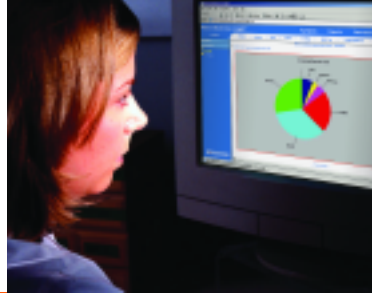


McKesson DELIVERS



THE POWER TO DRIVE YOUR BUSINESS
PERFORMANCE SUCCESS



Customer Success Stories

McKesson
Empowering Healthcare

POWERFUL SOLUTIONS

Whether you're focused on improving your organization's business office, surgical services or supply chain processes, you need the power to generate bottom line results. And not one-time results but sustainable results. To accomplish this, you need more than an IT vendor. Instead, you need a partner — a partner committed to your long-term success.

Leading healthcare organizations routinely generate more than a million dollars in annual revenue improvement and cost savings by partnering with McKesson to:

- Increase cash flow
- Maximize resource utilization and standardization
- Measure and monitor key performance indicators

From expert consulting and outsourcing services to solutions that accelerate cash collections, improve operational efficiency and support decision-making, you can rely on the power of McKesson to drive your success — prior to service, in the business office, within surgical services suites and across the supply chain.

ABOUT THIS BOOKLET

The following pages highlight the success stories of several McKesson customers that have achieved remarkable, sustainable results using our revenue cycle and resource management solutions. Each organization offers a unique perspective on how to leverage the power of McKesson.

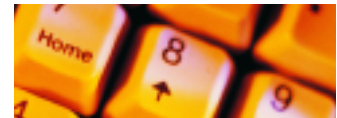




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SAINT LUKE'S HEALTH SYSTEM

AUTOMATING PROCESSES TO RECOUP MILLIONS, IMPROVE A/R

AT A GLANCE

- Saint Luke's Health System
- Kansas City, Mo.
- Nine hospitals, home health and hospice agency
- 13 physician practices

SOLUTION SPOTLIGHT

- Pathways Contract Management
- EC2000 Claims Administrator
- STAR 2000

CRITICAL ISSUES

- Inaccurate payor reimbursements leading to underpayments
- Slow/denied claims payments

RESULTS

- Recovered \$23 million in underpayments
- Processed 32,000 electronic claims per month
- Improved net accounts receivable to 38.7 days
- Significantly reduced denials

In today's healthcare environment, every dollar counts. Despite having strong manual processes in place, the business office staff at Saint Luke's Health System in Kansas City, Mo., recognized that it could make a bigger impact on the bottom line by automating its contract management and claims submission processes. Once the right revenue cycle solutions were in place, Saint Luke's was able to recoup \$23 million in underpayments, significantly reduce denials and improve accounts receivable management.

CHALLENGE

The challenges Saint Luke's faced are not unlike those faced by the majority of hospitals in the U.S. today. Saint Luke's needed to be able to identify all revenue opportunities, collect a higher proportion of contracted rates, improve the accuracy of claims submissions, reduce accounts receivable, and increase days of cash on hand.

ANSWER

As a long-time McKesson STAR Patient Accounting system customer, Saint Luke's found the integrated solution to meet its new business needs from McKesson, too. The year following

its full system conversion to STAR 2000™ in 1998, Saint Luke's added the Pathways Contract Management™ system to its mix of revenue cycle systems. Pathways Contract Management accurately calculates expected reimbursement and payment variance, provides tools to communicate variance calculations, and offers management reporting tools to reduce underpayments.

"Our manual contract management process caused us to leave dollars on the table that rightfully should be reimbursed by payors," says Diane Watkins, director, Patient Financial Services. "By automating our processes, we knew that we could recover additional monies from our 2,500 weekly claims, which would contribute to our organization's financial viability."

