

PowerCosting

Manage the true cost of care with scalable and maintainable activity-based costing

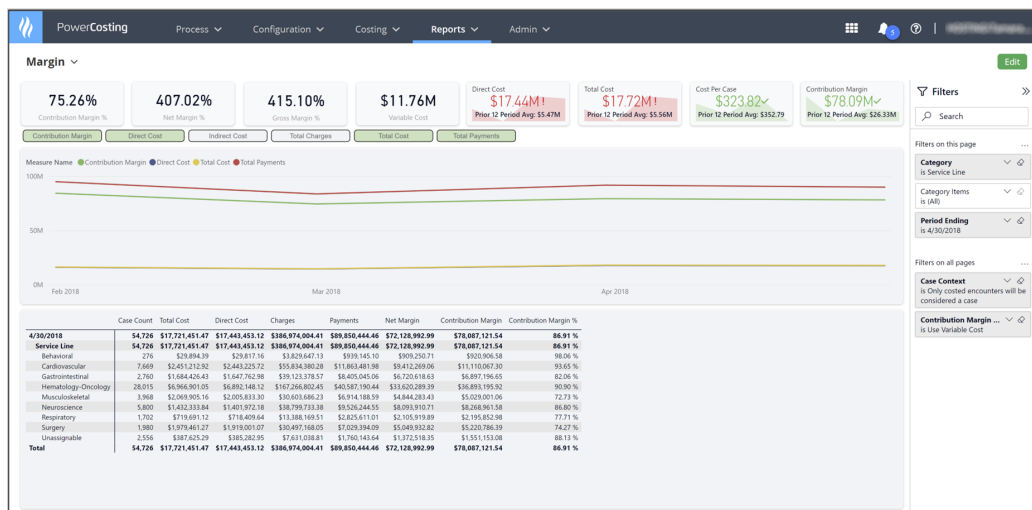


Type: Software Application

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The **PowerCosting™** application leverages the DOS platform and activity-based costing to deliver accurate and actionable data. PowerCosting helps users manage the true cost of care across the continuum.



PowerCosting makes it easy to 1) Run costing cycles and review periods. 2) Configure costing (GL, cost models, categories). 3) Perform costing-related tasks (allocations, data quality, etc.). 4) Trend, compare, and validate costs using reports.

The problem

With leaner margins and fewer resources, healthcare organizations can't adequately manage costs with traditional costing approaches that rely solely on RVUs. In the new reimbursement landscape, leaders need costing systems and data that can answer targeted questions and generate actionable insight.

Our approach

Based on more granular data from EMR, claims, payroll, and other systems, PowerCosting uses activities—not just RVUs—to deliver an accurate, comprehensive view of all your costs. PowerCosting provides a streamlined interface that guides your cost accountants through the costing and validation process.

The reports available in PowerCosting serve up the timely, actionable knowledge critical to improving outcomes today and sustaining the organization over the long term. These reports deliver an understanding of the true cost of the services healthcare systems provide, aggregating data from multiple source systems to reveal costs—and improvement opportunities—across the continuum by procedure, provider, and patient.

Intended Users

- Cost accountants
- Department managers
- Service-line leaders
- Clinical and financial analysts
- Chief Financial Officer (CFO)

Potential data sources

- EMR - Clinical
- Finance/Costing
- HR/ERP
- General ledger (GL)
- Billing system data
- Supply chain sources (optional)
- Department-specific sources (optional)

Key measures

- Cost-per-case
- Margin per case
- Cost per patient activity
- OR utilization rate
- Variation in productivity
- Use of preferred supplies or medications
- OR turnaround time

Benefits and features

- **Faster, more streamlined processes save time and reduce errors** – The PowerCosting interface guides the finance team through the costing process—including validation—to save time and reduce errors.
- **Transparency into your costs** – Integrated and aggregated data from EMR, clinical, financial (claims, GL, payroll, supply chain, etc.), patient satisfaction, operation, and other sources help you identify actionable insights into the real drivers of cost variation.
- **Costing data shared with the masses** – With costing data readily available, analysts can more quickly respond to financial questions and problems reported by the organization and leadership.
- **Trend, compare, and validate your costs** – Embedded reports let you view trending charges, payments, and other data points; compare costs between service lines, specialties, etc.; and validate your costing to ensure accuracy.
- **Full access to your data for custom reporting** – Create highly tailored reports to answer specific business questions.

Use cases

- **The cost accounting team** has been asked to generate cost data for a new facility after acquiring a new hospital. The team configures and validates the data for the new hospital and runs an analysis to have this facility included in the costing process. This gives the health system early and actionable insights into the operations of their acquisition for better decision making. Based on information in the system, **an analyst** notices that a new Operating Room had significantly more data quality overrides for long-running cases compared to other ORs already configured in PowerCosting for a typical month. The cost accounting team follows up with the department manager about the organizational best practice for entering wheels-out time in the EMR at the end of the case. Using data quality reports, they can track the decreasing number of overrides over a few short months and monitor each month going forward.
- **An analyst** needs to identify the average cost for coronary artery bypass surgeries to help identify procedure profitability as part of contract negotiation with Blue Cross. Using the Cost Margin Report, the analyst determines the cost by patient payment method—uninsured, private insurance, Medicare, etc.—for that procedure and provides that data to the contracting team.
- **A cost accounting team member** is completing his month-end cycle run and closing. On the previous system, he spent days validating his data, was never confident in the data, and found many issues. With PowerCosting, he uses validation reports to quickly determine if the numbers in the costing system align with the general ledger—and does so with more confidence because PowerCosting uses actionable and detailed information about each cost center, not charge codes. He can also validate at multiple grains, from business unit down to account and even patient.
- **An operating room (OR) director** wants to assess supply and drug costs in the OR and compare it to per-patient cost for patients having a joint replacement. She uses the reports in PowerCosting to drill down to the department and joint replacement patients. She notes points of variation in time and resource costs between providers and proposes an outcomes improvement initiative to identify root causes and reduce cost variation.

Associated services

- Cost Transformation Consulting

Success stories

For examples of how customers have used Health Catalyst products and services to improve outcomes, see our [success stories at healthcatalyst.com](https://healthcatalyst.com)

Contact us

For more information on how Health Catalyst products and services can help your organization, please contact us:

- Reach out to your sales representative
- Call us at (855) 309-6800
- Email us at info@healthcatalyst.com

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