

3 WAYS

TO LOOK AT HEALTHCARE COSTS

1

COST TO PATIENT



2

COST TO INSURER



3

COST OF SERVICE



Costs to patient and insurer are estimates to approximate costs but have little relation to the true cost of the services provided. This differentiation is extremely important to understanding true healthcare cost.

FACTS AND FICTION OF ELUSIVE HEALTHCARE COSTS

1. HOSPITALS ARE HIDING SOMETHING

FACT FICTION



Nope. Hospitals are just as confused as patients.

2. HEALTHCARE IS COMPLEX

FACT FICTION



Capturing all the nuances between cases without burdening healthcare providers or patients is a challenge.

3. FRAGMENTATION

FACT FICTION



Going in for a surgery could result in costs from one, two, three, four, or even five separate organizations.

- Facility bill
- Radiologist bill
- Surgeon bill
- Anesthesiologist bill
- Rehab bill

4. NOT ENOUGH USEFUL DATA

FACT FICTION



Healthcare has historically failed to leverage data and accurately combine it with cost data in a scalable and actionable manner.

5. CHALLENGE OF DATA GOVERNANCE

FACT FICTION



The most significant and least discussed / understood challenge is data governance.

- Requires management of ALL data
- Labor intensive
- Rapid integration of IT systems
- Not a health systems priority

ADDRESSING COST: WHERE TO START

HEALTHCARE COST PROBLEMS WON'T BE SOLVED UNTIL DATA GOVERNANCE IS TAKEN SERIOUSLY

Effective costing requires diligent governance in:

- EMR data to general ledger crosswalk
- Supply chain
- Personnel (including physicians and other providers)
- Patient – Enterprise Master Patient Index (EMPI)

