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How To Deliver High-Value Care

3 Ways Organizations Can Avoid Unnecessary Testing And Optimize Blood Utilization

Introduction

In today's era of 'value over volume' healthcare, organizations are tasked with not only delivering optimized patient outcomes, but doing so while decreasing costs. This is nearly impossible to do with the traditional low-value care methodology plaguing modern healthcare strategy. Low-value care refers to anything done to or for the patient that is unlikely to improve outcomes, and the costs associated to these practices are enormous. Over \$340 billion in healthcare spending is spent yearly on low-value and inefficient services. Understanding where these inefficient processes occur, knowing how to effectively transform workflows, and having the data in place to target low-value care services are the first steps towards reversing low-value care and executing on a high-value care strategy.

High-value care is the term used by innovative healthcare organizations that are proactively working towards lowering operational costs while improving quality patient outcomes. Successfully transitioning from inefficient to high-value care requires a patient-centered balance of four factors: risks, benefits, costs, and patient preferences. One of the most impactful areas to apply this highvalue care approach is within the lab. Blood and test utilization are some of the largest drivers of healthcare waste across the care continuum, and the inefficiencies associated with inappropriate utilization are some of the most productive areas to address with real-time insight and data.

This whitepaper outlines three ways healthcare organizations can gather critical data, better understand internal operations, and take action on utilization insight in order to reduce costs, guide physician behavior, fuel growth, and – most importantly – deliver on the promise of high-value care. The featured case study demonstrates how a leading healthcare organization has embraced utilization best practices in order to automatically track and manage utilization trends, in turn generating measurable results and higher quality patient outcomes.



Dr. Tim Hannon

CEO of Healthcare Forward

Meet a High-Value Care Expert

Dr. Tim Hannon, CEO of Healthcare Forward, is an anesthesiologist and patient safety expert with over 20 years experience leading large-scale transformation initiatives to improve the safety, quality and efficiency of healthcare across the nation. He is recognized for bringing leading-edge blood and test utilization initiatives to organizations of all sizes, and partners with health systems to implement comprehensive high-value programs.

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Cutting Back Unnecessary and High-Cost Testing

Diagnostic testing is the most frequent medical activity in today's healthcare environment, and as such there is a massive amount of data available to decision makers looking into testing patterns and trends. However, very few are able to quickly and easily access and translate this data into meaningful, actionable insight. Lab tests can account for as much as 5% of a hospital's overall budget, with between 30% and 50% of these tests being inappropriate or unnecessary. With declining reimbursements and diminishing Medicare claims drastically altering the way laboratory tests are handled, having a clear picture of utilization trends is critical for systems looking to reduce low-value care activities. This is how real-time insight into test utilization processes helps build high-value care organizations – visualizing these patterns allow healthcare professionals to immediately know who ordered what tests, and organize that data by physician, specialty, and diagnosis to paint an integrated picture of the entire care continuum. Healthcare executives can gain insight from clinical data, drive action, and track results to ensure the right patient is getting the right test at the right time. Utilization is more than just monitoring over utilization – it is monitoring who is ordering the appropriate tests.



“ When we look at the numbers around lab utilization, there is no correlation between the amount of testing you do and the patient outcomes. We need to adopt evidence-based, data-driven utilization practices to reduce waste and improve the quality of care. ”

– **Dr. Tim Hannon**

CEO of Healthcare Forward

Physicians make 80% of lab test recommendations based on traditional or historical practice. The goal of improved utilization is to make the shift from historical practice to best practice. High-value care organizations that monitor test utilization insight have increased visibility into physician ordering data that enable them to pinpoint:

