
Why the Best CIOs May Be Missing the Biggest Revenue Opportunity



Introduction

The implementation of EHR and ERP are typically among the largest investments healthcare organizations undertake, but they're often treated as separate projects. In addition to missing a key opportunity for complete integration, separate implementation plans increase inefficiencies and ownership costs post implementation.

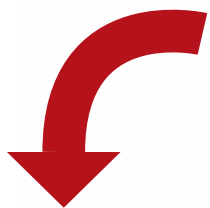
This e-book will cover the strategies and recommendations for EHR and ERP integration to streamline processes, enhance data analytics, and improve performance. We will examine the opportunities to optimize revenue management and supply chain to lower costs and improve processes.



93% of CFOs agree that true costing for value-based care cannot be accomplished without supply chain efficiencies and ERP¹

The Importance of Integrations

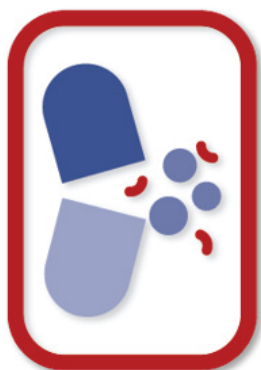
DOCTORS, NURSES, SERVICE LINE
LEADERS AND ADMINISTRATORS



75% say seamless
operation of **supply chain**
is critically important to
supporting quality care and
patient satisfaction.

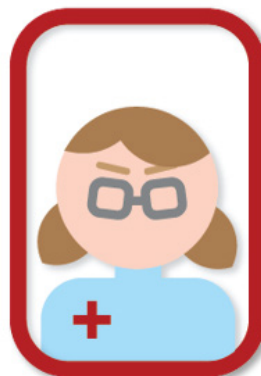
WHY THE BEST CIOs MAY BE MISSING THE BIGGEST REVENUE OPPORTUNITY

Yet, according to recent survey results²...



24%

of respondents
have seen or
heard of an
*expired product
on a patient*



57%

reported *not
having the
product they
needed during
a procedure*



18%

reported *a patient
was harmed by
not having the
right supplies at
the right time*

STRATEGIES FOR SUCCESS



The Call for a Holistic Approach

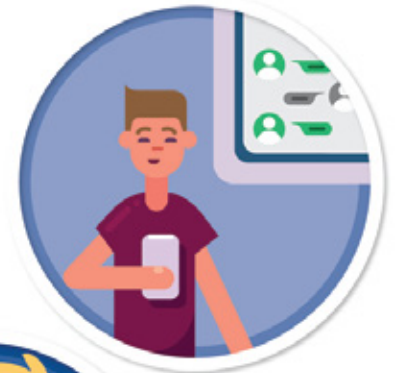
Healthcare organizations often approach EHR and ERP projects independently, increasing risk, inefficiencies, and costs.

However, taking a strategic, integrative approach backed by an experienced consulting team to improve clinical and financial outcomes and quality of care can yield more immediate results.

