



Newton-Wellesley Saved More Than \$5 Million With ActionOI

In the current healthcare environment where rising operating costs are colliding with declining reimbursement, the challenge has been to preserve safe, high-quality patient care while sustaining a lean and cost-effective operation. Striving to meet organizational strategic goals in such an uncertain and ever-changing environment often poses a challenge for hospital leadership because of the inevitable competing priorities. Newton-Wellesley Hospital's challenge was to find a data-based strategy to guide the decision-making process for balancing the priorities of patient-centered care, service excellence, cost efficiency, performance improvement, and innovation.

HIGHLIGHTS

Location:
Newton, MA

Scope and Services:
Newton-Wellesley is a comprehensive, 270-bed medical center with a full range of medical, surgical, and specialty programs and services, as well as intensive care, coronary care, pediatrics, obstetrics, psychiatric services, and urgent care. The hospital has a 24-hour emergency department and dedicated inpatient units with staff members who are experts in their fields.

Solution:
ActionOI® Operational Performance Improvement Solution

2013 TRUVEN HEALTH ANALYTICS
Advantage Award

Course of Action

The Newton-Wellesley team was interested in determining whether efforts to become a highly lean and cost-effective operation would negatively impact internal service operations and patient satisfaction. To find out, the team used a balanced approach and a combined dashboard to simultaneously analyze the data from Truven Health ActionOI® and two other performance evaluation tools that measure patient satisfaction and internal service operations.

Historically, these three tools were independently managed and often produced improvement recommendations that contradicted each other. To connect the tools, the team established directional relationships between them using the “balanced approach” to performance improvement that was conceptually based on the service-profit chain developed by researchers at Harvard University. The service-profit chain establishes relational links between an organization's operating strategy, service delivery system, external service quality, and profitability.

While the relationship between the internal service operations and patient satisfaction tools was evident, the team was unclear about the relationship between ActionOI and these two tools. Typically, ActionOI is used to identify areas of greatest opportunity to direct cost-saving or performance-efficiency efforts. The missing component was an in-depth analysis of performance using key indicators from the three tools in conjunction with one another. Evolving from Newton-Wellesley's case study program, the organization created its own “balanced approach” expanding its use of ActionOI to include an analysis of the organization's own high-performing departments and the downstream effects on patient satisfaction, reimbursements, and maintained market share.

“ActionOI enables us to trend our own performance, which has been extremely important in tracking not only the opportunity and inefficiency, but also the productivity improvements and cost savings we have implemented over time.”

Kate Heffernan

ActionOI Program Coordinator
Newton-Wellesley Hospital

Additionally, the team at Newton-Wellesley continued to use ActionOI in its original role to identify areas of opportunity to achieve cost savings.

Results

Newton-Wellesley worked to incorporate the quantitative measurements garnered from the “balanced approach” into its ActionOI cost-savings initiatives. Numbers such as percent improvement and return on investment made the difference. Between FY08 and FY12, the case study program helped save the organization more than \$5 million. During the same period of time, inpatient satisfaction increased by 15 percent and internal service quality improved by 3.4 percent.

Aligning all of the organization’s strategic goals has been a win for this program and for the hospital’s management. Within the next year, Newton-Wellesley expects to recommend cost-saving strategies that will save another \$500,000 or more and enhance its internal service operations while simultaneously maintaining optimal patient satisfaction. Meeting these goals is what makes Newton-Wellesley a preferred place of care in its community.

In 2013, Newton-Wellesley Hospital was acknowledged for its accomplishments in the pursuit of excellence in Operational and Financial Performance with a Truven Health Advantage Award in Performance Efficiency. The Healthcare Advantage Award was established in 2005 to honor and recognize customers who have used solutions and tools from Truven Health Analytics™ to achieve outstanding success at their organizations.

FOR MORE INFORMATION

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