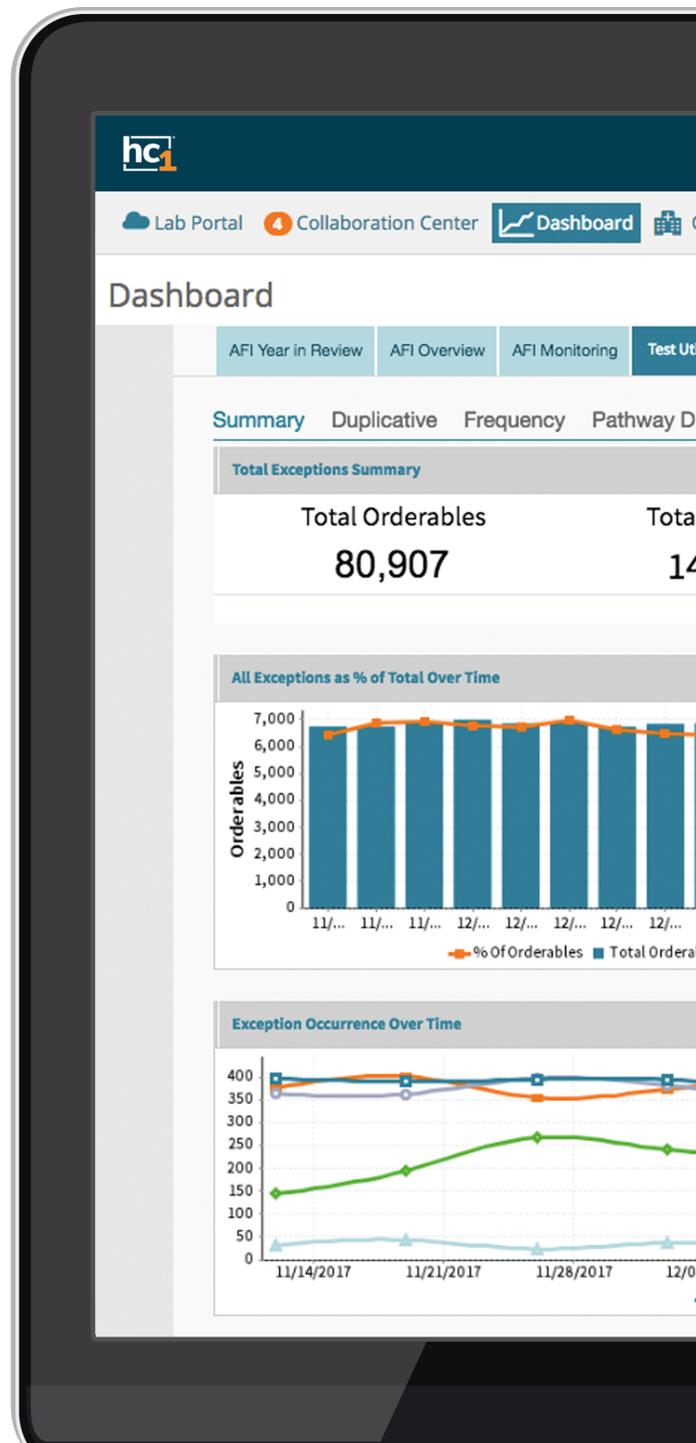
- **Adoption:** How are physicians transitioning to ordering new tests? Is the lab communicating with ordering providers and providing adequate education materials around changes to their test menu?
- **Over-utilization:** Which physicians are ordering the least common tests for a specific diagnosis? Are they consistently ordering a panel of tests to ‘cover all of their bases?’
- **Under-utilization:** Which physicians are not ordering the most appropriate tests for a specific diagnosis? What is the reason behind this?
- **Frequency:** Which physicians are ordering repetitive tests that are consistently ‘normal’ for patients? Are these tests necessary? Comparing frequently ordered tests against industry-wide benchmarks can help stakeholders understand if the problem relates to specific physicians or across an entire physician group.

With real-time insight into all facets of appropriateness, utilization stakeholders can track physician progress, create tasks to follow up with physicians, and aggregate issues over time to create a holistic utilization picture. Creating an actionable workflow results in proactivity, which creates change. For all aspects of the patient healthcare lifecycle – from visit to diagnosis to testing to results to follow-up – the goal is improving patient outcomes and satisfaction. Tracking utilization from beginning to end and with real-time, granular insight builds a powerful repository of data that can then be used to build best practices, in turn reducing low-value care inefficiencies and producing high-value care cost savings.

