



## highlights

Reduced time in costing process by over 85%

Identified \$1.5 million annual savings opportunities

Turned \$12 million loss into \$13 million gain using more accurate data and what-if analysis

To learn more about making the switch to a more advanced decision support and cost accounting platform, visit [stratadecision.com](http://stratadecision.com)

## impact story

# Switch to StrataJazz® Platform Helps Automate Processes and Identify Opportunities for Savings

### problem

#### Outdated Systems Weigh Down Hospitals

Healthcare providers are discovering their outdated decision support and cost accounting applications are impeding their ability to understand and act on the cost of care. For this small health system, their antiquated decision support tool required more than a full working week for audits, results and to rerun costing, which alone took a full day. They felt restricted by this older system and its disparate planning and decision support functions, which only allowed simplistic overhead and activity-level allocation methods. The amount of work and processing time required to produce directional cost data did not meet industry requirements.

### play

#### Advance Your Cost Accounting Methods

After dropping their legacy system and switching to StrataJazz, this organization experienced a “night and day difference,” said their Decision Support Manager. Instead of spending a full week on the costing process, analysts now complete the full process in less than a day. They gained flexibility with more advanced and automated costing options, such as Time-Driven Costing, acquisition costing for supplies and drugs, 340B costing, automated activity-based costing and physician compensation modeling. With these precise methods, the team has identified more patient-level variation and gained better engagement from clinicians. Today, their automated costing process allows for a more comprehensive view of cost and more informed decisions with significant impact.

### impact

### Realize Significant Savings with a Platform

With more accurate and actionable cost data via StrataJazz, this organization identified over \$1.5 million in cost savings and over \$20 million in revenue opportunities. In the area of supplies, they replaced high-cost IV catheters with less expensive options that had the same quality outcomes for annual savings of \$450,000. They partnered with clinical leaders to form value analysis teams (VATs) and identified additional savings opportunities of over \$400,000.

The team used advanced methodologies to simplify their costing process from a full week to just one day. They cut time spent on maintenance by 85 percent and can now execute requests much faster and more easily, saving the organization over \$83,000 each year in repurposed staff time.

The team now spends more time driving revenue through data-driven contract renegotiations. When one payer pitched them a “net neutral” contract, they leveraged Strata’s what-if contract analytics and found the new contract would net a \$12 million loss. Running net revenue scenarios and layering cost data, they developed a counterproposal with more optimal terms that led to a \$13 million gain.

Faster, more accurate costing also enabled this organization to run a more efficient, accurate budget. For example, they now use Strata to extrapolate certain patient populations (such as COVID-19 patients) and exclude them from the service line volume build for a more accurate budget. Their integrated costing and planning platform has made budgeting “easier each year than the year before,” said the Financial Planning Manager.