SCOTTSDALE INSTITUTE

INFORMATION EDGE

Scottsdale Institute: The Year Ahead

Executive Summary

The Scottsdale Institute (SI) mission is to assist our members and the industry in improving performance through information management. One of our founding principles is professional collaboration: the sharing of ideas, lessons learned, research and resources to solve the complex and emerging problems we face as healthcare executives. Our collaboratives address challenges for which the industry lacks well-documented solutions. As part of our mission to address leading-edge issues, we will communicate selected findings to the industry press, policy groups or other appropriate agencies. The collaborative approach provides the following benefits:

- An opportunity to learn from peers who face similar challenges and want to share analysis, planning and implementation processes
- An opportunity to reduce cost, avoid mistakes others have made and adopt fast-track solutions while using healthcare and non-healthcare market research about what works
- A focus on key issues on your agenda now: not nice-to-have projects or knowledge, but essential strategic and operational solutions

Interested members will meet to define each collaborative in more depth, defining specific areas of collaboration, objectives and outcomes of the effort. While we have identified the following potential collaborative topics, members may decide to pursue other topics they deem relevant as well:

- Clinical Trials
- Disease Management
- eHealth
- HIPAA
- Measuring IT Value
- Medical Errors
- Outsourcing
- Physician Integration

Collaboration may take the form of periodic working sessions, development of tools and methodologies, knowledge exchange, pilot projects, implementation programs and shared resources. Each study will be supported with industry research so that the working group will benefit from lessons learned in the marketplace. Time commitment, budget and staffing will be determined based on scope, expected deliverables and outcomes as defined by the collaborators. First Consulting Group will facilitate discussion to define scope and approach and may provide facilitation and research for the project as appropriate.

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1. Clinical Performance Improvement: Addressing the Medical Error Challenge

Clinical performance improvement is at the heart of healthcare delivery; improved outcomes and managed health mean lower cost, too. This collaborative will evaluate the many ways that information management and technology has improved clinical performance: automating protocols and pathways, point-of-care decision-support tools, alerts and reminders, patient information and education, and other proven solutions. Internet vendors and resources will be included as research topics.

The group will also review change-management processes and lessons learned. Industry research will supplement participants' own experiences; success stories will be documented. Members, as always, will be asked to contribute successes, lessons learned, and identify areas of weakness that this group could address. Collaborators will develop plans for enhancing existing programs, developing new approaches, engaging clinical leadership and documenting improved performance.

This critical issue, which has been in the headlines recently, lends itself to a multidisciplinary approach and presents another ideal opportunity for Scottsdale members to collaborate, develop and share best practices, and present results to the industry.

2. Clinical Trials: Evaluating the Business

Many of us conduct clinical trials and/or have physicians on staff actively participating as clinical trial investigators. Are we realizing our full potential in terms of revenues and margins? With 10 times the number of drugs in the clinical trial pipeline than there were just a few short years ago, the business opportunity to participate in this market is huge. Over $3 billion will flow from pharmaceutical and biotech companies to clinical trials research sites this year. Are you getting your fair share? Do you want to expand this business?

This collaborative will address the following questions:
- What will it cost?
- What new programs, processes, and services should you develop in order to be more attractive to the pharmaceutical companies?
- What are the governance, organizational, clinical and cultural challenges?

Would you find it valuable if ...

- We researched the industry for cases in which information technology investments have shown a documented return? Identified those individuals who would be willing to be contacted about what they did?

- We developed an IT cost comparative database so that you could Benchmark your IT costs and investments with others? Would you want to identify those organizations with best practices so that you could network with them?

We know that understanding IT costs and investments is on everyone's mind. Would you be interested in these services if we offered them?

- What level of participation, if any, makes sense for your organization?
- Where is the return?
- Can you use your existing data sources and call-center capacity to support patient recruitment for clinical trials?
- What new information technologies are helping to improve the data capture, documentation and reporting requirements for clinical trials?

Use this group to understand what is different about this business today, the current pharmaceutical industry requirements, successful programs in today's medical centers and how to assess your position and develop a business case for transforming clinical trials into a service line. With such an opportunity at hand, this group will help you evaluate the upsides and risks for your organization, and assist you in making conscious management decisions about your involvement.

Benefits from the Clinical Trials Collaborative may include:
- An assessment of your current activities, capabilities and fit within the context of your organization, mission and market
- Analysis of the optimal level of participation for your organization
- Development of the business case, including costs, financial and clinical benefits, and intangible returns

3. Disease Management - Planning and Designing a Disease Management Program

Disease management involves systematically identifying patients with chronic conditions and then instituting programs to proactively manage those conditions. The result: improved quality of care and reduced costs. Collaborative participants will develop a business case for investing in disease-management programs, identifying total costs and quantifiable benefits that accompany an investment of time and resources. Participants will identify objectives for their organization's disease-management program, the diseases that need improved management and metrics to be used—care patterns, use of pathways or protocols, outcomes and modifiable health habits. They will also establish a cost-and-performance baseline and a resource plan for each program.

