



Business challenge

Connecticut Children's Medical Center needed to reduce procedural inefficiencies and improve its patient experience.

Transformation

The Connecticut Children's revenue cycle and clinical teams worked with Simplifier®, an IBM Company, to address shortcomings in their processes, resulting in fewer claim denials and improved patient experience.

Results

> USD 5 million saved
in the first year in enhanced revenue capture and expense reduction

~ USD 1 million ROI
in MRI scheduling, by fine-tuning administrative processes

> USD 900,000 saved
by reducing medicine waste

Connecticut Children's Medical Center

Improving hospital reimbursements and streamlining claims approvals with Simplifier Consulting

Connecticut Children's is a nationally recognized, not-for-profit hospital dedicated exclusively to the care of children. It has a medical staff of more than 1,000 that provides comprehensive healthcare in more than 30 pediatric specialties and subspecialties in Hartford, Connecticut.

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—Senior Vice President, Quality of Patient Safety, Connecticut Children's Medical Center

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Room for improvement

While Connecticut Children's had an established reputation, hospital leadership saw room for improvement. The (2018) Senior Vice President, Quality of Patient Safety, and the (2018) Senior Director of Finance, recognized inefficiency in many of the hospital's operational processes. The hospital launched a performance improvement initiative with Simpler Consulting focused on eliminating waste while improving value to patients.

"We had a number of highly effective clinical processes in place, such as our patient safety program, but in order to sustain those programs, we needed a level of operational consistency that would let us optimize work across the organization," the Senior Vice President, Quality of Patient Safety explains.

"Many of our peers experience some of the same struggles we had: a heavy volume of claim denials, complete patient information not being captured during the admission process. We knew that we could improve these areas and make a difference not only on our bottom line, but even more importantly to the overall service that our patients experience as well," the Senior Director of Finance explains.

"As a result, we've seen better reimbursement rates and a significant shift in denial reduction, which ultimately led to a USD 5 million savings last year."

—Senior Vice President, Quality of Patient Safety, Connecticut Children's Medical Center

Efficiency boosts the bottom line

With this evolution in culture, Connecticut Children's also achieved significant cost savings. Simpler helped hospital leadership identify sources of wasteful spending and recoup those costs through business process transformation.

"We realized that we were leaving dollars on the table in a number of ways," the Senior Director of Finance explains. "For example, we hadn't been billing for the wasted amounts, even though we were eligible to do so. That's to say, if you have a 10-milliliter vial, and your patient only needed 8 milliliters, you should bill, and get reimbursed, for the full 10. We weren't, and it was costing us."

By making seemingly small but effective adjustments like this, the Medical Center quickly saw a

significant boost to the bottom line. In the first year of the project, Connecticut Children's saved over USD 900,000 by reducing medicine waste alone.

"We also quickly recognized that we were only filling about 50 percent of our physical therapy time, so we changed the scheduling template to take care of more patients on a daily basis. We spent time with radiologists and front-line staff in the hospital room to put decision-making in providers' hands to ensure that the supplies that were being ordered were what they actually needed. As a result, we've seen better reimbursement rates and a significant shift in denial reduction, which ultimately led to a USD 5 million savings last year. And this year, we are on track to do the same or better."

The hospital saved another USD 956,000 by making changes to its MRI scheduling process designed to improve efficiency of operations and optimize patient flow.

The road ahead

Once the team completed the heavy lifting of ongoing onsite evaluation and in-the-trenches refinement to hospital processes, the Simpler engagement shifted to executive-level coaching that helped instill the lessons learned throughout the transformation into the hospital

culture. Leadership knows that this type of efficiency can only be achieved through ongoing self-examination.

"Working with Simpler and the team taught us to fish. It gave us the tools for improvement in order to build a management team and structure to diagnose any inefficiencies we had in our process. Our team has grasped the fundamentals and they've made them our own. This has been a game changer for us. Maintaining that leadership focus is critical, and we'll continue to move that new culture forward, because we know there are opportunities for improvement that still exist." Explains the Senior Vice President, Quality of Patient Safety.

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—Senior Vice President, Quality of Patient Safety, Connecticut Children's Medical Center

Solution component

- Simplifier® Consulting

Take the next step

To learn more about the IBM solution featured in this story, please contact your IBM representative or IBM Business Partner.

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