Improve Physician Experience



Improve Patient Experience



Improve Operational Experience

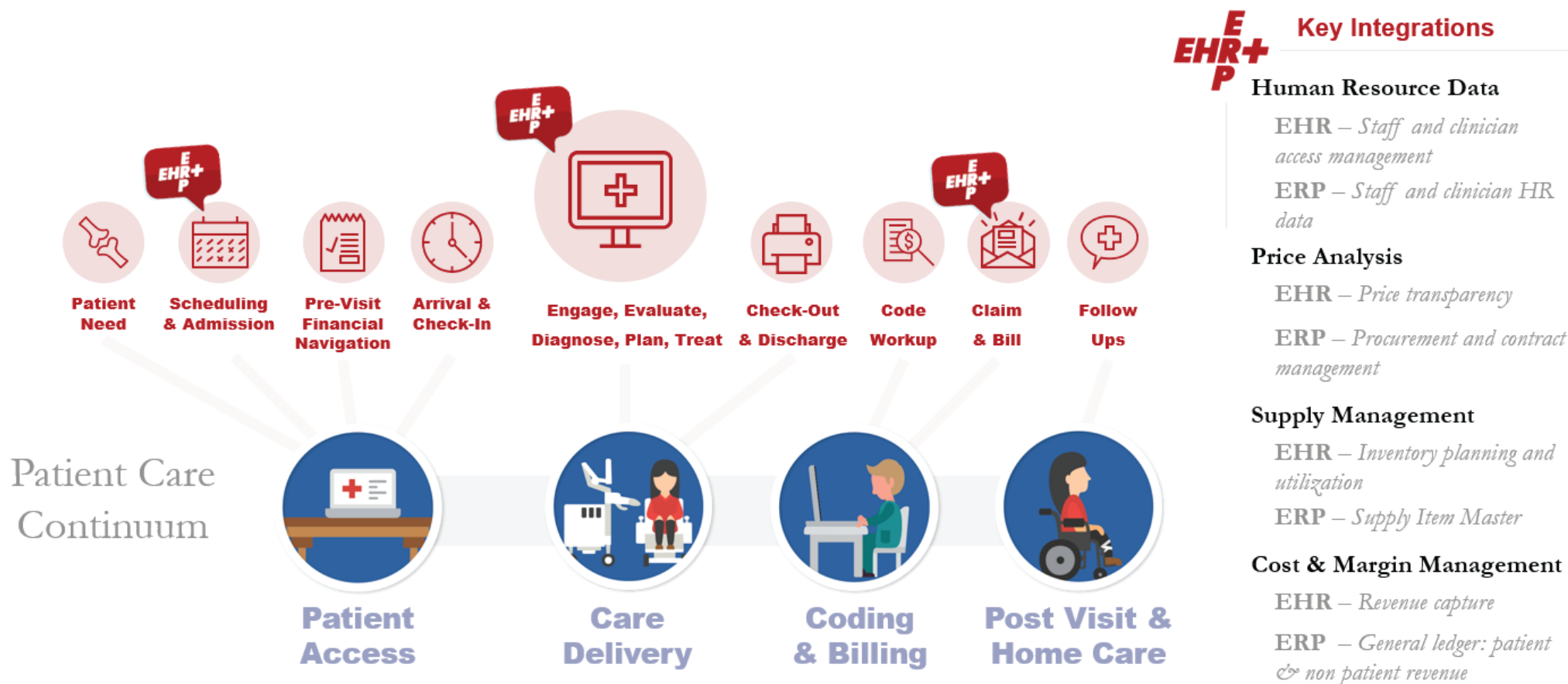


**Optimize both ERP and EHR
while implementing rather
than waiting until after
go-live.**

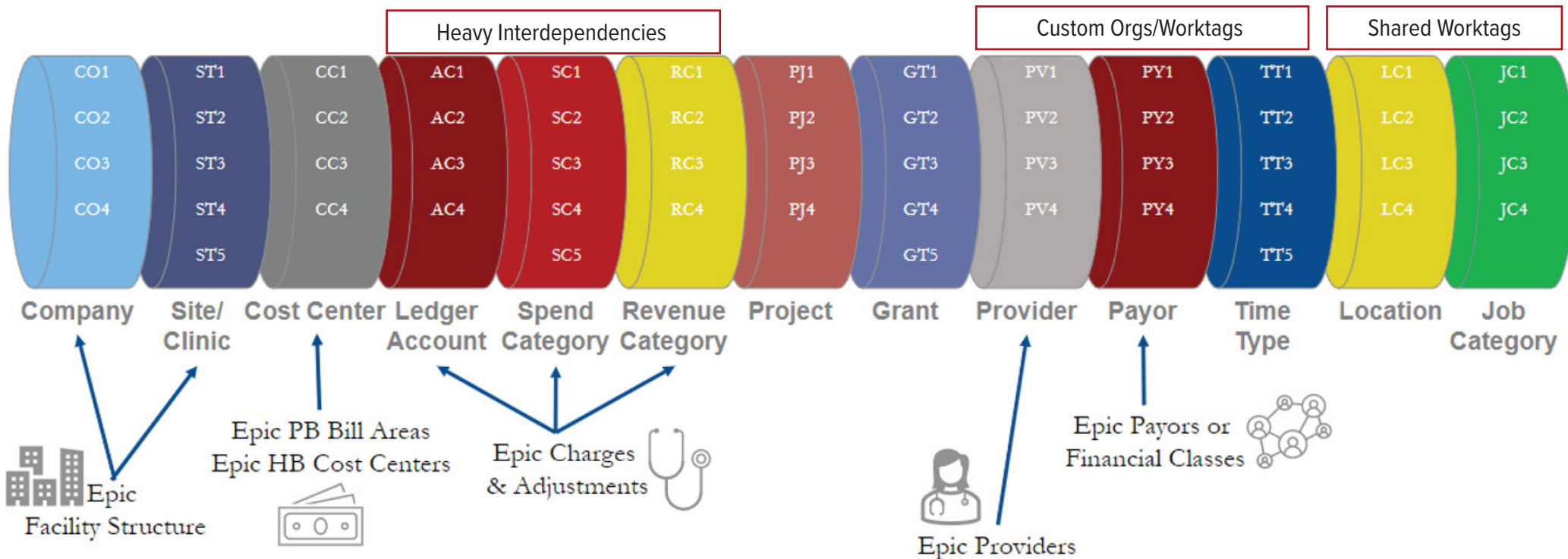
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The Integrated Healthcare Journey



Enrich Workday FDM Data with Epic Integrations



Through the General Ledger, elements of Epic transaction activity can flow directly into the Workday Foundation Data Model. Above are some examples of how Epic data elements can be tracked in Workday via the GL feed.

