

P455: What is the Cost of Care?

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Learning Objectives

- 1) Discuss key implementation strategies and available metrics to support performance improvement with regard to cost of care.
- 2) Explain the potential impacts of this type of initiative.
- 3) Describe the outcomes of increased clinician and patient satisfaction.

Problem

1. Increased labor and supply costs impact health care organization margins and require dependable cost of care reporting programs. Vizient Cost of Care reports provide cost analysis data, assist key stakeholders with standardization of care practices and process improvement opportunities.

Goals

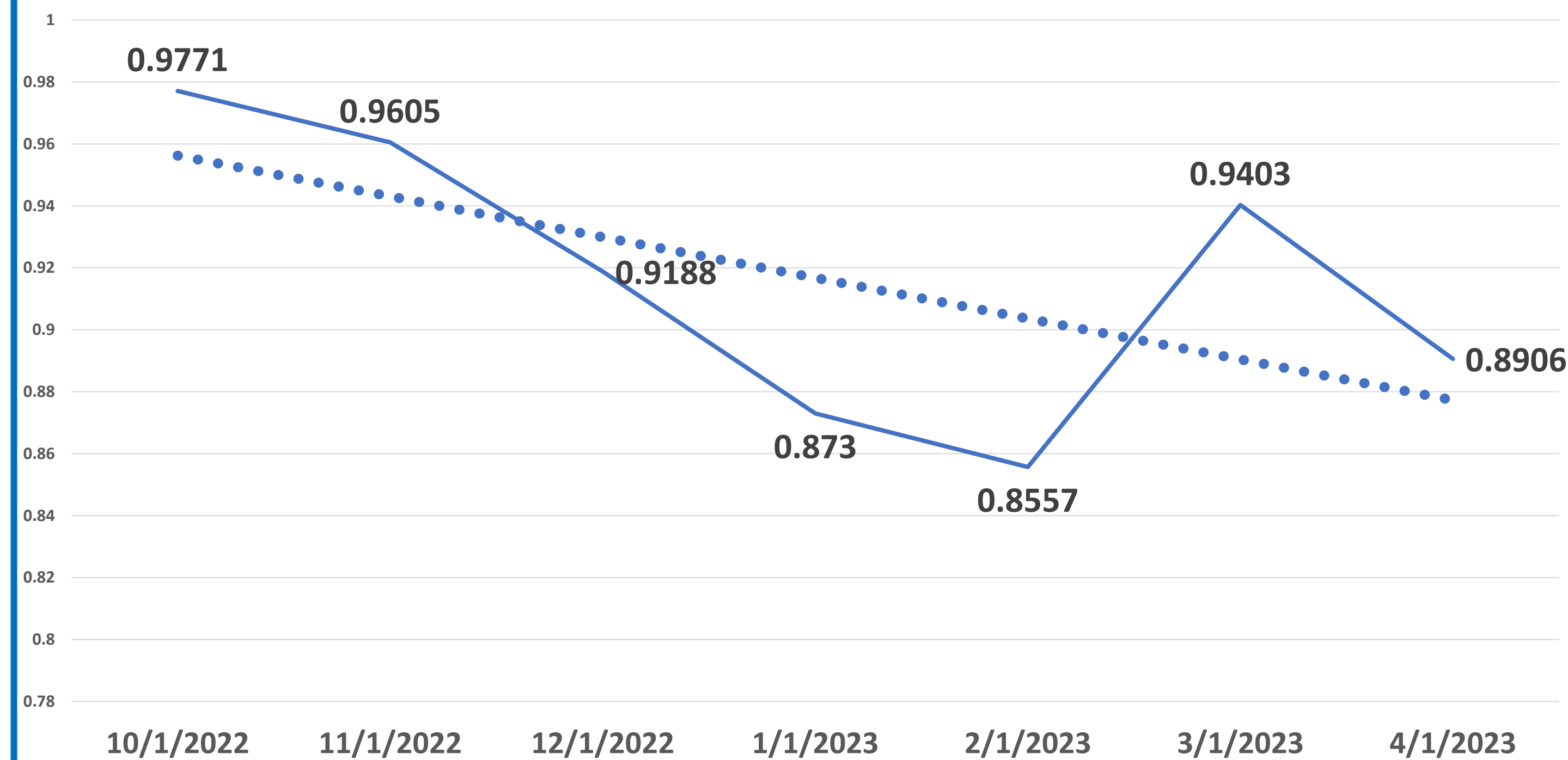
1. Utilize cost of care data report to gain insight regarding trends and benchmarks for cost of care.
2. Compare Hospitalist data for improvement opportunities regarding ordering trends, standard of work processes and utilization targets.

