

Customer success in healthcare



Customer success in healthcare

Healthcare is in crisis. Patients' expectations of healthcare are soaring. So are healthcare costs. For every miracle cure, there's a new disease. Healthcare providers face complex challenges. Today's healthcare industry is under pressure to reduce clinical and administrative costs and meet tighter compliance and security mandates. Cognos, an IBM company, provides the technology, services and consulting experience you need to meet those demands and realize new opportunities in the ever-changing healthcare environment.

Cognos is the world leader in business intelligence (BI) and performance management solutions. We provide world-class enterprise BI, planning and consolidation software, and services to help companies plan, understand, and manage financial and operational performance. Performance management rests on interlinked capabilities that let you drive, monitor, and understand your performance in a continuous, closed-loop environment.

IBM Cognos 8 Planning and IBM Cognos 8 BI provide a unified platform to:

- Measure and monitor performance with scorecards and dashboards that track your key metrics.
- Report and analyze data to gain context, understand trends, and spot anomalies.
- Perform planning and create budgets and forecasts that allow you to set and share a reliable view of the future.

With these core capabilities, we enable investment banks to answer the following key questions:

- How are we doing?
- Why are we on or off track?
- What should we do about it?

Cognos is helping 1000s of healthcare organizations create a more patient-centric, value-based, accountable, affordable, and sustainable path to the future. Read about how:

- **Trillium Health Centre** revolutionized healthcare performance management with IBM Cognos 8 Planning and BI.
- Non-profit health organization **Martin's Point** developed powerful analytics and flexible reporting capabilities, and decreased IT time and involvement radically.
- **Analgesic Healthcare** obtained a 3-percent increase in yearly revenues and an 11-percent increase in yearly billing volume.
- **VITAS**, one of the largest hospice care providers in the United States, used IBM Cognos TM1 for all its financial decisions, including the assessment of new markets, payroll analysis, and the management of drug costs.
- **The Neighborhood Health Plan of Rhode Island** reported on information up to ten times faster with Cognos BI.

Cognos was acquired by IBM in January 2008. Customer success stories written prior to that date may not reflect the new product naming conventions stemming from the acquisition.

Trillium Health Centre



“We looked at several performance management vendors, but in assessing Cognos 8 Planning and Cognos BI we quickly realized that Cognos doesn’t have a true competitor in terms of capabilities.”

Wayne Mills, Chief Information Officer, Trillium Health Centre



In healthcare today, getting a single version of the truth—getting the right information to the right people at the right time—is essential. In fact, lives depend on it. And it’s for this reason that Trillium Health Centre chose to standardize on Cognos.

As one of Canada’s largest community hospitals, Trillium Health Centre continues to push the envelope when it comes to delivering quality, patient-focused care to more than one million people. With Cognos, Trillium is developing an integrated community care services model that enables it to be more responsive to the needs of patients, providers, staff, and the community. By teaming with Cognos, IBM, and other partners, Trillium has formed the Transforming Healthcare into Integrated Networks of Knowledge (THINK) initiative—an initiative aimed at simplifying information access and exchange among all stakeholders, facilitating health care innovation, and ultimately, improving services to Trillium patients and their families.

Challenges faced

One of the reasons that Trillium has become a healthcare leader is its constant and committed focus on the strategy and metrics it needs to succeed. Following the Balanced Scorecard approach from Kaplan and Norton, the organization had a clear view of the key performance indicators it wanted to track, but its technology provided no meaningful way to unite, analyze, and share information across the organization.

Prior to Cognos, Trillium had a dashboard system that it had developed in-house. The dashboard was a series of linked intranet pages and converted PowerPoint pages. The system was static, labor-intensive to maintain, and could only be deployed to a maximum of 100 people. With all of the valuable work being done to nail down

Industry

- Healthcare

Geography

- Canada

Information Needs

- Data unity
- Software that reflects the Balanced Scorecard approach.
- Clear insight into operations, patient care, services, programs, and more.

Platform

- IBM WebSphere Information Integration Suite
- Agfa Impax
- Agfa/Heartlab Encompass
- Eclipsys Sunrise Clinical Manager

Cognos Solution

- Cognos BI
- Cognos 8 Planning

Users:

- 3,000+

Benefits:

- Ready access to all data and information for decision-making.
- Fast, accurate information on all key performance indicators.
- One version of the truth that helps maximize resources and deliver better care to the community.

strategy, Trillium wanted to share that vision and approach with its 3,000 employees.

In addition, Trillium wanted to make sure that the organization had a single version of the truth. With key information stored in 45 separate systems across the enterprise, each department had different data, different terminologies, and were coming up with completely

different numbers. It was with this reality staring them in the face that the THINK initiative was born. Trillium needed to integrate data. It needed business intelligence to provide a more effective way to understand it. And, it needed to extend the reach of performance management to internal and external stakeholders.