**Limited integration
between EHR and ERP can
lead to increased costs,
missed revenue, and
inefficient processes.**

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WE SEE SEVERAL KEY REASONS WHY INTEGRATIONS STRUGGLE



Lack of involvement from the other system/operational owners during the planning and visioning of project



New process design during the ERP or EHR system implementation, but no focus on system/process optimization of the other system



Only considering the technical integration and not the people or process integration



Lack of focus on integrated reporting capabilities to make meaningful insights

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SUGGESTED BEST PRACTICES



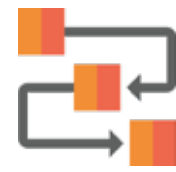
Establish integrated governance, aligned with uniform objectives, throughout all phases of the project



Scrutinize integration partners to avoid key issues and implement best practices (vendors, third party integrators, advisory firms, etc.)



Build change management into project plans early



Consider the end-to-end integrated workflow when designing new processes

A female pharmacist with blonde hair in a braid, wearing a white lab coat, is shown in profile. She is reaching up to a high shelf in a pharmacy to place or retrieve a small white bottle. She holds a clipboard in her left hand. The shelves are filled with various colorful boxes and bottles of medication. The background is slightly blurred, emphasizing the pharmacist and her actions.

MATERIALS MANAGEMENT DEEP DIVE

Key Areas for Integration

Lack of technical or operational integration between ERP and EHR can lead to revenue leakage across four key areas of the hospital supply chain:

- 1. Materials Management**
- 2. Clinical Documentation**
- 3. Pricing and Charging**
- 4. Reporting and Analytics**

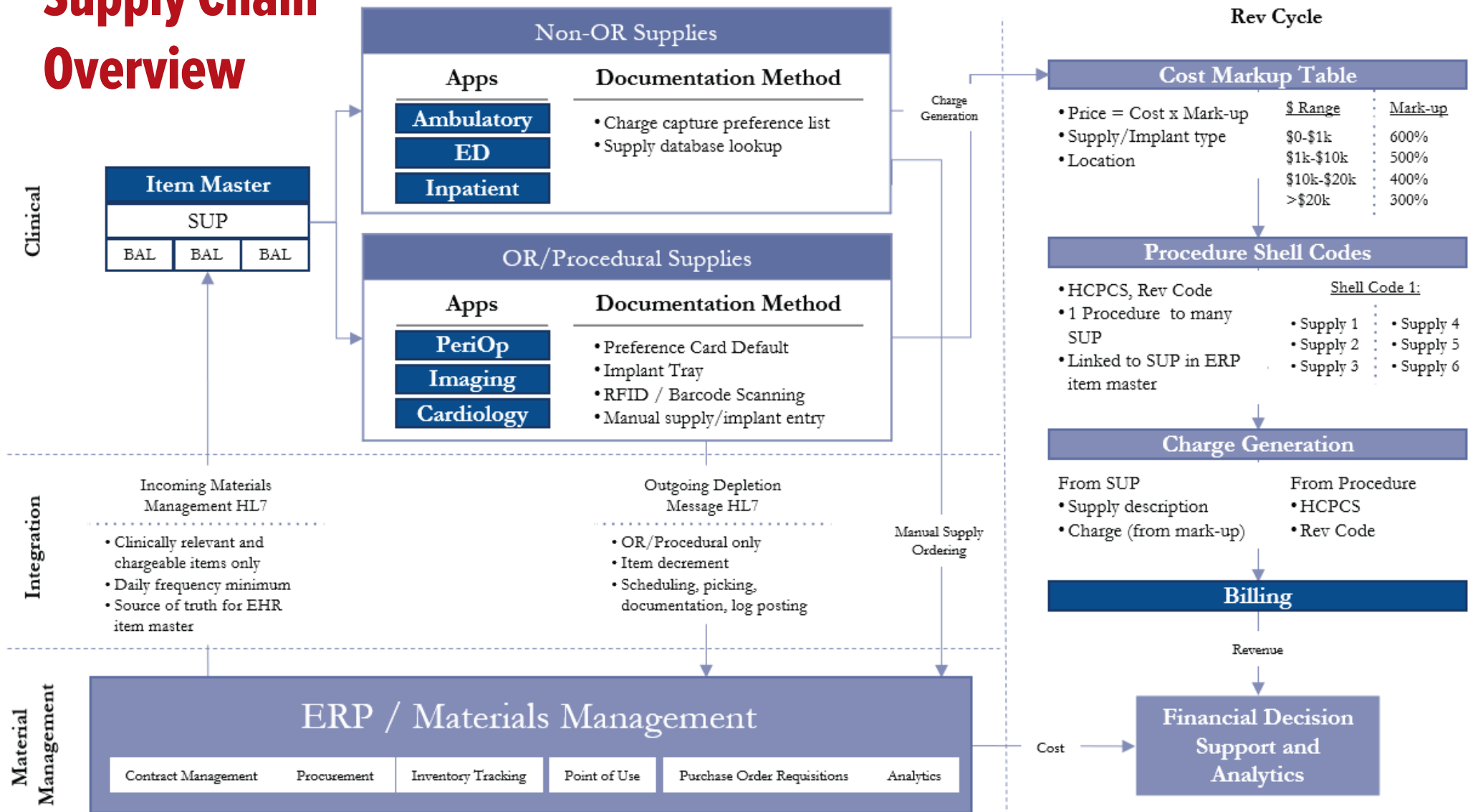
Let's analyze each of these areas in the bigger picture, issues that can arise from lack of integration, the larger impacts these issues can bring, and the solutions to address them.