Changes Implemented

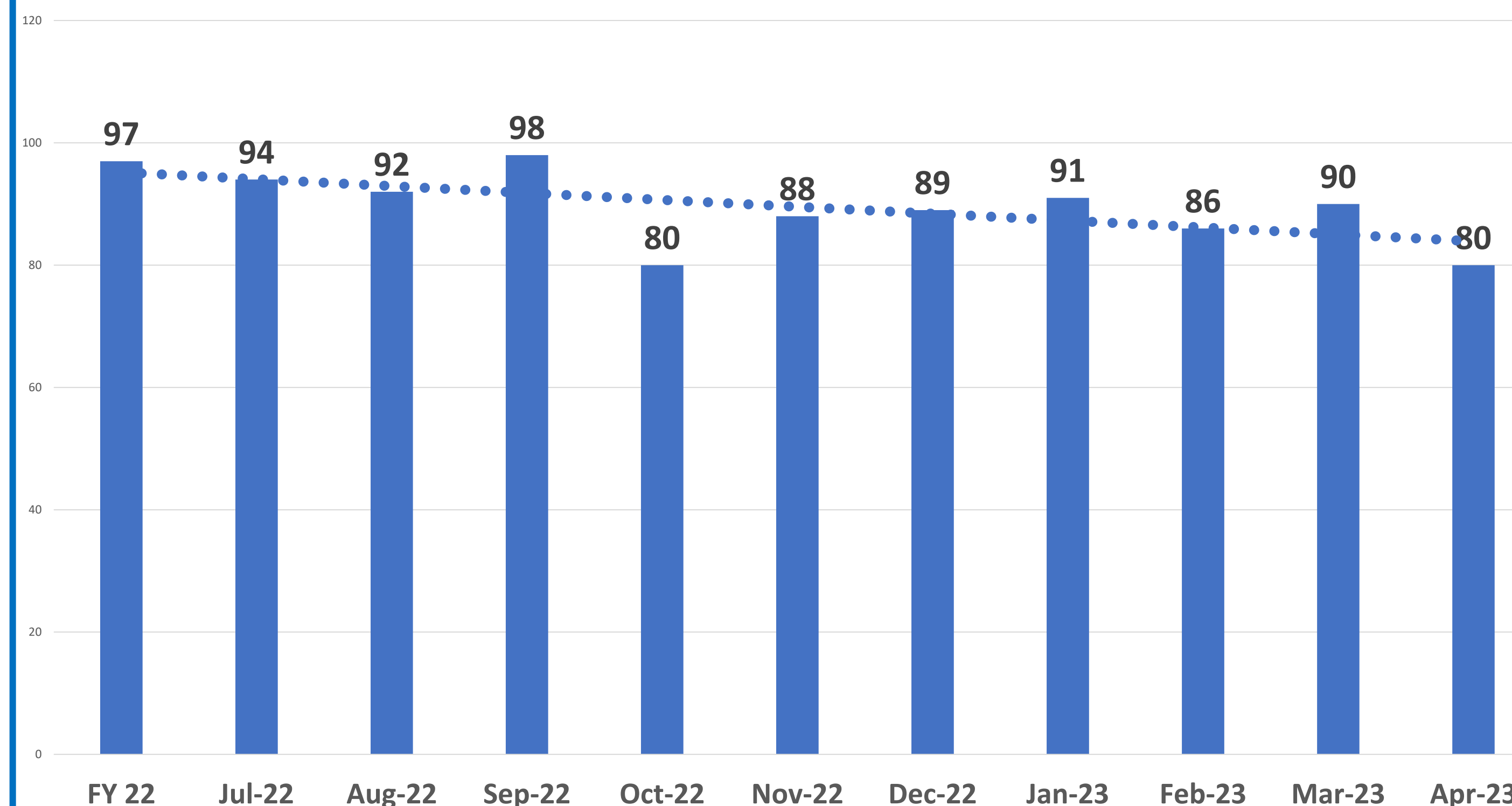
1. Cost of care data reports initially compiled and shared with key stakeholders in Utilization Review Committee.
2. Fixed and variable cost data presented including case mix index, acuity, types of cost and service lines.
3. Benchmarking data provided to key stakeholders and improvement opportunities identified.
4. Action plans developed for ordering trends and standards of work established including pathway use.
5. Updated reports and trends monitored and conveyed to Hospitalists at Utilization Review Committee.

Outcomes

Cost of Care Index Trend



Ratio of Consults to Inpatient Discharges



Financial Impact

1. Financial impact realized \$2,577,819 cost reduction.
2. Increased compliance with care pathways showing decrease in readmissions and length of stay.
3. Ongoing monitoring of decrease in consult utilization and the subsequent impact on patient length of stay.

Lessons Learned

1. Cost of care data provided benchmarks and impetus to update Hospitalist's standards of work.
2. Hospitalist ordering of specialty consult services reduced from baseline 97% to 89% during this timeframe.
3. Increased standardized ordering and utilization of pathways for disease specific conditions; heart failure, diabetes, enhanced recovery after surgery and sepsis.
4. Multidisciplinary tactics promoted project engagement, teamwork and initiation of strategic action steps.
5. Project required ongoing monitoring and adjustments to action plans for improved outcomes.

References

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