Strategy followed

“With a firm strategy developed, we needed the right software product to bring it to life,” says Wayne Mills, Chief Information Officer at Trillium. “In 2002, we crafted an RFP and received proposals from 40 different vendors, including a combined proposal from IBM and Cognos. We looked at several performance management vendors but once we discovered Cognos, we realized that Cognos doesn’t really have a competitor in terms of capabilities.” With Cognos BI, Trillium could satisfy all its information needs including reporting, analysis, dashboards, and scorecards, and with Cognos 8 Planning, it could leverage a sophisticated budgeting, planning, and consolidation platform.

While Trillium liked the product, what sold them were the people behind it. “Everyone we spoke to at Cognos really impressed us with their understanding of the decision-making process and real-world customer need,” says Mills. “Other vendors wanted us to modify our thinking to fit their software’s capabilities, but Cognos has designed software that fits the way people think and the way they need information displayed for better understanding.”

Equally important was finding a platform that fit into Trillium’s existing technology environment. With significant investments in IBM software including IBM WebSphere applications, Trillium wanted a BI platform that would integrate quickly and easily with these applications. And, with plans to one day take the system to the public via extranets and portals, the integration had to be flawless.

Benefits realized

With Cognos, Trillium has a system that now reaches everyone in the organization. With a Cognos dashboard, it can now link disparate data to clearly examine:

- Finance and Operations.
- Programs and Services.
- External issues, such as the current and future needs of the community.

With Cognos, Trillium can now have real-time, accurate insight into length of stay for patients, ambulatory services, rate performance, market share, staff retention, budgets, and more. With this information, Trillium can maximize savings and patient care. For example, by looking at an issue such as average bed stays, staff can anticipate demand and ensure that the requisite beds are available when people need them most. In addition, staff can benchmark performance to truly understand what methods are working and which need attention.

Staff can also properly link the key performance indicators that impact one another to identify potential problems and show process gaps. They can also map into external databases from the Canadian Institute of Health Informatics and the Ministry of Health to share and maximize the information they have. Another key benefit is the fact that Cognos has helped Trillium eliminate the information haves and have-nots within the organization. With Cognos, rather than share performance information with only 100 people, staff can now share information with more than 3,000.

With Cognos 8 Planning, Trillium is transforming the way the hospital plans and budgets health care programs, patient services, and supplier requirements. And, with Cognos BI, the organization has become visionary in healthcare for its ability to measure and monitor health care delivery performance. “It’s nice when a firm strategy meets the right product,” say Mills. “With Cognos, we are better positioned to face the challenges of the future.”

“Not only has the product integration between Cognos and IBM been seamless, we have been very impressed with the synergy between Cognos Consulting and IBM Global Business Services,” says Mills. “Since inception of the project, we have had consultants on-site from both companies helping us with the design, implementation, troubleshooting, training, support, and more. We are constantly tasking them to not only think out of the box, but to actually throw the box away. The insight and ingenuity these teams bring has far exceeded our expectations.”

“Both companies have also joined our TACT initiative, which is in essence a think-tank for using technology to help address critical healthcare issues and find innovative approaches to diseases such as diabetes and cancer. The insight and thought leadership from IBM and Cognos has been simply invaluable.”

When asked to put an ROI on the Cognos solutions, Mills says finding a number would be impossible. “Cognos has given us capabilities and insight that we never had before. With Cognos, we have saved time and money, but it is the vision that is the real ROI—truly there’s nothing we can compare to because it has helped revolutionize our decision-making in a totally new way. Cognos has also opened up a world of new possibilities in terms of what we can accomplish in the future. The software and the Cognos and IBM people have showed us new ways to better manage, better communicate, and better serve our community.”

“As a non-profit organization, we strive continually to improve the quality of health care services we offer our members. Cognos 8 BI enables us to identify health trends in our member populations, and helps guide our quality improvement processes. The Cognos solution also provides our employees with resources that are easier to use.”

Jeff Guevin, Health Care Data Analyst, Martin's Point

Martin's Point is a non-profit health care provider offering reliable, proven clinical services at health care centers in Maine and New Hampshire. The company also administers military health services through the Uniformed Services (US) Family Health Plan for the Department of Defense, several Medicare Advantage plans, and coverage solutions for self-insured employers in Maine. With over 460 employees based in its four offices and four health-care centers located throughout New England and New York, Martin's Point plays the part of health care provider as well as health insurer.

Martin's Point is uniquely positioned to integrate flexible health plans, passionate physician leadership, and reliable, proven clinical services for the 40,000+ patients in its primary care practices and the 25,000 members in the US Family Health Plan.