In 2001, Saint Luke's employed McKesson's EC2000™ Claims Administrator solution to automate claims submissions processes so the organization could reduce denials and speed collection processes. Claims Administrator, which is integrated with STAR Patient Accounting, enables hospitals to improve the accuracy of their claims submissions.

RESULTS

To date, Saint Luke's business office has recouped \$23 million using Pathways Contract Management. "While we may have collected a portion of these underpayments in a manual environment, having the ability to calculate reimbursement automatically and identify variances has allowed us to collect significantly more than we would have using manual processes," Watkins says. "Our contracts are almost entirely reflected in Pathways Contract Management for six of our facilities, and our contract management processes are now integrated with our patient accounting system, which ensures accurate reporting for accounts receivable and automates our collection efforts."

With automated contract management, Saint Luke's has shifted its focus from identifying contract discrepancies to collecting cash because the organization spends significantly less time manually calculating whether a payor has paid correctly. By following the work list of variances that Pathways Contract Management generates, Saint Luke's can quickly and easily evaluate the variances and pursue the correct reimbursement. "Because we can look at more accounts, we can lower the threshold for the variances that we pursue," notes Watkins.

From a claims submission perspective, Saint Luke's uses Claims Administrator to process approximately 32,000 electronic claims per month for multiple facilities. By enabling cleaner claims submission, providing users with

reports on the pass/fail status, and feeding the data back to STAR, Claims Administrator has helped to significantly reduce denials and accounts receivable. Net A/R days are now at a manageable 38.7 days.

"With McKesson's revenue cycle suite of solutions we can achieve the high level of integration we require not only across departments but also across our facilities. We are empowered with the information we need to remain financially viable to continue serving our community," concludes Watkins. ■



"We are empowered with the information we need to remain financially viable to continue serving our community."

*– Diane Watkins,
Director, Patient
Financial Services*

MERITCARE HEALTH SYSTEM

DENYING REVENUE LOSSES RATHER THAN CLAIMS

AT A GLANCE

- MeritCare Health System
- Fargo, N.D.
- Two hospitals
- 17 clinics in the Fargo metropolitan area
- 10 regional clinics in North Dakota and 17 in Minnesota
- 20,700 hospital admissions per year
- 1.5 million+ outpatient visits per year

SOLUTION SPOTLIGHT

- Pathways Compliance Advisor
- Horizon Practice Plus

CRITICAL ISSUES

- Unsatisfactory claim denial rate
- Lost revenue due to claim denials
- Inefficient manual billing processes

RESULTS

- Reduced coding-related claim denials by 36 percent
- Reduced all claim denials by almost 50 percent
- Prevented more than \$2 million in revenue loss
- Reduced inbound patient calls related to billing by 25 percent

Several years ago, MeritCare Health System in Fargo, N.D., faced an unhealthy financial trend: its volume of denied claims was increasing precipitously. At the same time, the organization's tremendous growth in outpatient visits added more pressure on the central business office. By automating the process to identify services that do not meet payor coding and billing guidelines as well as those that require additional documentation to support reimbursement, MeritCare reversed its denial trend, preventing nearly \$2 million dollars in lost revenue.

CHALLENGE

At its height, MeritCare's claim denial rate reached 10 percent, leaving the billing staff to manually rework 4,000 claims each week. Even with 100 coders and 38 billing staff members, MeritCare was unable to keep pace with the timely working of denials.

In addition to the volume of denials, manual processes further complicated MeritCare's billing challenges. A central repository of denied claims did not exist. The staff used reports from

McKesson's Horizon Practice Plus™ practice management system to manually identify denials. Once identified, staff members researched the denials, located supporting data, corrected the error and resubmitted the bill — hopefully all before the filing date expired.

Time wasn't always on the organization's side, however. Darlene Meyer, billing department manager, recognized that the best way to reduce claim denials would be to stop them from occurring in the first place. "Our goal was to reduce denials by ensuring that the correct codes were applied before the claim was submitted and that the correct information was collected as early in the billing process as possible," she explains.

