Cost per Case<sup>2</sup></b>				
81.08 - LUMBAR/LUMBOSAC FUS POST	\$8,481	\$11,543	\$12,457	\$10,022
81.06 - LUMBAR/LUMBOSAC FUS ANT	14,897	19,861	25,778	19,156
81.02 - OTHER CERVICAL FUS ANT		9,158	7,544	6,463
81.05 - DORSAL/DORSOLUM FUS POST	10,831	21,395	22,208	18,622
03.4 - EXCIS SPINAL CORD LESION		4,531	4,811	3,691
OTHERS	14,168	13,609	13,058	9,314
<b>Total</b>	<b>\$13,319</b>	<b>\$14,195</b>	<b>\$15,295</b>	<b>\$11,279</b>

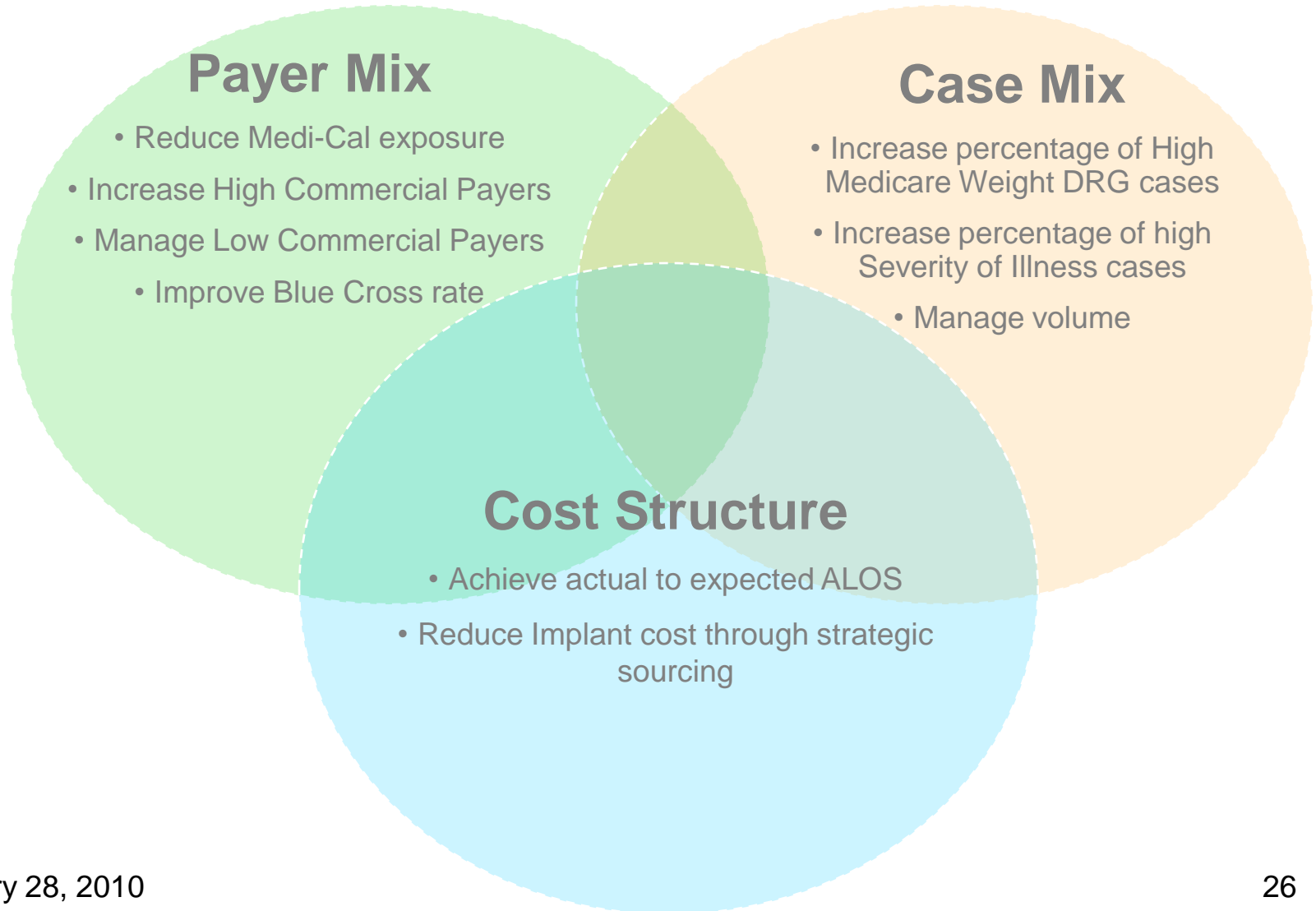
	AMES, CHRISTOPHER P.			Total Pop. FY08 Year to date
	Current month (Dec-07)	Year to Date		
		FY08	FY07	
<b>Payor Mix - All Cases</b>				
Commercial	86.96%	54.01%	57.63%	52.41%
Medi-Cal		13.14%	14.41%	12.89%
Medicare	8.70%	29.93%	27.12%	31.59%
Other	4.35%	2.19%	0.85%	2.69%
Self		0.73%		0.42%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Spine Patient Population defined by DRG 496-500, 519, 520, 531, 532, 546  
<sup>2</sup> Only for Implant Cases