Martin's Point is truly a robust, dynamic, multifaceted, and unique non-profit health care organization. The company measures success differently from most health care providers, considering health outcomes, cost, satisfaction, service, and performance. The organization's measurements fuel its constant process improvement initiatives, which in turn make it a stronger and more innovative institution. As part of this ongoing measurement process and the desire to deliver on its bottom line to maintain healthier lives, Martin's Point turned to Cognos to find a standardized, Web-based reporting system that could be accessed throughout the organization.

Challenges faced

In order to deliver on its promise to make its customers and employees satisfied, Martin's Point wanted to move away from the paper reporting routine that consumed its resources. Additionally, the organization needed to reduce time spent on creating and accessing the reports.

Industry:

- Healthcare/non-profit

Geography:

- Northern New England, USA

Information Needs:

- Standardized reporting system.
- User-friendly tool.
- Company-wide access to reports.

Functional Area of Deployment

- Executive management
- Finance
- Marketing
- Six Sigma
- Healthcare management
- Business acquisition

Platforms:

- Windows 2003
- SQL 2000, moving to SQL 2005

Users:

- 50

Solutions:

- Cognos 8 BI

Benefits:

- Improved monitoring of critical success metrics.
- Increased efficiency through standardized reporting.
- Easy access to information that is more accurate and timely.
- Significant decrease in IT time.
- Powerful analytics.
- Flexible reporting.

“We needed to standardize our reporting on a scalable, Web-based system,” states Jeff Guevin, Health Care Data Analyst, Martin's Point. “For example, when the typical report request came in, the analysts would code it, which took anywhere from a couple of hours to a



week, and then send the report back to the user for additional refinements. In all, you're talking about a 2- to 3-week reporting system process."

Strategy followed

In 2003, Martin's Point worked with outside consultants from Integration Management Incorporated (IMI) to assist in reconstructing its data warehouse and building an extract, transform, and load (ETL) process for the organization. The consultants were Cognos Partners who recommended that Martin's Point take a look at the Cognos business intelligence (BI) products to complete the ETL process.

Martin's Point was looking for a user-friendly BI tool that enabled its users to point and click for strategic reporting. After evaluating both Cognos and Business Objects, the organization chose Cognos, due to its simple integration process, ease of use, and capability for aggregating and analyzing data.

At that time, Martin's Point deployed Cognos Series 7 products into its Windows 2003 and SQL Server 2000 environments, specifically using Cognos PowerPlay and Cognos ReportNet to aggregate data and provide a drill-down facility.

In March 2006, the organization upgraded to Cognos 8 BI, after viewing the product demonstrations at the Cognos annual customer event, Cognos Forum. The migration finished ahead of schedule, wrapping up in October 2006, with a final tally of 50 trained users on Cognos 8 BI who run about 650 reports on a weekly basis. Now, the organization has centralized technical analysts assigned to each department who have been licensed for Cognos 8 BI and are able to create the reports.

"We created our own scorecard reports from Cognos 8 BI for the executive management team," says Guevin. "Basically, they're looking at information on claims, incorporating medical expenses, and pulling revenue statistics to view FTE allocation and compare revenue with expenses."

According to Guevin, performance was a big factor for Martin's Point, and to ensure the migration was smooth and uninterrupted, the organization used Cognos Support to assist in the upgrade process.

"Cognos Support was very helpful. There was a lot of user concern about performance when we did the migration. However, if I came across a snag or something didn't look right, then I would just submit a case to Cognos Support," recalls Guevin. "I probably had 15 to 20 open cases during the migration period, and Cognos Support assisted me with all of those inquiries."

Benefits realized

After upgrading to Cognos 8 BI, Martin's Point was able to successfully merge both the Cognos ReportNet and Cognos PowerPlay environments into one common framework. This consolidation enabled users to access only one Web site, as opposed to the two separate sites they previously needed to work with. "That was a big plus for us," states Guevin.

The capacity for company-wide access and information sharing was a huge incentive for Martin's Point.

"Most of our information today is shared through portal pages. We create these reports and put them out on one of the portal pages. As an administrator, I'm able to control and actually add these portal pages to other users' environments," comments Guevin. "Sometimes we're dealing with non-technical folks, so it's a huge benefit for me to use Cognos 8 BI to go behind the scenes, add the key portal pages that the typical user needs, notify them with a quick phone call, and then allow them to scroll through the report with a click of a button."

Quantifiably, Cognos 8 BI has enabled Martin's Point to reduce its reporting time dramatically.

"The improvement in turnaround time is saving money for the organization," notes Guevin. "The company is able to measure its critical success metrics, such as the medical loss ratio, which is a standard metric in health plan operations, and publish this metric to the appropriate audience electronically."

With Cognos 8 BI, Martin's Point has begun to track trends and conduct member profiling, which uses predictive modeling results to quickly identify gaps in member care.

"For example, if a patient has diabetes and they're supposed to have tests A, B, and C, but haven't had them done yet, I can look at a report and see that the member needs those specific tests done right away, then alert that member's primary care provider," states Guevin.

