

Determining The ROI For HI-IQ

It happens to all of us on an annual basis: the budgetary process. While it may be fairly easy to show increased revenue and patient volume as a result of equipment expenditures, it can be a bit more difficult to justify software costs. For equipment, you can turn to a return on investment (ROI) summary to quantify the cost savings and revenue opportunities over the expected lifetime of the equipment. However for information technology solutions, such as HI-IQ, the traditional use of an ROI summary isn't always the most appropriate measure for determining if your investment was successful.

In November 2011, HIMSS published a whitepaper addressing this specific issue. It was entitled "The Value Factor in Returns on Health IT Investments". (1) In the paper HIMSS disclosed that an ROI for healthcare must include a full range of benefits that could result from a successful implementation – both tangible as well as intangible. They refer to these as "hard" and "soft" costs. Hard costs are concrete figures and cost savings that can be measured in dollars. Soft costs are intangible and sometimes qualitative.

HIMSS recommends that health providers use the following areas to evaluate ROI:

- Efficiency Savings
- Improved Outcomes of Care compared to pre-implementation
- Additional revenue generated as the result of the implementation
- Non-financial gains such as, but not limited to, increased patient satisfaction with care encounters, decreased provider time at work, and higher levels of employee satisfaction
- Increased knowledge of providers about the patient population they serve
- Process and Quality Improvement

Let's evaluate each of these categories and present examples of how HI-IQ can help you recognize a return on your investment.

Efficiency Savings

One of the primary goals of HI-IQ is to increase your efficiency overall. So how do you go about proving that for ROI purposes? One option is to institute a Quality Improvement program based on

clinical events. For example, you decide to improve room turnover time. Decreasing turnover time for rooms in between procedures will reduce patient wait times. This increases patient satisfaction (a soft cost ROI), and allows you to treat more patients per day, which increases revenue and may decrease overtime costs (a hard cost ROI). Each of these metrics can be tracked and quantified via HI-IQ. To measure improvement, track your "wheels out" to "wheels in" clinical event through the Clinical Timeline Event Analysis Report, establish a baseline and then work to consistently improve your results each month.

Improved Outcomes of Care

In addition to tracking the complications per physician related to your outcomes, follow-up questionnaires can be created and attached to different procedures, automatically triggering a follow-up schedule and prompting you to capture long-term outcomes. This ensures you capture all those potentially missed follow-ups, generates more revenue, and improves your IR department's competitive advantage.

Additional Revenue Generated

Revenue generation that can be attributed to a purchase is a traditional hard cost ROI measure, and still one of the most powerful. Here are some ideas to get you thinking about how HI-IQ can help increase revenue:

- 1) Billing – CPT codes attached to services and ICD9 codes attached to diagnoses can automatically generate charges sent across an interface by HI-IQ, eliminating human error and increasing the velocity of billing
- 2) Inventory – Real-time charge capture for supply usage facilitated by HI-IQ has been shown to increase revenue by immediately billing for items used that may otherwise be overlooked or incorrectly charged
- 3) Follow-ups – increasing the number of follow-up visits by systematically scheduling them in HI-IQ can increase patient safety and outcomes and positively contribute to revenue generation for your department, as well as other departments in the hospital that contribute to your ability to provide follow-up care

Non-Financial Gains

The soft costs of a technology implementation can't be measured financially, but can pay dividends over time. Consider a system such as HI-IQ that can replace paper data collection (think: log books, patient charts and schedule books). This has an environmental impact, contributes to increased employee morale and reduces printing and filing costs. A system like HI-IQ can also enhance your ability to comply with compliance mandates, such as Joint Commission audits or state reporting requirements. Although these can't be measured financially, they are critically important to your business and important to include in your ROI calculation.



Increased Knowledge of Providers about Their Patient Population

Not only is it important that accurate records are kept, it is equally important that these records can be mined.

There are multitudes of ways to group, drill-down, and slice and dice data in HI-IQ. For example, use HI-IQ to analyze procedure complications by patient ASA status and study service volume trends to determine where additional training or marketing may be needed. By studying patterns and trends in aggregate data, providers can implement practices to improve quality of care, one of the most important soft costs ROI measures.

Process and Quality Improvement

We're all working to make a positive impact on the quality of care by utilizing resources more efficiently.

One of the ways HI-IQ improves processes dramatically is by eliminating patient tracking phone calls. With HI-IQ's patient tracking application most departments report an elimination of phone calls to determine the location of a patient once they implement the HI- IQ software. No more phone calls = time savings = ROI.

In conclusion, using the traditional methods of gathering return on investment information may not be sufficient to justify the cost of a healthcare software solution such as HI-IQ. It is essential to incorporate intangible benefits to ascertain whether or not a purchase will be or has been a successful investment. HI-IQ will provide you with the tools to demonstrate those benefits. Take a few minutes to read the HIMSS white paper, it offers some great tips for successfully implementing IT solutions in healthcare.