# Spine Implant Price Formulary

Cervical Posterior	Vendor	1-Level	2-Level	4-Level	4-Level w/ Occipi tal Fixati on	SUM OF CONST RUCTS	Average Construct price	\$ premium over lowest	% premium over lowest
		\$3,087	\$4,443	\$9,302	\$9,847	\$26,679	\$6,670	\$0	0%
		\$4,119	\$5,841	\$10,689	\$13,574	\$34,223	\$8,556	\$1,886	28%
		\$3,888	\$5,770	\$10,737	\$13,886	\$34,282	\$8,570	\$1,901	28%
		\$3,861	\$5,564	\$10,631	\$14,326	\$34,382	\$8,595	\$1,926	29%
		\$4,050	\$5,844	\$11,040	\$14,078	\$35,012	\$8,753	\$2,083	31%

# Break even performance requires discipline on all fronts



# Developing the Appropriate Leadership Style for Physician Population

- **Path – Goal theory**
  - *Motivation to accomplish designated goals*
  - *Rate of compliance increases with end users recognizing:*
    - Ability to yield desired outcomes
    - Value in efforts



# Working With Physicians: From Providing Information to Action

Difference between :

- Chair leadership and interest
- Faculty / Surgeon participation

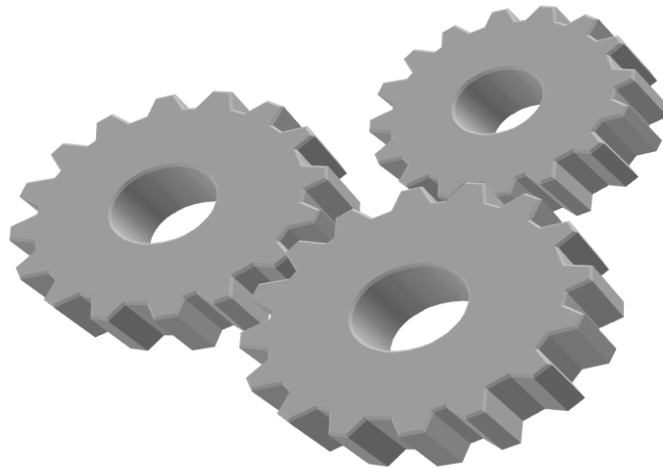


# Leadership Behaviors

- **Directive Leadership**
  - *Initiating structure*
- **Supportive Leadership**
  - *Consideration behavior construct*
- **Participative Leadership**
  - *Consultative*
- **Achievement – Oriented Leadership**
  - *Challenges and establishes high standard of excellence*