"As a non-profit organization, we continually strive to improve the quality of health care services we offer our members," says Guevin. "Cognos 8 BI enables us to identify health trends in our member populations, and helps guide our quality improvement processes. The Cognos solution also provides our employees with resources that are easier to use."

Analgesic Healthcare



“Previously, it was a huge burden for us to gather daily reports and figures from various departments in order to review the prior day’s activities for our daily status update meeting. With Cognos 8 BI, I can launch my email and print out my attached Cognos reports when I come to my office in the morning to obtain a clear and complete picture of yesterday’s business performance. In other words, Cognos 8 BI now sets our agenda for the meeting. By simply looking at the different colors in our Cognos dashboards, we can clearly identify areas of concern each day. Cognos has really enabled us to hold the pulse of our business on a daily or sometimes hourly basis.”

Lyn Klovos, Controller, Analgesic Healthcare

Headquartered in Tampa, Florida, Analgesic Healthcare leads the way in serving the needs of more than 60,000 patients across North America (including Canada, Mexico, US Virgin Islands, and Puerto Rico) from more than 50,000 clinics and doctors’ offices.

Since 1978, Analgesic Healthcare has worked to deliver the highest level of customer care and service. As a leader in the electro-medical field, Analgesic Healthcare is uniquely positioned to provide complete electro-medical therapy, service, and support with state-of-the-art TENS, muscle stimulators, galvanic, interferential, and microcurrent electrotherapy.

In order to maintain its industry-leading position, Analgesic Healthcare needed a consolidated summary and uniform view of its business units’ performance for individual-level accountability. In addition, the company needed to support its summary results by providing detail-level data using drill-down and drill-through capabilities. The company worked with Cognos partner and Cognos 8 Business Intelligence (BI) Service Provider, BlueNET Technologies. BlueNET provided Analgesic Healthcare with on-going development activities for projects in the pipeline and end-to-end BI maintenance services for its existing Cognos implementation.

Challenges faced

At the time, Analgesic was working with various data sources and applications including Excel, Crystal Reports, and Microsoft Access databases. The lack of uniform, enterprise-wide reporting and analysis tools and established reporting standards was creating inconsistencies and making it difficult for the executive

Industry:

- Healthcare & Medical

Geography:

North America

Information Needs:

- Uniform, enterprise-wide reporting and analysis.
- Established reporting standards.
- Summary and detail-level dashboarding.

Platforms:

- Microsoft Windows OS
- Microsoft SQL Server Database

Solutions:

- Cognos 8 BI

Functional areas of deployment:

- Sales
- Marketing

Benefits:

- Information-rich decision-making environment.
- Increased efficiency through standardized reporting.
- A 3-percent increase in year-to-date revenues.
- An 11-percent increase in year-to-date billing volume.
- Rapid deployment through zero-footprint BI.

team to gather vital corporate data in a timely manner to manage day-to-day operations effectively.

“We were looking for the ability to analyze our North American map to indicate our state-level sales, and then drill down to individual invoice numbers and their associated attributes. Anything less would constitute significant risks to the overall success of this huge undertaking,” says Lyn Klovos, Controller, Analgesic Healthcare.



Strategy followed

In 2006, Analgesic began looking for a reporting and analysis solution to add more value to its corporate data. The company was looking for more effective ways to communicate key performance indicators (KPI) to accountable parties, particularly its Sales and Accounts Receivables departments. The organization also needed to improve the bottom-line performance of the company by monitoring key metrics: lower days sales outstanding (DSO), higher sales, lower past 90 days accounts receivable, and higher dollar-in per referral. Another priority for Analgesic Healthcare was live executive dashboarding capabilities for its management team. The company needed the ability to cope with dynamically changing business processes and rules, such as sales team realignments, re-forecasted targets, creation of new accounts receivable aging buckets, introduction of a new insurance type, or organizational changes like the establishment of a new subsidiary.

Analgesic Healthcare considered Crystal Reports from Business Objects and SQL Server Online Analytical Processing (OLAP) Services combined with Panorama Novaviews. However, Analgesic had already purchased Fastrack, a healthcare management system for its billing and patient management processes. Cognos PowerPlay was included as the analysis module with the purchase, so Analgesic Healthcare was introduced to Cognos as part of this off-the-shelf billing system. Additionally, the strategic partnership between Microsoft and Cognos and previous success stories of Cognos with many other Microsoft SQL Server clients played significant roles in Analgesic's selection process.

"After seeing some of the powerful analytical features that Cognos PowerPlay provided, coupled with some of the advanced capabilities of Cognos 8 BI, Cognos became the logical choice for our reporting platform," says Klovos.