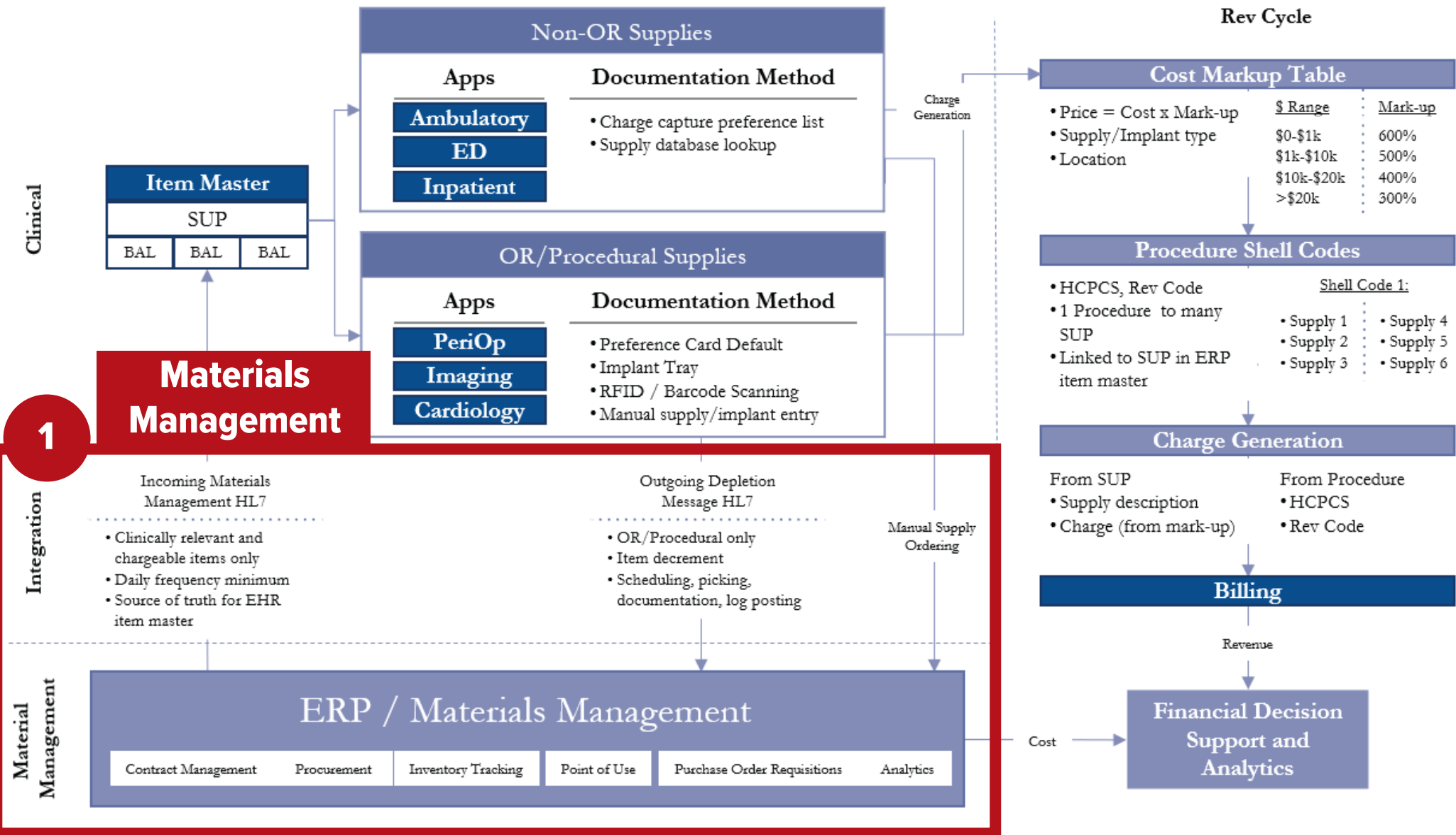
Supplies are the number one area to reduce costs!

