

University of Pittsburgh Medical Center Adopts Performance Management

Enterprise-wide deployment helps a complex organization get a new view of its entire operation - achieving new efficiencies, maximizing resources and cutting costs

[James Fitch, Cognos]

Like all healthcare organizations, the University of Pittsburgh Medical Center (UPMC) faces the challenges of optimizing performance in many areas, from revenue cycle management to improving patient care. By applying the concepts of corporate performance management (CPM) it has made tremendous improvements in each.

Benefits of Corporate Performance Management

CPM is a management approach that organizations can use to measure and manage performance by combining their processes, methodologies, metrics and systems. CPM gives healthcare organizations access to new data, key insights and ways to manage their organizations. It lets decision-makers at all levels take quick action to use resources more efficiently, address organizational issues, and ensure the highest-quality patient care. Many of the world's largest companies and major public sector organizations have embraced CPM.

CPM can help organizations answer their fundamental business questions: How are we doing? Why? What should we be doing?

Some vendors have been expanding their standards-based technologies built for ease of integration and a partner ecosystem to offer a complete CPM system. This whole-product approach comprises:

- Technology - through an integrated platform.
- Solutions - covering departmental, industry and enterprise-wide performance management needs.
- Best practices - planning, reporting and metrics templates.
- Partner ecosystem - building performance management solutions on the same platform.

Through CPM, organizations can bring clarity to what are often complex processes and establish a common understanding of their performance. This enables decision-makers to act with more confidence.

A Complex Organization Searches For a Simpler Reporting Solution

For UPMC, the size and diversity of its business further complicated the challenge of implementing performance management. With \$6 billion in annual revenues, UPMC is the largest integrated healthcare delivery system in the region and includes a network of 18 hospitals, 400 outpatient sites and physician practice offices, and several nursing, personal care and long-term-care facilities.

Growth through acquisition left UPMC with multiple data repositories, billing systems and other core processes. Reporting meant time-consuming manual compilation of data in spreadsheets. As a result, senior management often had to wait for key data, such as census reports, and had low confidence in its accuracy.

Implementing Performance Management Across the Enterprise

To raise performance to new levels, UPMC recently standardized on Cognos performance management solutions for enterprise-wide reporting and analysis. More than 1,100 users at UPMC rely on the software to speed daily census reporting, track receivables, and improve overall delivery of patient services. The software lets them make dynamic adjustments to performance and respond to their ever-changing needs. UPMC leaders report benefiting from faster access to vital information, better use of resources, and new efficiencies across a wide range of critical processes.

An Effort Driven From the Top

Key executives at UPMC - including the CFO and COO - made performance management a priority for the organization, and their sponsorship of the effort helped it keep moving ahead. The organization moved from an initial three-week proof of concept to a more broad-based development that addressed "top pain points" from

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four major business units. The solid results from these initial efforts, as well as the very positive reaction from users, led to enterprise-wide adoption of the software, and subsequent roll-out to UPMC's hospitals and other facilities over nine months in 2004-2005.

"Right from the start, we had an extremely committed team, from the executive level on down," recalls Chuck Watson, director of enterprise business applications at UPMC. "The committee included representatives from key businesses as well as IT."

An Enterprise-Level Effort Yields Real Results

From the back office to the front lines of patient care, UPMC is improving performance and gaining new control over its complex, diversified operations. "With Cognos, now we have transparent, cross-functional access to information that lets us effectively monitor and manage our performance - and take the steps necessary to optimize healthcare delivery," says Watson. "We're making tangible performance gains, particularly in terms of time savings and better staff utilization. The software helped us continue to reduce the number of accounts receivable days (A/R) from 42 to 35 in fiscal 2005."

A New Vision of the Entire Enterprise

UPMC can now do consolidated, automated reporting - without needing to move data from multiple locations. "We wanted a solution that would give us a unified picture of our key data without having to move it to a central repository," says Terri Mikol, manager of client services and decision support at UPMC. "We knew that the challenge of relocating key data was much more than we wanted to take on at this point. Down the line, we'll be working toward that level of centralization. But for now, we need to be able to leverage our data no matter where it happens to reside."

Sophisticated Tools That Are Easy to Use

Like all healthcare organizations, UPMC wanted to make life easier for its staff - putting new capabilities at their fingertips without complicating their work. "We wanted a sophisticated toolset that non-IT personnel could work with quickly and easily - replacing static reports with interactive, visual data that they can slice and dice," recalls Mikol. "If the software was hard to deploy, learn or use, it wouldn't work for us."

Deploying Across the Enterprise

During deployment, UPMC tapped the expertise of a consultant, who provided quick answers to technical questions at key junctures. "The whole process went very smoothly," says Mikol, who reports that the whole process took approximately two weeks.

Training Provides Critical Guidance

Mikol is clear that UPMC's business units are driving implementation of performance management, not the IT group. "We let the operations move at their own pace, taking on the tools when

they're ready," she says. To ensure acceptance, at the end-user level, UPMC provides in-house training to its users, leveraging its existing training approach and solutions. "We have a very set way of training staff," says Mikol. "When you introduce sophisticated software, you want to make sure that everyone is taking complete advantage of all the capabilities that they have available to them. So training is important to help get the most out of any software."

Making Performance Management Part of Every Day

The response from end users at UPMC? "They're very impressed with what they can do with the performance management software," says Mikol. "They like how they can get data into new formats that make more sense to them and let them interpret and analyze it better. And they like the accuracy of the data, which is much more accurate than when they used to download data from various sources and manually merge it in a spreadsheet."

As the number of users expands during UPMC's incremental roll-out, the IT group continues to manage requests for functionality, establish a priority queue and train new users throughout the organization. Acceptance of the new software capabilities has been a non-issue, according to Watson. "When you have a performance management effort driven by senior management, acceptance really isn't an issue. Besides, our users know that performance management helps them do a better job, makes their lives easier, and in the end, helps us deliver better patient care. Isn't that what any healthcare organization wants to be doing?"

Achieving Results in Critical Areas

UPMC users rely on performance management solutions to streamline monitoring, reporting and analysis:

- Executives now have accurate census reports at their fingertips, enabling them to spot trends and take action;
- Financial analysts can monitor revenues and receivables, reducing A/R days;
- UPMC's Institute for Performance Improvement can monitor, measure and improve critical quality metrics, like infection control; and
- Management can see an overview of hundreds of physician practices and drill down into the details when necessary.

UPMC reports that the biggest performance increases come from easier access to critical information. For example, in the past, several UPMC analysts took until mid-afternoon every day to prepare the census report. "Now the CFOs and presidents of our hospitals can see the previous day's numbers at 9 a.m. - automatically, every day - via a detailed but easy-to-use hospital dashboard," says Mikol. "So they can make adjustments and change the way they're allocating resources. Plus, those analysts can now turn to more strategic work than simply compiling data. Performance management helps us achieve new efficiencies in many ways." ■