"Cognos was a one-stop shop for us. With Cognos 8 BI, we get all we need from a single vendor—analytical reporting, professionally-authored reports, dashboarding, metrics management, and event management to build in role-based security," says Debbie Hartzner, Director of IT, Analgesic Healthcare.

Cognos 8 BI implementation began in December 2006. Phase One, which included the forecasting and targeting modules for the Sales and Marketing departments, was completed in June 2007. Phase Two will include the Accounts Receivable and Collections departments, and is expected to be completed in later in 2007. Phase Three will involve the Customer Services department, and is currently in the planning stage.

In the first step of the deployment, Analgesic consolidated all of the organization's data into functional data marts inside the enterprise data warehouse. Important business dimensions, such as geography, sales reps, insurance types, patients, physicians, and products were common to all business units across the organization. By taking one functional data mart at a time, Analgesic was also able to deliver smaller chunks of the project in much shorter deployment times.

Analgesic used Cognos partner BlueNET Technologies to implement Cognos 8 BI. Depending on the update frequency of the underlying data and the unique requirements dictated by the business functions, certain reports were defined to be delivered on an hourly basis, contingent on the number of referrals and call-time statistics. Other functions, such as cash receipts and billing, were set up for delivery at daily intervals.

"At BlueNET, we always retain natural curiosity toward our client's business—how they generate revenue, what business processes they use, how they structure their sales team, or how they go about their forecasting models," states Hilmi Alphan Ozturk, Managing Director, BlueNET. "When our team is on site, we blend ourselves into their internal team by actively engaging in the various levels of the hierarchy, from the operational level all the way to the CEO. We look at the areas of improvement not only from technical perspective but also from business side. Coupling this attitude with a strong participation and commitment from the Analgesic management team really paved the road to success for this deployment."

From Cognos 8 BI administration to schedule management, from report enhancement to framework model modification, BlueNET provides Cognos services to Analgesic 24 hours a day, all week long. This means that Analgesic does not need to retain any IT staff, and uses BlueNET services and expertise, so that it can dedicate itself to its core competency of sales and marketing.

Looking ahead, Analgesic is aiming to launch its Sales Representative Scorecard project to bring full accountability to the operational level using Cognos 8 BI scorecards.

Benefits realized

Cognos 8 BI has truly changed the work culture at Analgesic by providing key decision makers with an information-rich decision-making environment. For instance, by using referral models, Analgesic can now analyze the monthly and annual referral volume geographically, as well as by insurance-type distribution, to go after smarter and more profitable business. A key performance indicator such as dollar-in per referral varies from one state to another, and with Cognos 8 BI, it is possible to spot significant variances even between different counties.

While referral models enable the management team to manage the company's business volume more effectively, other analytical models provide insight to the management team for a clear understanding of how to sustain and increase business volume.

"For instance, any sudden drop in the business volume trend can be traced back easily through root-cause analysis, including individual sales rep's performance, reduction the number of sales calls, reduction in the number of samples shipped to the clinics and doctors' offices, seasonality, or employee retention ratios," states Klovos.

Since the successful inception of Cognos 8 BI in January 2007, Analgesic Healthcare has reported a 3.5-percent increase in its year-to-date revenue, and an 11-percent increase in its year-to-date billing volume.

One of the other main benefits Analgesic received from the use of Cognos 8 BI was its rapid deployment to the enterprise and wide acceptance by the business users. The product provides all BI capabilities to Analgesic business users in a zero-footprint browser, meaning that users can access the capabilities online, without requiring any installation on their local computer. This capability

enables Analgesic employees to use their familiar browser environment to gain access easily to the information they need to drive decisions. The IT value in this approach was obvious: no installation or compatibility concerns, no costly upgrades, and the freedom to support a user community that was not tied to specific computers. The Cognos 8 BI zero footprint enabled broad, cost-effective rollouts to the users without consuming IT resources.

"BlueNET has been an important cornerstone of this success. The close working relationship between the Analgesic management team and BlueNET consultants significantly contributed to the overall success of the project," says Roy Edgerton, CEO, Analgesic Healthcare.

The huge success of the first implementation created positive awareness across the entire healthcare corporation. As a result, dozens of on-going Cognos initiatives involving BlueNET have been deployed in different areas of Analgesic. As the next big deliverable, Analgesic will be launching its Metrics Management portal, which will allow KPIs to be monitored through Cognos 8 BI and make metadata visible to the executive team through Metrics Studio.

Klovos sums up her Cognos experience by stating, "Previously, it was a huge burden for us to gather daily reports and figures from various departments in order to review the prior day's activities for our daily status update meeting. With Cognos 8 BI, I can launch my email and print out my attached Cognos reports when I come to my office in the morning to obtain a clear and complete picture of yesterday's business performance. In other words, Cognos 8 BI now sets our agenda for the meeting. By simply looking at the different colors in our Cognos dashboards, we can clearly identify areas of concern each day. Cognos has really enabled us to hold the pulse of our business on a daily or sometimes hourly basis."