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Supply Chain Overview



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Materials Management

ISSUES

- Duplicate inventory items
- Data quality
- Missing inventory locations
- Interface setup
- Manual reconciliation

IMPACT

- Case preparation delays
- Inefficient charting
- Increase “ad-hoc” inventory creation
- Missed charges
- Process inefficiencies



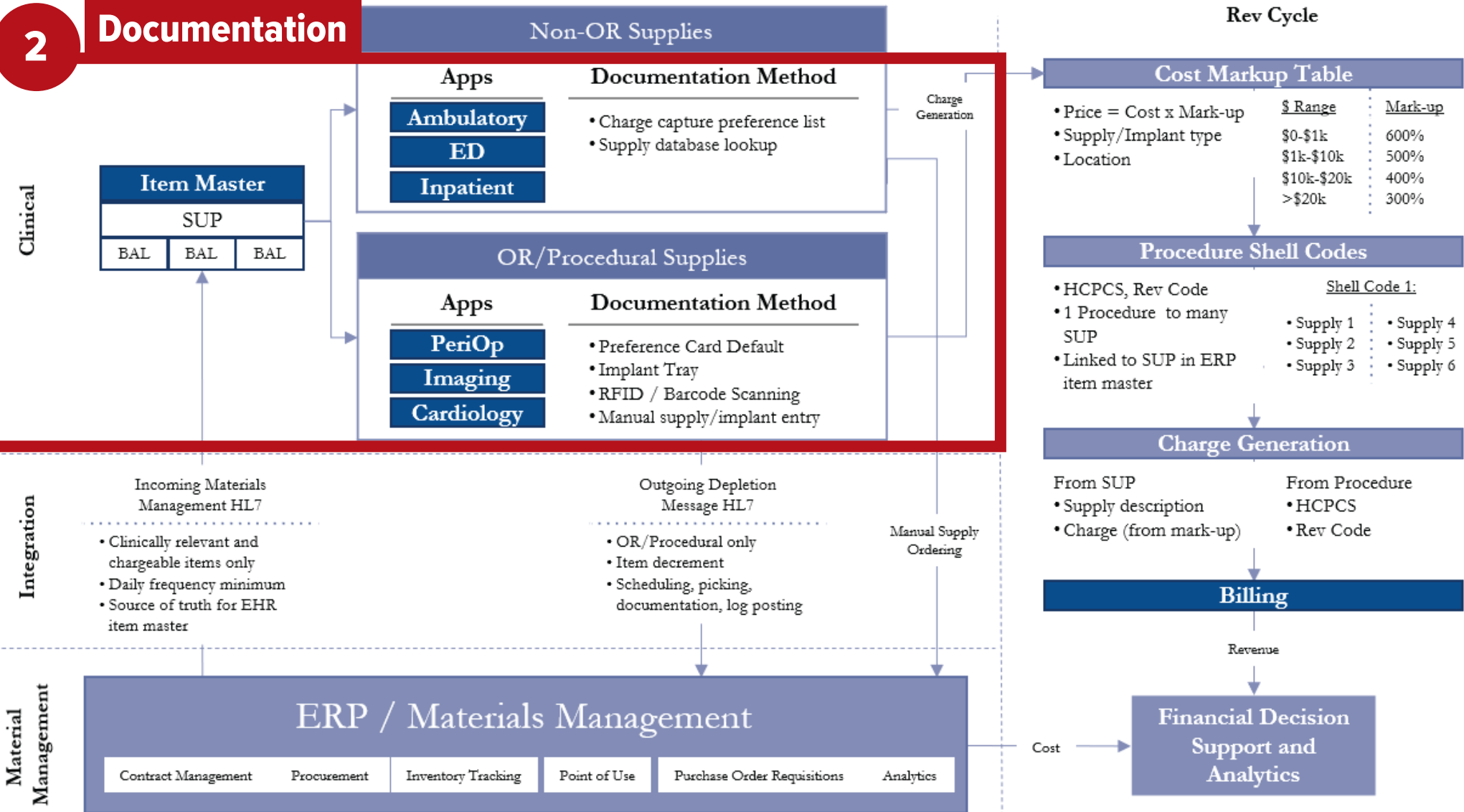