ANSWER

MeritCare chose McKesson's Pathways Compliance Advisor™ solution, which integrates with Horizon Practice Plus, to prevent denials for its clinics in a post-service mode at the central business office. Pathways Compliance Advisor checks claims against coding guidelines mandated by the Centers for Medicare & Medicaid Services (CMS) and other federal agencies. The solution automatically identifies services that do not meet payor coding and billing guidelines as well as those that require additional documentation to support reimbursement. Today, 100 percent of MeritCare's Medicare

charges pass through Pathways Compliance Advisor. In addition, error reports from Pathways Compliance Advisor furnish MeritCare management staff with valuable information to educate departments and providers on ways to prevent future denials.

RESULTS

In three years, MeritCare saved more than \$900,000 by preventing coding-related denials and another \$1.2 million from medical necessity justification. Pathways Compliance Advisor enabled the central business office to initiate processes to eliminate backlogs, handle more volume, focus on high-dollar accounts and work payment-challenged accounts — all without adding staff.

“With Pathways Compliance Advisor as a part of our revenue cycle management solution, we’ve realized our goal of reducing denials. We are now able to stay current and work all of our claims,” says Tanya Grieger, reimbursement analyst lead.

In addition to monetary savings, Pathways Compliance Advisor helped MeritCare to:

- Reduce the volume of coding-related denials by 36 percent in one year
- Reduce the overall volume of denied claims from 10 percent to 4 to 5 percent
- Reduce incoming phone calls from patients regarding their bills by 25 percent
- Increase patient satisfaction
- Identify the source of denial errors

“The investment in Pathways Compliance Advisor has more than paid for itself,” says Dan Trustem, executive partner, Revenue Management. “This project has been so successful with Medicare claims that we have expanded it to Blue Cross Blue Shield and will be adding Medicaid and Medica in 2005 with custom-built accounts.” ■



“The investment in Pathways Compliance Advisor has more than paid for itself.”

– Dan Trustem,
Executive Partner,
Revenue Management

BAPTIST HEALTH SYSTEMS

CALMING THE PAPER TIDAL WAVE WITH DOCUMENT IMAGING

AT A GLANCE

- Baptist Health Systems
- Jackson, Miss.
- 564-bed hospital, physician clinics

SOLUTION SPOTLIGHT

- Horizon Patient Folder
- Horizon Business Folder
- Horizon^{WP} Physician Portal

CRITICAL ISSUES

- Poor access to patient information
- High chart delinquency rates
- High accounts receivables days

RESULTS

- Reduced chart delinquency rate from 50 percent to 10 to 13 percent
- Reduced A/R days from 64 days to 57 days
- Reduced the discharged not final billed (DNFB) from \$7 million to \$3 million in four months
- Turned release of information function into revenue center, generating \$250,000 annually

Baptist Health Systems' health information management (HIM) department and business operations office were drowning in a sea of paper medical and billing records. Physical space to store paper records was limited, and the cost of converting older charts to microfiche was expensive. Tedious manual processes in the business office also led to delays in compiling documentation requested by payors to support claims payment, resulting in less than optimal cash collections. These issues were calmed when the Jackson, Miss.-based organization implemented an electronic document management system and a secure Web-based portal.

CHALLENGE

Baptist Health Systems faced significant challenges related to medical records. Storage space was gone, but the healthcare organization continued to manage 30,000 inpatient admissions annually, 40,000 emergency room visits and 80,000 outpatient visits a year. Because workflow for coders was so inefficient, the organization faced unacceptable reimbursement delays, including \$7 million in discharged not final billed (DNFB) and 64 days in accounts receivable (A/R).

Additionally, chart accessibility issues caused the organization's chart delinquency rate to grow to 50 percent.