VITAS Innovative Hospice Care®

VITAS®
INNOVATIVE HOSPICE CARE®

“If we had not deployed IBM Cognos TM1, we simply would not be able to do the kinds of analysis or handle the volume of analysis that we have today to assist management in making the business as successful as it is.”

Neil Golub, Director of Planning and Analysis, VITAS



VITAS Innovative Hospice Care®, one of the oldest and largest hospice care providers in the United States, was founded to preserve the quality of life for those with a limited time to live. It is a company defined by the needs of the patients and families it serves.

Over the years, VITAS has expanded by adding new markets and additional locations. VITAS currently cares for more than 7,200 patients a day in hospice programs across the United States.

Today, VITAS relies on IBM Cognos TM1 for all of its financial planning and analysis, including annual budgeting, planning, and the analysis of factors affecting operations such as patient demographics, labor management, and drug utilization.

Challenges faced

Before implementing IBM Cognos TM1, VITAS relied on Microsoft Excel for its reporting and data analysis. However, with multiple facilities, levels of service, and patients, VITAS found managing all its financial data and performing the required calculations a tremendous task.

Simply compiling information was extremely time-consuming, and GL loads took as long as 40 minutes. In addition, as VITAS added more and more data, with mounting levels of detail, the multi-spreadsheet and multi-workbook approach became too unwieldy and inflexible.

That alone would have been motivation enough to search for a better solution. But the company was also unable to do in-depth analysis, the financial team spent considerable amounts of time simply gathering and collating operational and financial data, and management could not access in a timely manner the information it needed for day-to-day or strategic decision-making.

Industry:

Healthcare

Geography:

United States

Information needs:

- More accurate information.
- More timely information.
- Faster, more frequent reporting.
- Ease of use.
- Scalability.

Solutions:

- IBM Cognos TM1
- IBM Cognos TM1 Web

Benefits:

- Can perform complex scenario planning.
- Helps manage operating costs.
- Gives executives easy, rapid access to detailed information.
- Contributes to better decision-making.
- Produces sophisticated reports.
- Is scalable.

Strategy followed

The VITAS financial planning department was a team of Excel power users. Management wanted to leverage this in-house skill set while giving analysts a more flexible and powerful tool. They knew a real-time analytics engine with an elegant Excel-like front end would enable them to analyze their data in ways that were not previously possible.

VITAS evaluated a number of analytics offerings and chose a solution from Cognos, an IBM company. “One of the things we liked about IBM Cognos TM1 was that it nearly eliminated any reliance on outside consultants—both in system deployment and management. We became the experts on our financial systems—not some outsourced group,” says Neil Golub, Director of Planning and Analysis, VITAS.

VITAS implemented IBM Cognos TM1 as a corporate-wide solution. The system is used by 30 financial analysts and managers in different departments, and more than 100 VITAS executives see and work with reports generated from the system.

VITAS has also implemented an executive dashboard that is based on IBM Cognos TM1 Web, the real-time Web interface of IBM Cognos TM1. This too is a corporate-wide solution, with 36 offices in 12 states now using the dashboard.

Benefits realized

New markets

Over the years, VITAS has entered underserved markets—ones the competition avoids because they view them as unprofitable—and made them profitable. VITAS moves into those markets, backed by the strategic analysis and planning necessary to both meet patients’ needs and make good business decisions.

VITAS uses IBM Cognos TM1 for this analysis and planning, modeling data that affect profitability such as trend data for the potential location, regional government reimbursement rates, and local labor costs. Using IBM Cognos TM1, the VITAS financial planners pull together in 10 minutes detailed information it used to take them an entire day to assemble.

This information allows planners and VITAS management to quickly determine how long it will take a new market to become profitable. They can then determine how to capitalize the new market and how entering a new market will affect corporate cash flow. This approach to managed growth has enabled VITAS to grow its services without growing its financial planning department.

Payroll analysis

IBM Cognos TM1 has also helped VITAS with its extremely complex payroll analysis. The company

employs more than 7,000 professional caregivers, from nurses and physicians to social workers and chaplains. Because it provides services in a variety of settings—including patients’ homes, long-term-care and assisted-living facilities, and in-patient units—travel time, mileage rates, and overtime must all be accounted for.

For its weekly payroll cycle, VITAS now uses IBM Cognos TM1 to extract bottom-line data, spot trends, react quickly, and adjust staffing as needed.

Being able to analyze payroll so frequently means that VITAS can quickly determine patient-staff ratios and redeploy people as needed. This is especially important at a time when healthcare providers like VITAS are affected by nursing shortages. Before using IBM Cognos TM1, VITAS simply could not do such sophisticated analysis. Now, within three days of the close of a payroll cycle, VITAS has the information it needs to make the changes required to maintain VITAS’s exceptional level of care and stay profitable at the same time.