When physicians order tests with little attention to evidence-based practices, stakeholders run the risk of losing money by ordering tests not covered by certain insurance carriers. Tracking which tests are consistently covered by major payers builds a more complete picture of utilization patterns that can potentially save an organization millions of dollars each year. To glean the most insight into ordering practices and test coverage, high-value care organizations routinely track:

- Count of tests declined under the NCD, by both diagnosis and specialty
- The most recently declined tests by provider, CPT code, and diagnosis

When a high-value care strategy is in place along with focused test utilization insights, healthcare organizations can proactively influence physician ordering patterns from multiple directions, reducing costs both for the health system and for the patient.



2

Recapturing Millions Wasted on Blood

Another pillar of high-value care programs is appropriate blood utilization. Most physicians and nurses aren't formally trained in ordering or administering blood products, and inappropriate rates of utilization can run from 30-50%. Around 1 in 5 patients admitted to a hospital receive blood products, and as such blood utilization is one of the most impactful areas to focus on when it comes to driving out inefficiencies. The typical healthcare organization wastes upwards of 10,000 blood product units a year. With an average cost of \$400 per unit, that waste can amount to millions of dollars a year. While this usually amounts to around 2% of a hospital's overall budget, it is still a substantial amount of money being spent on something that is completely preventable – with the right insights and processes in place.



So how can organizations actually impact blood utilization? **There are three main areas of focus for effective blood utilization practices:**

1. Monitoring blood usage volume across departments, locations, and facilities

With real-time analytics tracking blood inventory and volume across an entire health system, decision makers can monitor product usage trends in realtime by overall inventory, specialty, and individual hospital location. Executives actively monitor utilization trends and areas of improvement and share these numbers with ordering physicians to impact usage trends. Teams can also gain insight into financial spend based on product type to compare blood product invoices to usage rates.

2. Understanding cross-match ratios and transfusions where medically necessary

Monitoring C/T ratios in real-time allow medical professionals to eliminate manual number crunching and instead rely on the automated and continuous monitoring of C/T ratios. Managers can quickly identify periods when C/T benchmarks are violated and create alerts or education paths for offending physicians who are outliers. Reports are also available to monitor compliance with transfusion guidelines based on pre-transfusion lab values.

3. Visualizing where blood waste occurs to make inventory go further

At the end of the day, tracking detailed blood product waste metrics directly impacts cost-savings across an organization. Medical leaders can visualize blood product waste metrics in real-time to catch any waste increases and resolve issues before they grow out of hand. With these metrics available to all key stakeholders, leaders can determine if waste is due to internal errors, expiration dates, or other issues and quickly determine the best course of corrective action.

“ Healthcare organizations that are actively addressing blood utilization as part of a high-value care strategy are definitely ahead of the curve. This kind of innovation is evidence-based, patient-centered and data-driven, and these organizations enable physicians to provide the best possible care while reducing unnecessary costs in the long term.”

– **Dr. Tim Hannon**

CEO of Healthcare Forward

3

Building a Proactive High-Value Care Governance Program

As organizations become comfortable with the concept of high-value care and the appropriate use of blood and lab testing, it can be difficult to determine where to start when it comes to executing on these broad concepts. Forwardthinking organizations are developing high-value care programs as a platform to continually assess, prioritize and improve patient care across the organization. Physician leadership for a High-Value Care Committee is critical to the success of these programs, so membership consists of leading physicians within the organization and the program is typically chaired by the Chief Medical Officer. It is also important that these programs are incorporated into the medical governance of the organization to have the authority to make changes to medical practice, and there needs to be significant support from administration, quality, finance and IT. The overall goal of these programs is to prioritize and support high impact clinical projects that are evidence-based and promote safe, effective and efficient utilization of healthcare resources, including blood and lab testing.