# Working Together to Achieve Success

***Expense Control + Revenue Generation = Spine Profitability***



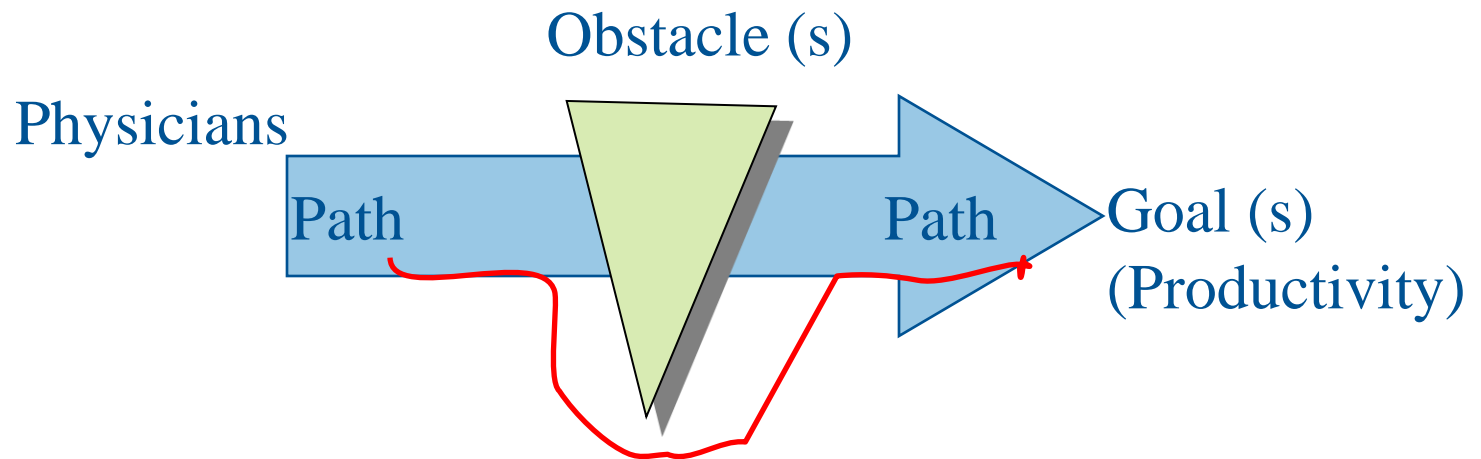
## **Spine Surgeons**

- Clinical Intelligence
- Developing comparable categories
- Sharing surgical knowledge for alternative clinical care

## **Hospital**

- Strategic Sourcing
- Vendor Negotiations
- Surgeon Relationships
- Financial Intelligence

# Achieving Results: Finding Opportunities



- Define Goals
- Clarify Path
- Remove Obstacles
- Provide Support

# Service Line Committee and Medical Center *collaborate* to meet the following objectives:

- **Develop and execute cost reduction strategies**
- **Manage LOS, implant cost, resource utilization to reduce the cost**
- **Develop and implement processes to maintain:**
  - *Effective formulary management with emphasis on cost and product standardization*
  - *Standardization of care*
  - *Cost/case reduction*



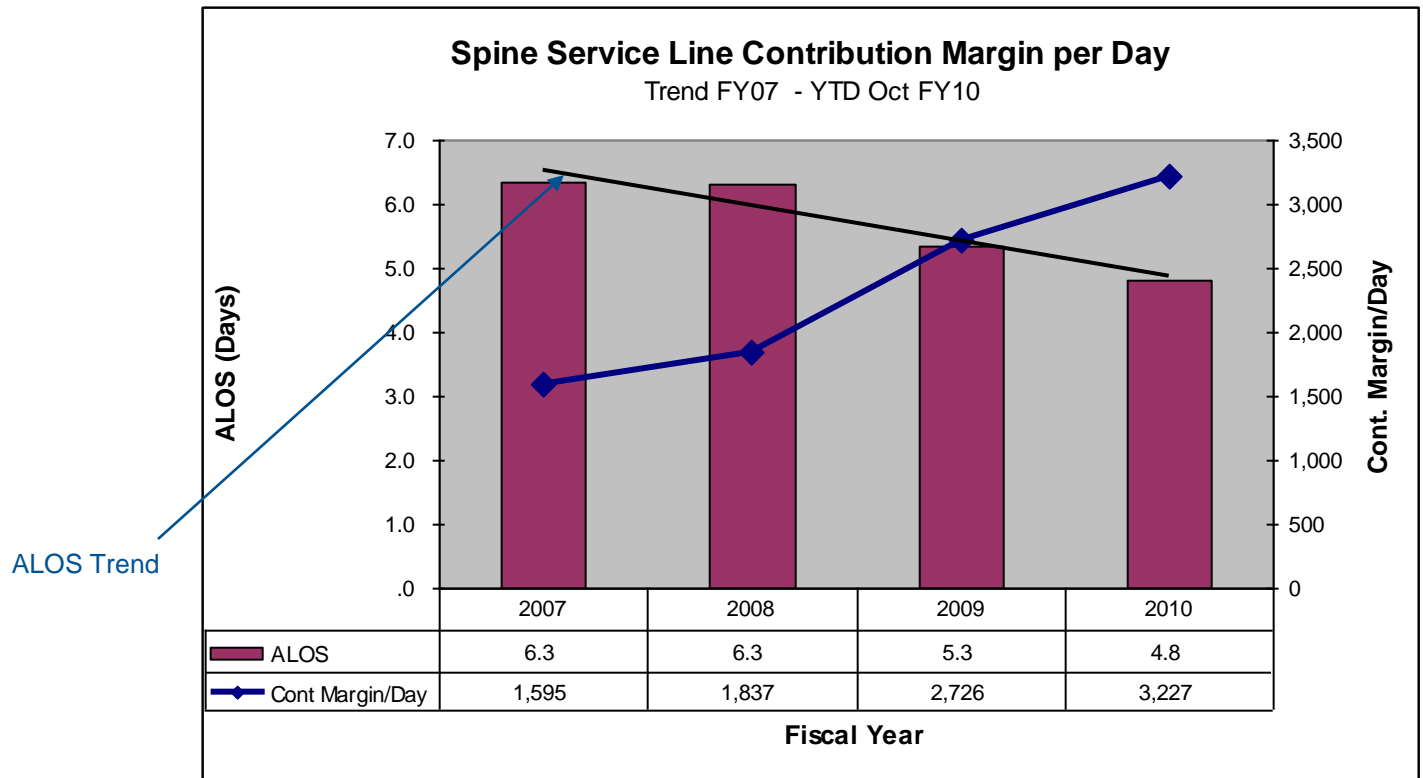
# Quick Wins

- Participation, all Neurospine/Orthospine physicians and staff participating- more understanding of financial impact of decisions
- Short timeframe due to 'stop loss' mission
- Quick wins important to show progress to Executive Management
- Financial information provided to all physicians and clinicians
- Developing clinical best practices that are fiscally responsible