Drug costs

IBM Cognos TM1 has also helped VITAS manage its drug costs by giving the company insights into drug usage and drug expenditures. VITAS stores all drug information in a proprietary database and exports this information to IBM Cognos TM1. The Cognos analytical system then gives VITAS management the information it needs to align decisions with the corporate savings strategy. For example, management receives information it can use to renegotiate contracts with pharmacies, such as the usage of generic versus brand-name drugs.

Ease of use

VITAS also relies on IBM Cognos TM1 for many aspects of operations—from budgeting and forecasting to roll-up analysis, monthly reports, and what-if scenarios. As a result of using Excel as the front end for IBM Cognos TM1, both executives and financial analysts are able to access the information, automatically make changes throughout linked data, and drill down to details.

The entire system looks and acts like a spreadsheet, but it has a flexibility and depth impossible with only a spreadsheet. This feature makes it possible for managers to quickly analyze their data without relying on the finance department. “We have found IBM Cognos TM1 adapts to the way our management works. Some of the

management team members don't even know they are working with Excel. IBM Cognos TM1 can hide the Excel functions from non-Excel users," says Golub.

Golub continues, "Often senior managers need new reports on trends or other information on which we have not reported previously. In the past, a new request like this would require a programmer to hard-code a solution. With IBM Cognos TM1, managers can create their own reports without help from the IT department—ultimately giving the managers more power in a timely manner."

Decision-making

By reducing the hours spent gathering and sorting operational and financial information, VITAS now has time to analyze what the data truly mean to its business. With up-to-date information at their fingertips, executives can immediately identify trends or anomalies and quickly make adjustments.

Sophisticated presentations

Whether the audience is internal or external, the graphic capabilities of IBM Cognos TM1 make it easy to present timely information. For example, VITAS's executive team can view a scoreboard with graphics that rank different aspects of each location's performance against a standard.

The front end of IBM Cognos TM1 is so flexible that Celia Spitz, the Vice President of Planning and Analysis, can create quarterly presentations for the Board of Directors in Microsoft PowerPoint, with live links back to Excel and IBM Cognos TM1. IBM Cognos TM1 reduces by two-thirds the time it takes to compile information and input it into a presentation, saving many hours each month.

The benefits of being able to present information very quickly in an easy-to-understand format cannot be overstated. "We use TM1-generated information in our presentations to our bankers and regulatory agencies. Our bankers are in awe of our reports and how quickly we can generate them," comments Spitz.

ROI

Since VITAS first started with IBM Cognos TM1, the company has grown by 120%. Even with the significant increase in financial data that has accompanied this growth, "we've never hit a wall with TM1," Golub points out. He adds, "In years of working with IBM Cognos TM1, VITAS has never seen a need to do an ROI study—the benefits are that obvious. The justification for the investment is completely apparent."

“With Cognos ReportNet and Creative Computing, we were able to replace an IT intensive reporting infrastructure with a true self-service environment. With the efficiency of the new platform and the inherent cost benefits, we can better respond to customers, healthcare providers and government agencies.”

Ray Sessler, Chief Operating Officer, Neighborhood Health Plan of Rhode Island

Neighborhood Health Plan of Rhode Island (NHPRI) provides comprehensive, managed healthcare services through a network of hospitals, primary care, and specialist physicians in clinic, group, and private practice. Driven by its mission to serve the uninsured and underinsured, NHPRI continues to concentrate its efforts on the RIte Care program, the State of Rhode Island’s managed Medicaid initiative. It is a non-profit organization that currently employs 175 people.

In healthcare today, organizations must maximize every resource, monitor every cost, and create new efficiencies at every step. With systems integrator Creative Computing and Cognos, NHPRI did just that. The organization has implemented a platform to help them make better, more consistent business decisions—resulting in reduced costs and enhanced operating performance.

Challenges faced

At NHPRI, executives had significant concerns about their corporate data management practices—namely that data was collected in silos. Decision-making was done in isolation using different data sets, and this resulted in inconsistencies and errors. Questionable corporate data translated into lack of confidence in the organization’s decisions, reports, and analysis. A new approach was clearly needed.

So NHPRI made a strategic decision to reinvent the way data is captured, stored, shared, reported on, and analyzed. Their new long-term business objective: create a data-driven organization that makes decisions based on a single version of the truth, and drive it uniformly across the enterprise.

Industry:

- Healthcare

Geography:

- State of Rhode Island

Information Needs:

- Eliminate data inconsistencies and errors.
- Create a single source of corporate information.
- Reduce reporting backlog in IT.
- Save time and resources.