ANSWER

Baptist Health Systems implemented McKesson's Horizon Patient Folder™ enterprisewide document imaging solution to electronically capture, index, store and retrieve patient information. In addition, the organization implemented McKesson's Horizon Business Folder™ document management system in the business office, which enhanced revenue capture by automating the fulfillment of documentation requests and other paper-based processes.

Finally, the health system rolled out Horizon^{WP}® Physician Portal to provide physicians with anytime, anywhere access to patient information residing in disparate sources. With a single sign-on, physicians now use the portal to view patient information from across the enterprise. Physicians also use the portal to sign charts electronically in Horizon Patient Folder.

RESULTS

Baptist Health Systems began to see a return on its investment within six months of using Horizon Patient Folder. During this timeframe, the health system reduced DNFB to \$3 million and dropped A/R to 57 days, which reduced the average A/R amount by slightly more than \$1 million a day.

“Horizon Patient Folder was basically a cash shot in the arm,” says Patsy Hathorn, director, Clinical Resource Management. “Horizon Patient Folder enabled us to achieve a dramatic reduction in A/R days and reduce patient chart delinquencies to their lowest level ever at 10 to 13 percent,” Hathorn says.

The addition of Horizon Business Folder enables Baptist Health Systems to extend document management efficiencies to the business office. Because account documentation is available online for simultaneous access, the health system is improving response time and claims follow-up while optimizing cash collections. “Coding is done within 24 hours of discharge,” Hathorn adds. “The productivity of these staff members went through the roof.”

With all information now available online, there are no printing costs associated with patient charts. In addition, within months microfilm costs of \$100,000 were eliminated since documents were now being scanned. Also, by bringing release of information requests in-house, Baptist Health Systems turned a cost center into a revenue center that now generates \$250,000 annually.

The clinical resource management staff is able to scan and index information electronically, making patient records available within hours instead of days. And, physicians are making much better use of their time by accessing and completing charts during downtime between surgical cases, while making rounds and waiting for lab results, or even when away from the hospital.

“One cardiologist reviewed, read and signed off on 200 EKGs from the comfort of his living room during a weekend,” Hathorn says. “Horizon^{HP} Physician Portal gives physicians so much more flexibility in managing tasks associated with report review.”

The elimination of paper records has also allowed Baptist Health Systems to free more than 1,800 square feet that previously housed paper. That valuable real estate now serves as offices for case managers and transcribers, freeing space elsewhere for McKesson’s ROBOT-Rx™ automated drug dispensing system.

Hathorn says making fundamental changes in its processes through the installation of information technology solutions has improved the way the organization does business. “Using IT, we are well along the path toward operational excellence,” she explains. “We’re looking over our shoulder as 95 percent of the healthcare industry works toward what we are already doing.” ■



“Using IT, we are well along the path toward operational excellence.”

*– Patsy Hathorn,
Director, Clinical
Resource Management*

LEHIGH VALLEY HOSPITAL AND HEALTH NETWORK

GROWING CAPACITY THROUGH IMPROVED THROUGHPUT

AT A GLANCE

- Lehigh Valley Hospital and Health Network
- Allentown, Pa.
- 730 beds
- 42,000 inpatient visits per year
- 812,000 outpatient visits per year

SOLUTION SPOTLIGHT

- Horizon Performance Manager
- Horizon Business Insight

CRITICAL ISSUES

- Rising patient demand for emergency services
- High rate of ambulance diversions
- Long inpatient bed turnaround time

RESULTS

- Met capacity demands despite annual growth rates of 6.2 percent and 5.3 percent during the past two years
- Reduced ambulance diversions by more than 50 percent
- Reduced ED wait times by 23.5 percent
- Reduced bed turnaround time from an average of 210 minutes per bed to an average of 60 minutes per bed

With annual patient volume growth rates of 6.2 percent and 5.3 percent during the past two years, Lehigh Valley Hospital and Health Network (LVHHN), based in Allentown, Pa., was running out of room to meet its community's healthcare needs. Lehigh improved its processes and leveraged its healthcare performance management systems to meet its capacity demands and reduce emergency department wait time, ambulance diversions and bed turnaround time.

