

# Five Insights On Achieving Peak Performance in 2012

## COUNTERING COST PRESSURES

A Huron Healthcare Series

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### OVERVIEW

In 2012—a year of great uncertainty as well as great opportunity—hospital executives' willingness to look at traditional areas of cost reduction in new ways will result in more opportunities to counter cost pressures, while also reaching peak performance.

In this briefing, Huron Healthcare executives share insights on the key issues that will impact hospitals, health systems and academic medical centers' ability to fund the significant operational changes necessitated by federal and market-based healthcare reform, and transition to the new frontier of healthcare.

### 1 Reducing Costs of Delivering Clinical Care While Improving Care Quality

A hospital stay counts for the majority of the cost of an episode of care. To significantly lower the costs of delivering care, executives are recognizing the need to re-think how, where, and when healthcare organizations deliver care, and what happens after a hospitalization in a post-acute and home setting.

*"Seismic changes in the way healthcare organizations think about delivering care—and measuring and documenting the quality of that care in a transparent, rigorous way—have begun. Qualifying for maximum reimbursement will become ever-more crucial in 2012 and beyond, to ensure the long-term viability of a healthcare organization."*

**Larry Burnett, RN**  
Managing Director, Clinical

### 2 Attaining Peak Revenue Cycle Performance

Many finance teams think that their revenue cycle is already running at peak efficiency. However, a willingness to reimagine an organization's approach to revenue cycle operations—from deep changes to pre-admission processes to clinical documentation improvement—can result in a significant benefit to the bottom line.

*"We are consistently finding 3 to 6 percent revenue cycle improvement opportunity in even the highest performing organizations. Peak performance in revenue cycle can happen when there's a willingness to take a systematic, relentless approach to capturing all revenue possible throughout the entire revenue cycle."*

**Ken Saitow**  
Managing Director, Revenue Cycle

### 3 Taking a Next-Generation Supply Chain and Purchased Services Approach

Healthcare leaders who are willing to achieve an unprecedented level of strategy, granularity, and accountability in containing their non-labor and supply chain costs can attain peak performance in 2012. This kind of progressive approach looks far beyond the price paid for a given service or item to ask deeper questions about utilization.

*"To get to a deeper, more effective strategy for supply chain and purchased services, organizations need to ask themselves five questions:*

- *How is the supply or service used by the organization?*
- *How much is the supply or service used by the organization?*
- *What quality outcome is the product providing?*
- *Why is the product or service being used at all?*
- *Will a change in the use of the product or service affect quality of care, efficiency, or cost?*

*These are the kinds of questions that lead to the deepest cost-savings possible."*

**Sean Angert**  
Managing Director, Non-Labor

#### 4 Creating a High Performance Work Culture

Creating a high performance work culture means that an organization is positioned to fully leverage each one of their human resources. Not only does this mean that the organization will get maximum value from each member of their team, but it also creates a clearer picture of the organization's need for resources and provides clarity on how resources can be best deployed.

*"Organizations benefit immensely from making continuous workforce performance improvement their focus, rather than viewing workforce optimization as a one-time project. Only through setting the expectation that each year workforce metrics around quality, customer and employee satisfaction, and financials continue to improve can organizations achieve the results they need to continue thriving in this turbulent market."*

**Brad Feters**

Managing Director, Workforce

#### 5 Enabling Transformational Change Through Strong Leadership

Transformational change cannot happen without strong leadership. Setting clear expectations, measuring performance, establishing clear and consistent communication channels, and creating transparency and accountability remain the basics of a strong leadership approach. During times of transformational change, getting these basics right is more important than ever.

*"Providers are working hard to make progress on the kinds of fundamental quality and cost improvements that they know need to happen. Keeping everyone energized around this core vision for the transformation of the healthcare delivery system to a value-based model—and making it real—is a serious challenge, but one that healthcare leaders are stepping up to meet."*

**Gordon Mountford**

Executive Vice President, Huron Healthcare

### ABOUT HURON HEALTHCARE'S COUNTERING COST PRESSURES BRIEFING SERIES

In anticipation of significant reimbursement reductions from all payers, even the highest-performing healthcare organizations are looking for ways to reduce costs. Huron Healthcare's "Countering Cost Pressures" briefing series provides analysis of the factors contributing to cost pressures, and real-world ideas and strategies healthcare executives can use to help their organizations survive and thrive. To access all briefings in the series, visit [www.huronconsultinggroup.com/HealthReform](http://www.huronconsultinggroup.com/HealthReform) and click on "Briefings."

### ABOUT HURON HEALTHCARE

Huron Healthcare is the premier provider of performance improvement solutions for hospitals and health systems. By partnering with clients, we deliver solutions that improve quality, increase revenue, reduce expenses, and increase physician, patient, and employee satisfaction across the healthcare enterprise.

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