Platform:

- Microsoft SQL
- UNIX
- Windows 2000
- Great Plains financial software

Solution:

- Cognos ReportNet
- Cognos PowerPlay
- Cognos Impromptu Web Reports

Partner:

- Creative Computing, Inc

Users:

- 70+

Benefits:

- Consistent, single source of information.
- Reduced IT intervention for reporting.
- Fast, accurate reporting and analysis.
- Reports are run four to ten times faster.

As well, because it is a Medicaid-based health program, NHPRI is required to regularly submit hardcopy reports to the state on a monthly, quarterly, and yearly basis. Employees who needed a report simply sent a request to the IT department. But due to the backlog, the department could not deliver reports in a timely manner. They



© 2006 JupiterImages Corporation

needed to implement a solution that would enable users to do their own report creation, freeing up IT resources for other projects.

Strategy followed

The first step was to consolidate all the organization's data into a single data warehouse using a new SQL system. They then had to decide which tools to use for analysis and reporting. A single BI solution would enable a uniform methodology for retrieving, aggregating, and accessing data for all users.

NHPRI had a small Cognos PowerPlay deployment already in use, and Cognos ReportNet seemed a logical choice for their reporting environment. Leveraging their existing implementation, they re-started the Cognos deployment from scratch. This way, they could build an enterprise-wide data warehouse implementation through a central, strategic rollout process.

NHPRI also spent considerable time evaluating which reporting product would best integrate with SQL and their proprietary and transactional systems. The strategic partnership between Microsoft and Cognos, the many Microsoft certifications Cognos holds, and a track record of hundreds of successful Microsoft implementations made NHPRI confident that Cognos software would fit the bill.

The Power of Partnership

NHPRI selected Creative Computing, a Cognos business partner, to take them through the process. The company's role included understanding and outlining the business requirements of the project. They were also responsible for building the first Framework Manager model, implementing Cognos ReportNet, and training over 60 users and 12 IT staff members.

"The combination of Creative Computing's expertise and the ease of use of Cognos software were the key factors in our success," says Mike Pitcairn, Vice President of Services, Creative Computing. "With Cognos, we are helping customers better manage business cycles and realize faster and higher return on investment. For these reasons we are always pleased to bring our customers next-generation business intelligence solutions from Cognos."

Benefits realized

With Cognos, NHPRI has created a cost-effective BI platform that delivers faster information, better analysis, and improved decision-making across the organization. Users can now access data directly, without the need for IT. Additional information is also readily available—such as medical claims and behavioral health claims. Most importantly, they are accessing consistent data and working with the same version of the truth.

Staff at any level can analyze data on a routine basis, without involving higher-level personnel. This allows NHPRI to better use their resources. What's more, reports are run four to ten times faster, giving users almost instant access to critical information—most queries take less than 30 seconds. The organization can also respond to inquiries from regulatory agencies with concrete data and solid analyses.

"With Cognos ReportNet and Creative Computing, we were able to replace an IT intensive reporting infrastructure with a true self-service environment. With the efficiency of the new platform and the inherent cost benefits, we can better respond to customers, healthcare providers and government agencies," says Ray Sessler, Chief Operating Officer, NHPRI.

The Cognos implementation is showing results across many departments. For example, it used to take a claims processor two hours to generate daily operation reports. With Cognos, the same reports are automatically generated via the scheduler. The Claims department also uses ReportNet to generate weekly reports and monthly statistics to monitor its operations. This has helped NHPRI to monitor its performance against contractual and regulatory guidelines.

Meanwhile, Finance has built a series of reports to monitor trends and identify significant variances from pay cycle to pay cycle. This new capability enables NHPRI to better monitor its overall financials—and the activity takes three hours instead of three days.

NHPRI also has better tools to manage the development and monitoring of its Medical Expense budget. Development time has been shortened by two weeks, allowing more time to analyze and determine drivers. Monitoring time has been reduced by three days per month. And tasks that used to take weeks now take days.

Marketing can perform analysis on membership trends as never before. In the past, the department relied on Information Services to obtain member lists for their metrics. This data is now available for self-service reporting and analysis.

Finally, Cognos allows the Analysis department to prepare standard, recurring reports for other departments. This way, the department performs fewer recurring tasks and provides the requesting department with instant access to information.

“The ReportNet implementation began as a reporting solution,” says Sin Mei Ko, Director of Claims, IS, and Facilities at NHPRI. “But it has become an important analytical tool that has helped NHPRI to make critical business decisions, respond to proposals, manage our operations, and oversee our financials.”

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in [business intelligence](#) and [performance management](#) solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in January 2008. For more information, visit <http://www.ibm.com/software/data/> and <http://www.cognos.com>.

COVER IMAGE: © 2008 JupiterImages Corporation

(06/08)

Copyright © 2008 Cognos, an IBM company.

WWW.COGNOS.COM

COGNOS[®]
AN IBM[®] COMPANY