Along with broad education of all stakeholders on the ‘why’ and ‘how’ of high-value care, continuous monitoring and feedback of utilization patterns is a critical implementation strategy. By accessing testspecific and physician-specific benchmarks, realtime utilization insight guides ordering practices and impact medical processes in a meaningful way. In turn, patients reap the benefits of evidencebased, patient-centered care, while the health system improves its efficiency, credibility and reputation in the industry.

“ In my experience, if you’re looking to sustainably change healthcare utilization practices, it requires complete clinical transformation. Systems of all sizes can implement high-value care programs, but the investment in governance, guidance, and analytics must come from the top to truly make it an organization-wide priority. ”

– **Dr. Tim Hannon**
CEO of Healthcare Forward

Case Study

How North Memorial Health Care Reduced Unreimbursed Testing by 50%

The Challenge

North Memorial Health Care is a Level 1 Trauma Care hospital located in Robbinsdale, MN. Given North Memorial Reference Laboratory's (NMRL) abundance of testing – it performs over 1.6 million annual tests across multiple subject areas, including molecular and cytology screenings – the organization realized it needed to rein in utilization in order to provide the highest level of patient care.

Its strategy revolved around achieving four main priorities:

- Population health management
- Patient quality and experience
- Internal operational efficiency and workflows
- Profitable growth

No stranger to an abundance of data, NMRL knew that at the heart of its utilization challenges, in addition to service needs, was the inability to unify and easily access information in order to drive informed decisions.



The Solution

North Memorial activated a healthcare-specific CRM solution with the goals of replacing data silos with real-time intelligence and arming staff with a framework for communication and collaboration. Within days, the healthcare CRM enabled North Memorial to identify exactly where to focus, drive the right actions, and build amazing client relationships. From lab operations to client services, this insight and visibility was instrumental in increasing client retention while also eliminating waste.

The Results

After a successful activation of the healthcare CRM solution, North Memorial began to truly tackle its utilization goals head-on. The lab leadership team rolled out a test utilization program, which quickly produced transformative, immediate results, including:

- Organized, enhanced communication between internal contacts and external clients
- Faster issue resolution and greater client satisfaction
- Greater visibility into client issues
- Proactive identification of trends to uncover more meaningful, actionable data
- Transparency into ordering patterns and benchmarks

As North Memorial continues to grow its test utilization program, other medical leaders have taken note of its status as an educational leader in the Midwest. Mayo Medical Laboratories, a division of Mayo Clinic (the world leader in healthcare education and research) is currently leading an initiative to assess current capabilities that are essential to understanding an organization's potential for developing utilization management initiatives. Mayo Medical Laboratories recognized North Memorial as a regional leader in utilization education. Together, the organizations are working to provide leadership and guidance to other laboratories on how to achieve operational efficiencies with test utilization.

“ Having a central place for our team to communicate and collaborate removes any grey areas. Our people are 100% accountable to each other and, most importantly, to our clients. ”

– Michelle Koester

Clinical Laboratory Supervisor at North Memorial Health Care

Conclusion

Moving away from low-value practices towards a high-value care operating strategy requires time, planning, and the right solutions. Addressing blood and lab utilization issues in a health system is a high-impact, evidence-based way to start driving high-value care within an organization. Reducing unnecessary testing and blood waste not only increases the efficiency of your organization – it also streamlines internal processes and lowers operating costs. At the same time, patients reap the benefits of better evidence-based, patient-centered care, which is the ultimate goal of a high-value quality care organization. See how your healthcare organization can drive high-value care by focusing on blood and test utilization with hc1.

Get Started **Today**

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hc1.com®, the #1 healthcare CRM company, is dedicated to unlocking answers to healthcare’s biggest challenges. The hc1 platform has been adopted across more than 1,200 leading labs, post acute care organizations, and health systems who leverage its award-winning healthcare CRM and analytics capabilities to drive profitable growth, lower operating costs, and successfully deliver high-value care. By tapping into the vast amount of clinical and business data it has amassed, hc1 also offers actionable insight that fosters better public health. The company has received accolades from Gartner Research, KLAS, and has been named “Best Healthcare CRM” by Frost & Sullivan.