CHALLENGE

As most organizations are acutely aware, a major issue facing hospitals today is an increasing volume of patients combined with an inability to develop and staff the resources to care for them. The results of the Lewin Group's AHA Survey of Emergency Department (ED) and Hospital Capacity Survey conducted in 2002 found that 90 percent of hospitals with more than 300 beds perceived that they were "at" or "over" operating capacity. LVHHN was no exception. The organization faced an increase in ambulance diversions, excessive wait times in the ED, transfer center patients being turned away and operating rooms put on hold.

ANSWER

During a management retreat, managers were challenged to generate ideas to help solve the organization's capacity problems. A newly formed capacity task force formulated and prioritized more than 1,000 ideas to address the capacity issues. Overwhelmingly, the ideas focused on work processes and patient throughput.

To put the capacity task force ideas into action, LVHHN turned to Horizon Performance Manager™ and Horizon Business Insight™, McKesson's healthcare performance management solutions. The health network used the solutions to integrate and analyze information from its ED, surgery, bed tracking, orders, severity, transfer, ADT and billing systems. Using time-stamped activity data, the organization determined how long a patient waited to be triaged, registered, admitted to an emergency bed, treated by the physician, and discharged either to the home or to hospital care.

By linking granular clinical data to the detailed financial data, LVHHN examined not only the duration and sequence of clinical events and phases in the ED, but also the costs associated with those events down to the individual patient level. In addition, LVHHN examined other sources of lost business, such as hours on divert status, the number of patients leaving without being seen, transfer center denials and operating room holds.

Armed with integrated care delivery information, LVHHN initiated more than 50 interventions across all three campuses. To monitor progress, the health network created a capacity dashboard using Horizon Business Insight, a customizable business intelligence system that uses a Web browser to provide easy, secure and timely access to financial, clinical and operational information, as well as role-based scorecards. The dashboard includes indicators for volume, length of stay, ED patient flow/demand, OR holds in minutes, transfer center acceptance rates, bed turnaround times and discharges before 11:00 a.m.

RESULTS

The capacity project allowed LVHHN to meet the community's need for services despite the organization's unprecedented growth. By implementing process improvements driven by clinical and financial data, LVHHN reduced ambulance diversions by more than 50 percent, reduced ED wait times by 23.5 percent, and reduced bed turnaround time from an average of 210 minutes to an average of 60 minutes per bed.

Richard MacKenzie, M.D., vice chairman, Emergency Medicine, notes the importance of integrated, accessible data when trying to facilitate change. "We needed data turned into actionable information to define the problems, develop the solution and monitor the solution's effectiveness," says Dr. MacKenzie. "Horizon Performance Manager and Horizon Business Insight fit the bill."

Dr. MacKenzie found Horizon Business Insight particularly effective in monitoring the progress of the capacity project. "I found myself eagerly anticipating the next report cycle so I could monitor the effectiveness of the changes and drill down to discover areas needing further improvement," Dr. MacKenzie says. "Managing changes in process with Horizon Business Insight is like taking the blinders off. I can see a wider view for the first time. And this can all be done from the comfort of my office, not involving any other personnel."

Elizabeth Karoly, senior clinical information analyst, agrees. "The ability to pull together clinical and financial information into Horizon Performance Manager and disseminate indicators via the dashboard in Horizon Business Insight enables individuals in the network to proactively and effectively monitor and direct change," she says.

According to Courtney Vose, R.N., director, Emergency Services, having easy access to evidence-based performance data allows the emergency department to objectively examine its processes and flexibly adjust to changing needs. "I am able to drill down to the exact time of day or exact patient population where throughput times were slow or ideal," she says. "This information helps us to adjust staffing needs, re-educate staff about processes and plan for the future." ■

"We needed data turned into actionable information to define the problems, develop the solution and monitor the solution's effectiveness. Horizon Performance Manager and Horizon Business Insight fit the bill."