SOLUTION

- Inventory quality review
- Change management process
- Interface automation
- Point-of-use scanning
- Automated requisitioning

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Clinical Documentation



Clinical Documentation

ISSUES

- Clinical descriptions
- Item availability
- Documentation quality

IMPACT

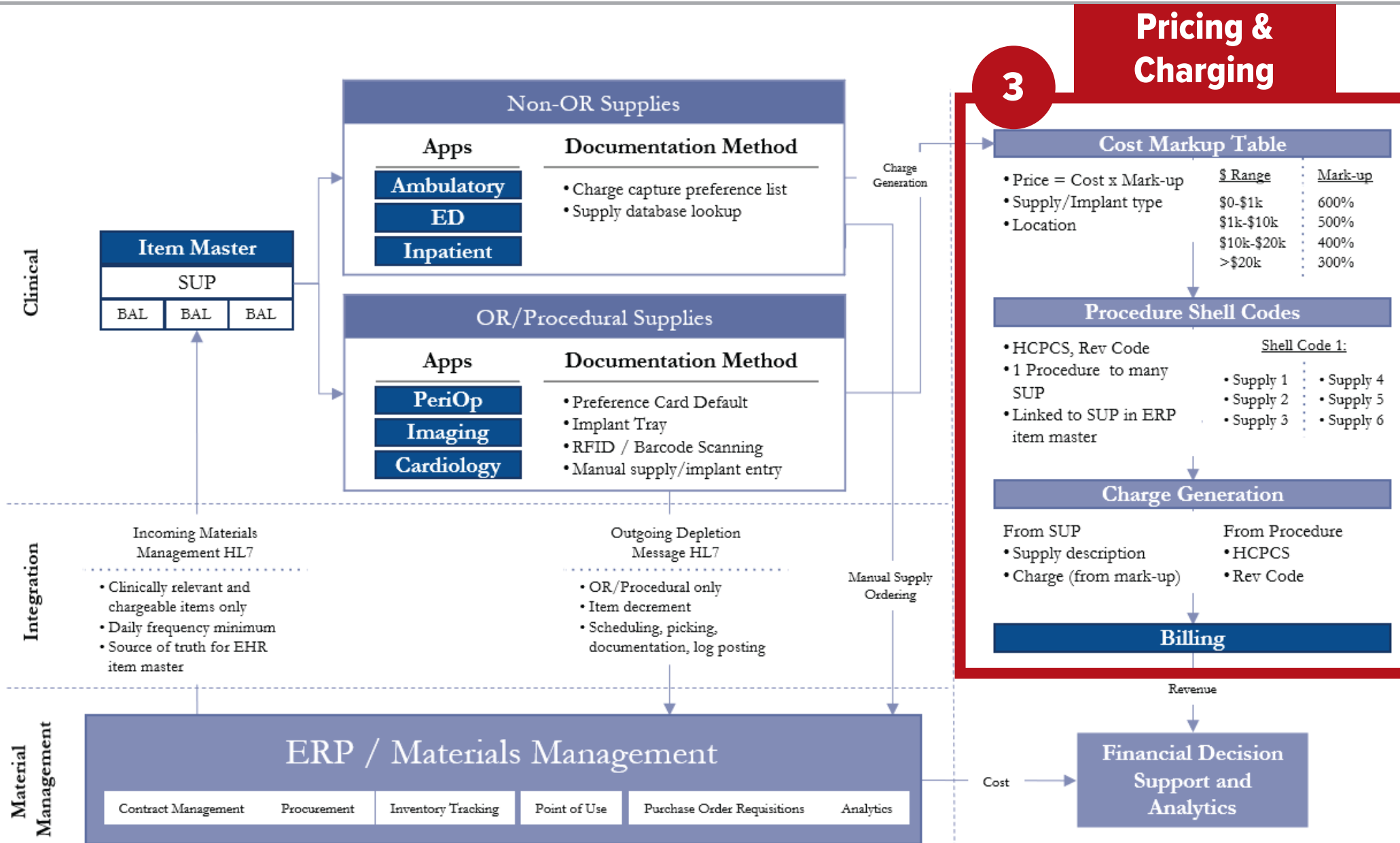
- Missed inventory utilization and charges
- Log posting delays
- Inefficient documentation



