

The global healthcare industry is at a crisis point, with healthcare organizations facing escalating costs, inconsistent quality, a critical shortage of skilled workers, and an increasing demand for services. All of which are causing both providers and payers of care to look for innovative ways to increase operating margins, reduce costs, improve quality and safety, while increasing access to care. Healthcare organizations, both providers and payers, must understand their operations today in a much more clear business perspective.

Today's crisis in the industry provides both the framework and the justification for healthcare organizations to adopt business intelligence solutions and performance management capabilities to identify and effect cost efficiencies across operations, while providing actionable information for improving clinical quality and supporting care transformation.

This video will briefly review how healthcare institutions can leverage performance management capabilities to reduce costs, improve care quality and promote access and transparency--while driving toward sustainable and profitable growth for the organization. And we'll also discuss why IBM Cognos software is the performance management partner of choice in the healthcare industry.

The world's healthcare system is changing, and these changes are directly impacting all stakeholders, including health plans, individuals / consumers, and Care Delivery Organizations.

Care Delivery Organizations will need to develop new and underlying competencies to flourish in the healthcare industry of the future.

Healthcare organizations must organize, analyze and assimilate information from numerous and varied sources, in short, they must turn data into information, and leverage business intelligence tools to support their business.

This is where the performance management capabilities of IBM Cognos software can support healthcare organizations.

Given the current industry crisis in spending, individual health systems, physician providers, and payers all need information to understand their current performance. They must be able to understand their business to the extent that they can identify core competencies, exploit competitive positions, promote productivity, and constantly improve, measure, and monitor quality.

Our focus is on addressing these four main drivers, which are leading healthcare organizations world-wide to adopt the disciplines of performance management.

How does IBM Cognos software help with improving the performance of an organization? As you know, there are many different factors that affect performance. But one factor stands out as the most critical – and the most fluid. That critical factor is the

decision-making that happens at every level, in every function, in every region of your organization.

Every one of those decisions is based on the information people have on hand.

That information is created from data that is produced and stored throughout the organization. When that data is grouped, categorized and designed into information that business users can access, your organization can make better and more informed decisions.

When decision makers are looking to find answers, they ask questions in three fundamental areas:

How are we doing? – and where are we right now?

Why? – and how did we get here?

And most importantly they ask: What should we be doing? Where are we going?

To answer how are we doing, decision makers have to be able to *measure and monitor* the business.

To dig down and determine *Why* --- you need Reporting and Analysis capabilities. This gives you the ability to look at historic data and understand trends. You can also investigate anomalies and better understand how you got to where you are.

Planning is the link between the two. Planning takes the understanding of what's going on and sets a forward-looking view of the business, which you measure and monitor against actual performance. Planning answers the question: What should we be doing?

Measuring and Monitoring. Reporting and Analysis. Planning. These are the three fundamental capabilities that *in combination* make it possible for healthcare organizations to optimize performance.

Now let's take a quick look at the IBM Cognos Performance Management Framework in action. IBM Cognos software allows healthcare organizations to create customized scorecards that allow you to easily measure performance. Scorecards help you understand "how are we doing." In this example, patient satisfaction is off target.

The next step is to dig down and determine why the situation is what it is. Decision makers need the ability to report and analyze the operations so they understand the history, context and trends. When we drill through to a report from the scorecard, we drill through in context so can understand performance impacts.

When you now know what is causing the issue, the next logical question is "What should we do about it?" In this example we drill through directly to the admissions staffing plan. We know that staffing levels have a direct effect on patient satisfaction, especially during the first experience of the hospital stay. From here we can plan to reallocate and adjust staffing to reduce the load in admissions. And, of course, we will continue to utilize our

scorecards and dashboards to monitor and measure our future performance to ensure that the revised activity has the desired impact on performance.

This sample dashboard shows a variety of metrics and core measures, including operational metrics and quality metrics. You can also receive ongoing alerts that can focus management attention on key measures.

For example, let's take a look at the days cash on hand metric. By simply mousing over the metric, we are presented with the past quarter's performance and the trending of this metric.

If we click on it, we can actually see the prior trends, targets, variances and projections of the cash reserves.

Financial managers can swiftly respond to changing conditions through a simple mouse click. They can respond to queries from executives and provide them with the information they need to make informed decisions.

Let's return to the main dashboard and see how IBM Cognos Performance Management capabilities can help you exploit your own core competencies and plan for growth.

In this next example, a hospital is monitoring the satisfaction of referring physicians--the lifeblood of a hospital's performance. The dashboard allows users to track physician metrics, performance, referrals and their satisfaction with the hospital's services.

We can now drill down to the impact diagram where we can see the different components that we have defined in measuring our physician satisfaction performance.

We see that the operating room scheduling process is above target, but so are physician complaints. For operational managers, this ability to combine information--to see a single view--allows them to react faster. Management can remedy this situation before the trend becomes a serious satisfaction issue that impacts hospital performance.

IBM Cognos performance planning and BI software are the perfect toolset for engaging the entire organization, providing comparative metrics and supporting collaborative initiatives.

For healthcare organizations to compete successfully requires constant monitoring and measuring of the combination of operational, administrative and financial metrics.

IBM Cognos software provides an integrated, driver-based system that allows healthcare organizations to migrate away from isolated departmental systems and aging decision support systems. You can gain an enterprise view of information to manage resources wisely, support departmental and quality initiatives, align operations to strategic goals, and instill accountability across the organization.

IBM Cognos software delivers a Performance Management System that can meet the needs of all users across the organization.

IBM Cognos software delivers the full range of capabilities departmental users need to monitor their operations, make better decisions and plan for better operational outcomes.

We offer applications and blueprints based on proven practices to accelerate the success and deployment of our healthcare BI and performance management solutions.

What IBM Cognos software provides in performance management allows healthcare organizations to convert from fragmented, first generation processes to rich, purpose-built systems. We help you to replace manual spreadsheets and archaic processes so you can move to a collaborative, integrated approach to meet all your financial and operational reporting needs.

So what differentiates IBM Cognos software?

IBM Cognos software offers a complete Performance Management System that can meet the needs of operational and clinical users across the continuum of care. Founded on a purpose-built SOA Platform that is open and fits complex environments, our system allows healthcare organizations to leverage existing investments in transactional systems, data sources, application servers, security systems and portals so healthcare organizations can allow users to make more informed decisions.

From reporting to external stakeholders, to analyzing and optimizing performance, to the planning, forecasting, management, and control of enterprise resources, IBM Cognos software capabilities can help you move from a reactive position, to a pro-active position.

We deliver the full range of capabilities that both executive level and departmental users need to monitor operations, make better decisions and plan for better outcomes.

For more information, visit us on the web at: www.ibm.com/cognos/healthcare.

Thank you.