– Richard MacKenzie, M.D.
Vice Chairman,
Emergency Medicine

UNIVERSITY OF MARYLAND MEDICAL CENTER

IMPROVING ACCURACY OF CLINICAL UTILIZATION REPORTING

AT A GLANCE

- University of Maryland Medical Center
- Baltimore, Md.
- 648-bed hospital

SOLUTION SPOTLIGHT

- Horizon Performance Manager
- STAR 2000

CRITICAL ISSUES

- Inability to capture utilization data per day of patient stay
- Lack of physician buy-in to utilization data
- Hampered clinical utilization improvement efforts

RESULTS

- Resolved utilization data issues by assigning 99.5 percent of all service items to the attending physician by day
- Developed new reporting methodology that holds the correct physician accountable for services ordered
- Expected physician acceptance of utilization data, aiding efforts to improve clinical utilization

The University of Maryland Medical Center (UMMC), based in Baltimore, Md., needed to improve its clinical utilization reporting to more accurately capture patient encounter data. By changing its methodology for assigning physicians and using a performance management system to analyze results, UMMC was able to attain a level of precision and granularity that can improve utilization reporting, increase physician acceptance of the data, and uncover more opportunities to streamline utilization and improve clinical processes.

CHALLENGE

Under UMMC's existing clinical utilization reporting methodology, a patient's entire encounter was assigned to the attending physician at the time of the patient's discharge — regardless of whether another physician cared for the patient during his or her hospital stay. Because of the limitations of its reporting system, UMMC was unable to assign an attending physician to every day of a patient's encounter and, therefore, was unable to hold the correct physician accountable for services ordered. As a result, physicians would sometimes object to utilization data and question the validity of the data when presented with recommendations for

improving clinical utilization. "It is extremely frustrating to have hours of work dismissed or challenged because the physicians do not believe they took care of the patients in the reports," says Craig Fleischmann, director, Finance Decision Support.

ANSWER

UMMC developed physician-of-day logic that allowed the organization to assign all of the ancillary services ordered on a particular day of the patient stay to the attending physician at midnight. To do this, UMMC first assigned the attending physician at midnight to the bed charge of the patient's stay in McKesson's STAR 2000™ hospital information system. UMMC then used McKesson's Horizon Performance Manager™ system to apply the tag associated with the bed charge to all ancillary services performed on that day. In order to capture the last day of stay, which did not include a bed charge, the charges were assigned to the discharging physician. Similar criteria were used to capture services for patients with a one-day length of stay and no bed charge, with charges assigned to the encounter's discharging physician. "Through creative thinking, McKesson's technological advancements and system integration, we have developed a very innovative way to improve our reporting," says Keith Persinger, vice president, Finance. "In the past, we only wished we could get to this level of detail."

UMMC also used Horizon Performance Manager and the physician-of-day methodology to analyze detailed cost and utilization information at the physician and patient level, resulting in improved data accuracy. The following real-world example illustrates the impact of the new physician-of-day reporting methodology, with only the physicians' names changed. Dr. Smith, a neurosurgeon, admitted a patient into the hospital for an intracranial hemorrhage. But, Dr. Jones, a neurologist, was the attending physician at the time of discharge. Both Dr. Jones and Dr. Smith delivered patient care throughout the patient's 14-day stay. Under the old utilization reporting methodology, Dr. Jones was assigned all utilization costs for the patient's entire stay at a cost of \$789 per day. Using the new physician-of-day methodology, Dr. Jones had a length of stay of eight days at a cost of \$697 per day. Her variable cost per day decreased from \$789 per day to \$697 per day, while Dr. Smith's costs actually were higher at \$912 per day.