SOLUTION

- RFID or barcode scanning
- Preference clean-up
- End-user training

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Pricing & Charging

ISSUES

- Static pricing
- Bloated charge master
- Physician preferences

IMPACT

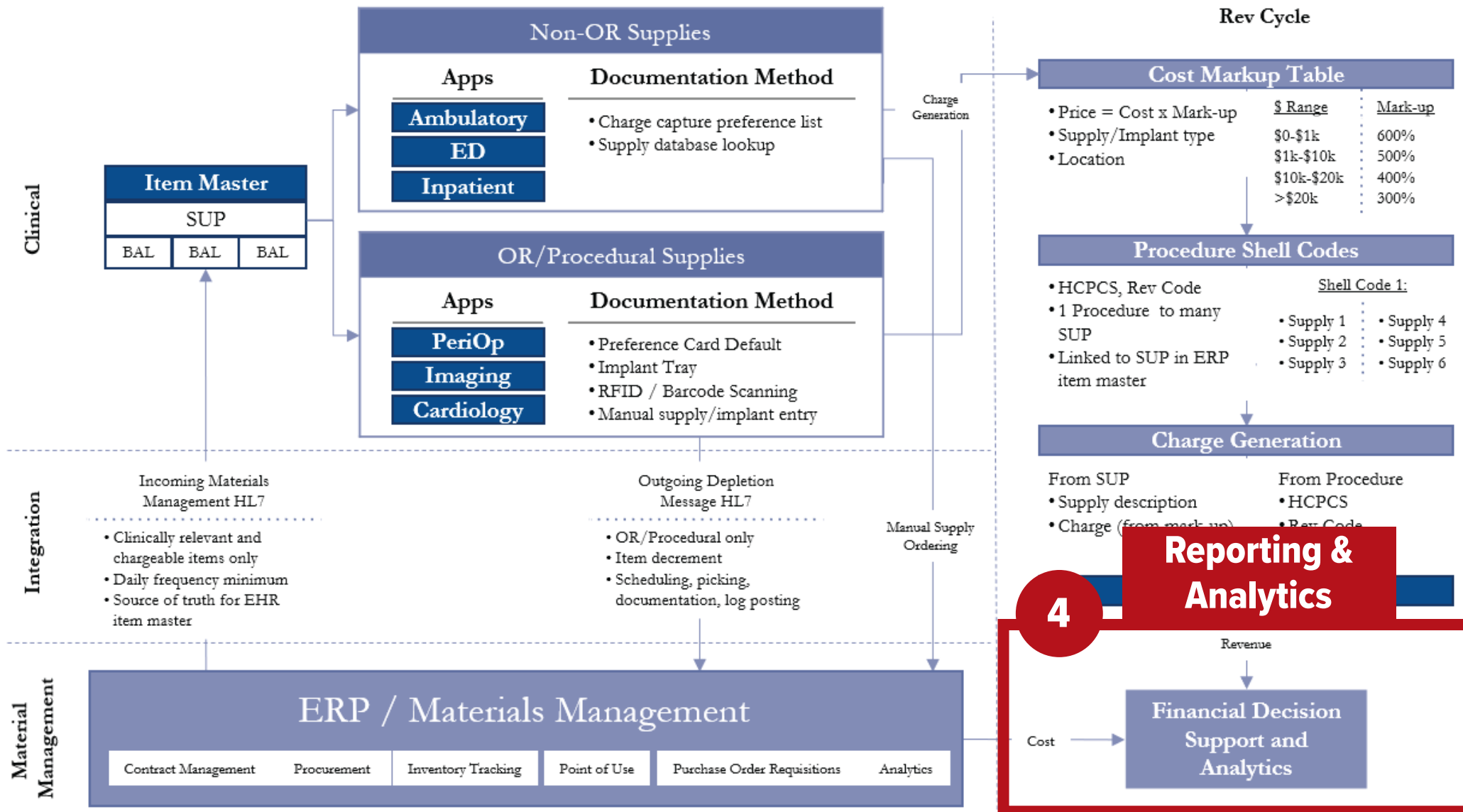
- Missed revenue
- Overcharging
- Increased costs