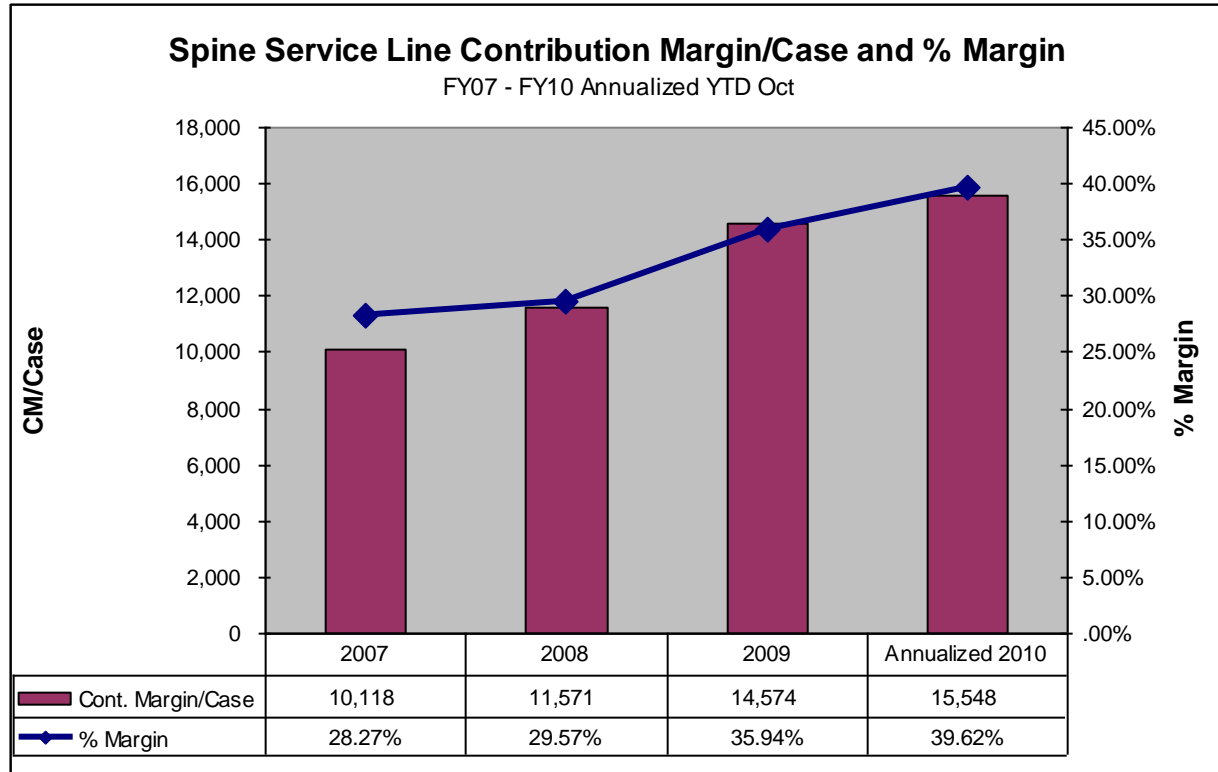
*Projected net loss of **\$13.9M** for the spine service line for FY08 resulted in a net improvement of **\$11.2M** in FY09*

# Financial Results



Patient length of stay decreased (23%) as contribution margin per day increased (102%)

# Financial Results



**11.35%** improvement in percent margin  
**53%** improvement in contribution margin/case

# Summary of Steps

- Assemble the core planning team.
- Perform an alignment assessment.
- Create a new compact.
- Review alignment options.
- Determine alignment objectives.
- Assess the appropriate level of integration.
- Identify the appropriate alignment structure(s).
- Create a project work plan.
- Identify performance metrics.
- Communicate agreement to key stakeholders.
- Establish an accountability structure.
- Evaluate performance and make adjustments.

# Summary/Conclusion



## Keys to success

- **Physician participation in process**
- **Leadership styles and behaviors are critical**
- **Team participation is essential**
- **Continuous conscious physician and clinical staff support is the key element of change**

# Questions?



University of California  
San Francisco

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*advancing health worldwide™*