Under the old reporting methodology, Dr. Jones might also find herself trying to explain why she ordered 301 units of drugs that resulted in \$721 in variable cost. Using the new methodology, it became clear that Dr. Smith ordered 142 units of drugs that had a variable cost of \$382 over the first six days of the patient's admission, while Dr. Jones ordered 159 units of drugs with a variable cost of \$339 over the last eight days of the admission. On a per day basis, Dr. Jones actually prescribed fewer drugs per day.

“With the new methodology and the reporting detail we get from Horizon Performance Manager, we can now identify sources of cost variations and work with the physicians to determine standardized treatment protocols, promoting better clinical outcomes,” explains Kevin Smith, manager, Decision Support Services. “This entire project was made possible through the new event functionality offered with Horizon Performance Manager.”

R E S U L T S

UMMC established a methodology that allowed the organization to assign 99.5 percent of all service items posted to a patient's encounter to the attending physician by day. The methodology provided UMMC with utilization data that held the correct physician accountable for the services ordered and accurately identified physicians who were truly overutilizing services. The improved data accuracy also will increase physician acceptance of the data and aid efforts to improve clinical utilization.

“I have high expectations that this new approach to analyzing our data will improve clinical utilization and outcomes for the Medical Center,” says Persinger. ■



“Through creative thinking, McKesson’s technological advancements and system integration, we have developed a very innovative way to improve our reporting. In the past, we only wished we could get to this level of detail.”

– Keith Persinger,
Vice President,
Finance

ST. VINCENT'S HOSPITAL

ANSWERING THE CALL TO IMPROVE SURGICAL SERVICES EXCELLENCE

AT A GLANCE

- St. Vincent's Hospital
- Birmingham, Ala.
- 338 beds

SOLUTION SPOTLIGHT

- Pathways Healthcare Scheduling
- Horizon Surgical Manager
- Horizon Business Insight
- Horizon Expert Documentation

CRITICAL ISSUES

- Low patient satisfaction scores
- A need to ensure patient safety
- Tight financial margins in surgical services
- Limited surgical throughput
- High supply chain costs

RESULTS

- Improved patient satisfaction scores by more than 13 percent
- Prevented wrong-site surgery incidents
- Increased annual gross revenues from surgery by 40 percent
- Improved surgical throughput by 15 percent
- Eliminated more than \$150,000 in unneeded inventory

As a member of Ascension Health, St. Vincent's Hospital in Birmingham, Ala., is charged with responding to the health system's Call to Action: to improve clinical excellence and safety; create innovative, patient-centered healing environments; and expand access to care for the uninsured and underserved. With cost pressures rising, the hospital also recognized that it had to increase its profit margins to maintain financial stability. St. Vincent's answered its call while keeping finances under control by deploying integrated information technology solutions that reduced unneeded surgical supply inventory, improved surgical throughput and increased patient satisfaction.

CHALLENGE

St. Vincent's faced several challenges in the surgical services area. First, bottlenecks and delays in surgery inconvenienced patients, leading to lower than acceptable scores on the hospital's Press-Gainey surveys. Second, while St. Vincent's safety record was in the upper percentile, hospital executives recognized the need for a process to ensure that medication and wrong-site surgery errors did not occur. Third, caregivers lacked access

to timely, accurate and actionable information, which slowed procedures and had a negative effect on OR throughput and revenue. Finally, the hospital continuously stocked a number of OR inventory items that were underutilized and occupying valuable space.

ANSWER

St. Vincent's executives turned to information technology for answers. The hospital formed a multidisciplinary team to conduct a thorough selection process that emphasized the need for systems that would quickly and easily integrate with the hospital's clinical data repository, which already contained several years of patient information.

The team selected and implemented McKesson's Pathways Healthcare Scheduling™, Horizon Surgical Manager™, Horizon Expert Documentation™ and Horizon Business Insight™ solutions to form an unbroken continuum of patient care technology that stretched from scheduling to the recovery room. More importantly, the St. Vincent's team found that these solutions easily integrated with other McKesson and non-McKesson products.

