

Hospital Supply Chain & Revenue Cycle Collaboration

Hospitals very often face the following challenges:

- Lack of visibility into cost and reimbursement data across the organization
- Performance myopia - functional performance that don't align with organization-wide performance
- Poor collaboration among functional departments such as Supply Chain, Clinical Services and Revenue Cycle

Physician/Clinician buy-in is perceived as topmost initiative to improve supply chain. Healthcare providers seek change in physician behavior to optimize the use of Physician Preference Items (PPI) to reduce the supply chain cost. Physician buy-in has remained topmost challenge and opportunity area over last couple of years.

Over the years, investments in information technology have contributed to improvements in process and performance, but limited to specific functional areas - like materials management system streamlining supply chain, process improvements and billing automation reducing revenue cycle time. Unlike typical ERP systems, which connect the whole organization; hospitals are forced to work on disparate systems - Procurement systems, Ordering system, Hospital Information Systems, Electronic Health Records, Billing and AR systems etc. The data on cost, utilization and revenue is stored in multiple systems, making it difficult for decision makers to optimize hospital margins. For example, a physician places orders for an item that is not listed in item file and is not reimbursed by the payer as per member benefits. Such physician orders increase the cost of procedure and reduce reimbursements, resulting in negative margins.

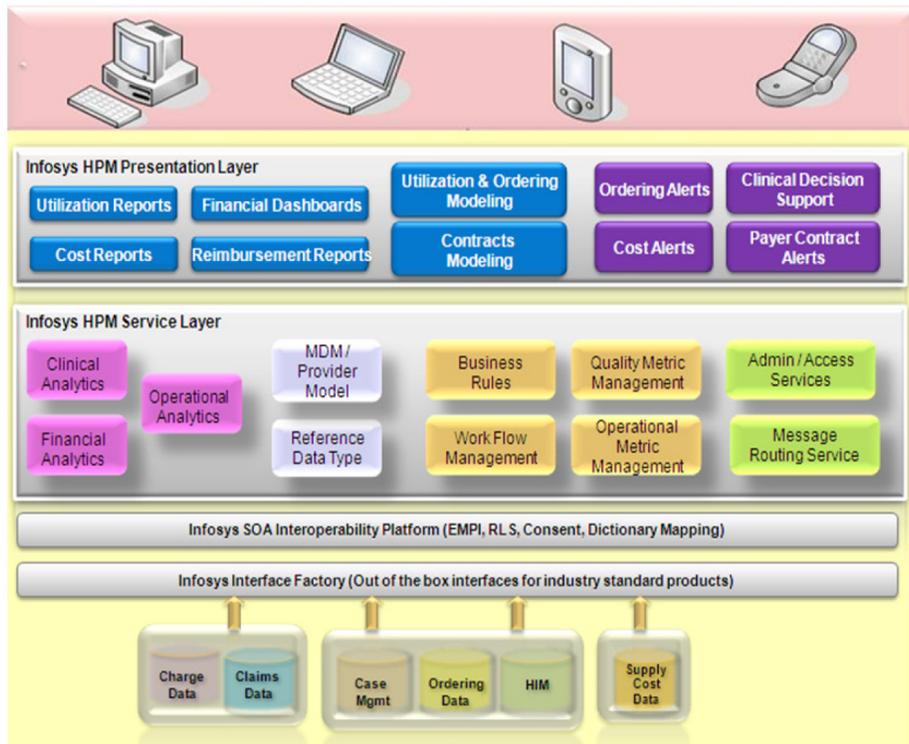
The age of collaborative performance solution across provider functions is the need of the hour. This can bring in substantial cost reduction and increase reimbursements. The collaborative solution connects cost-clinical-reimbursement data to provide real-time alerts and improve hospital margins.

Solution Overview

Our solution is based on Enterprise Performance Management platform. It leverages hospitals existing technology investments by interfacing with the existing supply chain / case management / billing and AR systems. The solution is web-based portal that pre-defined KPIs to provide real-time alerts, for effective decision making on cost, utilization and reimbursement.

The solution comprises four components - Infosys interface factory that extracts data from the current hospital systems, Infosys SOA interoperability platform, Performance management service layer and a Presentation layer.

It is easy to customize and lead time for implementation is very low.



Solution Features

1. Real-time Alerts & Diagnostics

This solution is equipped with a user-friendly Business Intelligence reporting application. It provides on-demand historical, real-time and predictive reports. The application extracts relevant details from charge description master and item master. Alerts and diagnostics reports are provided to aid decision making. For instance, a physician office is provided with a real-time alert on reimbursement, denials and low cost alternatives, which helps reduce cost and increase reimbursement. Supply chain can extract a diagnostic report for all the payer denials, which can help them optimize costs.

2. 360° Collaborative Dashboard

One of the issues providers face today are obsolete payer contracts that are not based on current costs, resulting in reimbursement rates lower than supply cost. Infosys collaborative dashboard helps connect data on costs, treatment and reimbursement. The Benefits of collaborative dashboard are visible across various hospital functions. Supply chain's role transforms from supply fulfillment to supply utilization; physician and case management office has visibility over reimbursement and costs at all times; Revenue cycle is aware of treatment costs that would help them negotiate better reimbursement rates with payers and many more.



Department	Isolated performance	Sample Metrics for evaluation	Collaborative performance using Infosys Solution
Supply chain	Reduce cost and source best quality products	- Defect free, low cost products - Maintain reduce supply costs as % of revenue - Lower inventory holding cost - Timely supply	- Role in supply utilization - Vendor focus to Provider focus - Is aware of reimbursement rates
Case Management	Clinical outcomes and Prior authorization	- Utilization review - Patient satisfaction - % UR denial on reimbursement	- Achieve clinical outcomes with optimal cost - Practice evidence-based utilization - Is aware of reimbursements
Physician office	Patient care	- P4P - Patient satisfaction - Clinical outcomes - Adhering to pathways/DRGs	- Is aware of supply alternatives - Is aware of reimbursement for care episode and overall profitability
HIM – Medical coding and records	Capturing all charges in the CDM	- Coding accuracy - No upcoding or downcoding - Adhere to CCI	- Is aware on reimbursement structures
Revenue Cycle	Increase reimbursement	- Charge capture - Billing accuracy - Reduce AR days - Timely payment posting	- Provide UR denial analysis to case management - Payer reimbursement trends to supply chain and Physicians
Payer contracting	Updated and negotiated payer contracts	- Ensure up-to-date contracts - Keep latest contracts in the system	- Keep stakeholders informed on payer contract updates and changes

Solution Benefits

Stakeholder	Benefits
CEO, CFO	Single point visibility on costs, utilization and revenues
Supply Chain Leaders	Visibility on supply utilization; reimbursement and denials; tools for cost negotiations
Physician	Real-time utilization review; supply alternatives; reimbursement alerts and denials
Case Managers	Clinical outcomes with optimal cost; practice evidence based utilization
Revenue Cycle Leaders	Payer contract negotiation based on actual costs and CMI data

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For more information, contact askus@infosys.com

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