SOLUTION

- Strategic pricing review
- Charge master consolidation
- Vendor standardization

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Reporting & Analytics

ISSUES

- Incomplete cost-modeling
- One-sided analytics
- No link of cost, usage, revenue

IMPACT

- Increased costs
- Missed revenue
- Inaccurate inventory



SOLUTION

- Data analytics tools
- Operational dashboards
- Shared governance

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CASE STUDY

ERP INTEGRATION WITH EPIC

Integration in Action

RESULTS SUMMARY

2x

Doubled net revenue of supply charges in first six months after go-live



Reduced log posting time by an average of two days via automated clinical documentation charging



Improved collaboration across operations

THE OVERVIEW

Midwest health system integrating their ERP system to Epic with some specific and not insignificant constraints:

Custom, non-HL7 item master feed to Epic

Manual charge entry resulting in missed charges

Inconsistent clinical supply documentation in Epic

Non-standard, non-dynamic annual pricing updates

Lack of reporting on supply costs and revenue

THE SOLUTION

Developed standard HL7 interfaces

Cleaned item master and added Epic charging fields to make ERP the item source of truth

Integrated process review with supply chain, finance, and the OR to develop future state item addition workflows

Enhanced supply documentation workflow in Epic

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**There are additional areas to
consider optimizations with
ERP/EHR integration...**

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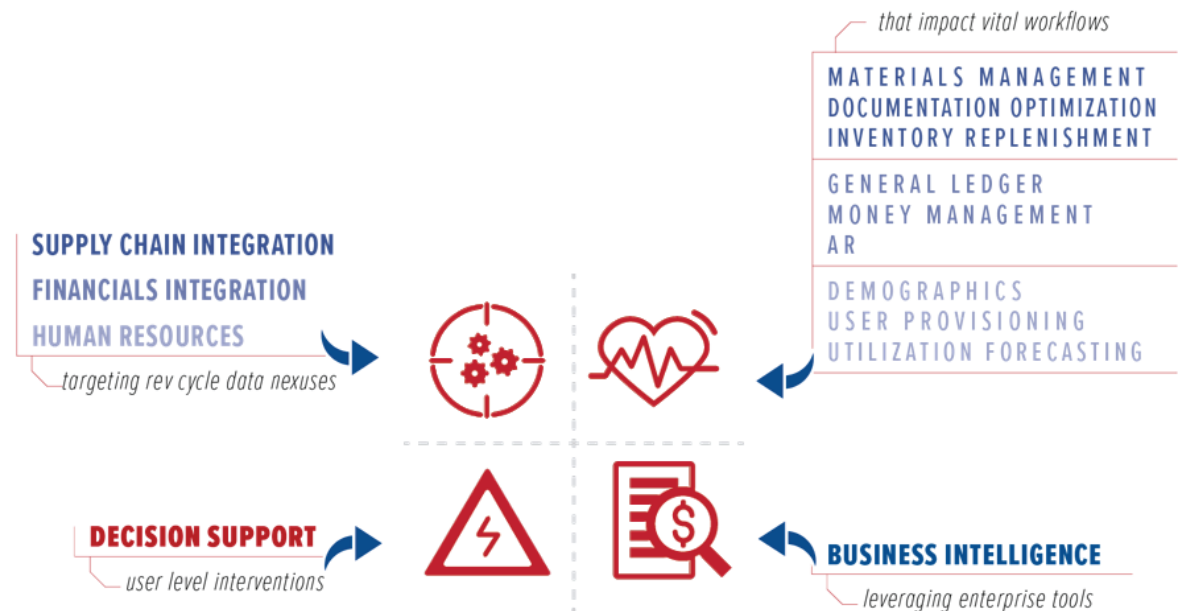
Wrapping Up: What is Meaningful Integration?

Create Integrated System Ecosystems

Identify Areas For Saving & Revenue

Determine Technology Enablers

Rapidly Implement Changes



More organizations are realizing the benefits of meaningful EHR and ERP integration for cost savings, increased revenue, and more efficient processes.

1. Black Book Research, Dec 2016

2. Ref: CardinalHealth Survey Feb. 2017: Hospital Staff Report Better Supply Chain Management Leads to Better Quality of Care and Supports Patient Safety

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Avaap can help your healthcare organization can improve revenue and processes through EHR and ERP integration.

Get in touch today to begin your journey!

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