"McKesson products help me run my OR like a CEO by allowing me to look at data from all aspects of my business — materials, physicians and patients," says Sherry Wininger, director, Surgery.

For example, information on surgery patients is routed from Pathways Healthcare Scheduling to Horizon Surgical Manager, enabling clinicians to perform real-time perioperative charting at the point of care. Because patient information flows seamlessly into other systems, St. Vincent's personnel can track anesthesiologists' assignments in real time. Product integration with the hospital's existing ADT and point-of-care applications improves surgical workflow by providing a legible, up-to-date and reliable perioperative record. St. Vincent's also has an interface to the surgical information system's new anesthesia documentation application, giving the hospital a complete patient electronic record from scheduling through discharge.

Tim Stettheimer, chief information officer, says the power of integration sets McKesson's solutions apart. "Together, Pathways Healthcare Scheduling and Horizon Business Insight are powerful tools that accelerated our efforts to hit our revenue goals while addressing the challenges we faced in the OR," Stettheimer says. "Pathways Healthcare Scheduling enables much greater efficiencies in scheduling and related processes, which are continually improved through the use of Horizon Business Insight scorecards that identify physicians, staff or procedures most likely to cause schedule delays."

RESULTS

St. Vincent's use of integrated technology solutions helped the hospital turn its challenges into opportunities for success. Gross revenues from surgery rose from

\$50.7 million to \$72.5 million in three years — an increase of more than 40 percent. By optimizing scheduling efficiency and OR utilization, St. Vincent's was able to boost its surgical case load from 60 to 80 cases per day without adding capacity. St. Vincent's also increased the total number of annual surgeries from 13,216 to 15,225 in three years — a 15 percent throughput improvement.

Through a Horizon Surgical Manager inventory analysis, St. Vincent's immediately identified \$150,000 of OR inventory that did not need to be continuously stocked.

Although incidents of wrong-site surgery were uncommon before St. Vincent's implemented Horizon Surgical Manager, no such incidents have been reported since the system went live.

Finally, St. Vincent's improved its Press-Gainey average percentile values in ambulatory surgery by eight points — a 13 percent increase.

Stettheimer and Winingar credit this success to the performance of a highly trained and well-qualified staff of clinicians who were able to take full advantage of McKesson's integrated technology solutions and support services. ■



“McKesson products help me run my OR like a CEO by allowing me to look at data from all aspects of my business — materials, physicians and patients.”

*— Sherry Winingar,
Director, Surgery*

McKesson Customers Gain Recognition for Their Achievements

McKesson's Revenue Cycle Million Dollar Club and Pathfinder customer recognition programs acknowledge and celebrate customer accomplishments using McKesson solutions in the area of business performance improvement. For more information about the Revenue Cycle Million Dollar Club or the Pathfinder program, visit our Web site at <http://mpt.mckesson.com> and click on About Us, Awards.

The Revenue Cycle Million Dollar Club welcomes organizations that have achieved a documented savings or revenue recovery of at least \$1 million from using McKesson's Revenue Cycle Solution to prevent claim denials, accelerate cash collections and/or improve payor reimbursement performance. The Club now includes **more than 75 customers** that have cumulatively saved or recovered revenue totaling nearly **\$600 million** using McKesson's Revenue Cycle Solutions — and the amount keeps rising.



The Pathfinder program recognizes customers that have significantly improved clinical, financial or strategic outcomes using McKesson's resource management solutions. With McKesson's resource management solutions, which include supply chain, surgical services and performance management systems, organizations can easily access a vast range of clinical, financial and administrative information throughout the health enterprise in a timely manner. Pathfinder honorees have documented more than **\$206 million** in ROI, improved patient outcomes and increased patient satisfaction.