While resulting plans will be tailored to particular organizations, sharing of ideas and industry research will help validate and speed the process. Members will develop the final economic model, identify internal owners accountable for each program component and develop their business-case presentation.

Benefits from the Disease Management Collaborative may include:
- An individualized business case for investing time and resources in disease management
- An understanding of what works in terms of information-management tools and operational techniques
- A baseline measurement for the program and a plan for monitoring patient outcomes and program results

4. Disease Management - Measuring the Effectiveness: A Post Implementation Review

If your organization has an active disease-management program, this working group will assess that program's effectiveness in reducing costs and improving the quality of care. Participants will compare disease management approaches, tools used and lessons learned. Common metrics will be identified and applied to each member program. Industry research will augment pooled member information. Also reviewed: information management and technology solutions, governance, change-management strategies and the corresponding costs of each.

Benefits from the Disease Management Post-Implementation Review Collaborative may include:
- Operational, clinical and information management solutions
- Enhanced outcomes and cost reduction

5. eHealth

eHealth, the convergence of e-commerce and healthcare, is here now. Planning to reduce costs and improve quality and customer service at all levels is an opportunity for each of us as we leverage Internet and intranet connectivity, technologies and information. Beginning with marketing, evolving through transactions, and ultimately developing new business processes, we are all on the path to eHealth.

This topic could quickly evolve into three working groups: those who are interested in market share and consumer/customer intimacy, others who are focusing on significant cost reduction for existing processes, and still others who want to radically redesign critical processes. As with all the topics, interested members will design the study.

Assess your organization's current stage of activity in this new space, and its plans and priorities against market trends and capabilities. Share experiences with other members of this working group and take advantage of current leading practices and case studies from other healthcare delivery systems. Work in conjunction with other members as well as your own management team to develop an eHealth game plan that is right for you.

The group will start with an in-depth workshop and challenge session that will help you organize your thinking and provide an excellent understanding of how consumerism is changing healthcare in this country. We will then develop a common approach for moving forward: assessing your current activities, envisioning future results and developing a realistic plan.

Benefits from the eHealth Collaborative may include:
- Conducting an assessment and action plan for your organization
- Creating the case for change, incorporating current trends in consumerism

Continued

- Evaluating your risk tolerance, as well as lessons learned within the industry, to keep your approach practical and doable
- Developing tools to lead your organization through this change process
- Creating a high level plan for the foreseeable future

6. Measuring Value in IT

How to justify capital expenditures for IT is a common issue for most healthcare organizations. This collaborative will provide participants with ways to evaluate strategic IT investments, especially when those investments do not show a traditional ROI.

The collaborative will identify new methodologies that help screen and prioritize IT projects and help build business cases for projects that can show documented value. Operational metrics are key to the success of these new approaches, so participants will define operational results—for example, physician productivity, patient satisfaction, reduced adverse drug events —while working with their own organizations during the collaborative. A key objective: a "balanced scorecard" or "dashboard" for measuring and managing IT effectiveness.

Benefits from the Measuring Value in IT Collaborative may include:
- A new understanding for your organization of the operational, business and clinical benefits from IT investments
- Maximized value of IT expenditures/investments by establishing ownership of business and clinical results
- Alignment of IT with business objectives
- Avoidance of low-value or unnecessary IT investments

7. Outsourcing IT

If your organization has considered outsourcing IT functions to reduce risk, improve service or predict future costs, this working group will help develop your strategy and criteria for making an outsourcing decision. The objective: to apply business decision-making tools to your specific situation, starting with proven tools for analysis.

The following are a few questions the group may address:
- When and for what reasons do we outsource?
- What are the lessons learned and metrics (best practices) from other departments/functions within the healthcare environment?
- When and where can we learn from non-healthcare businesses that have successfully outsourced IT? How do we go about assessing the business opportunity and what are the key metrics for this assessment?
- How can we successfully implement Service Level Agreements?
- How do we manage through all of the people issues, migrating benefit plans and incentives, as well as move toward flex staffing and service center concepts?

Reminder:

Member-driven Surveys
SI conducts surveys of the membership at your request. Please contact Cynthia Pratt **612/545-5880** or Shelli Williamson **312/706-0200** with topics of interest to your organization.

Participants will share lessons learned within their organizations and challenge each other regarding business priorities and projected benefits. Research supporting the approaches and case studies will be incorporated as part of the process. Use this working group to validate your assumptions and answer your questions about this timely topic!

> Benefits from the IT Outsourcing Collaborative may include:
> - Effective assessment of the viability of comprehensive or partial IT outsourcing for your organization
> - Maximized value of existing or pending outsourcing arrangements

8. Physician/Hospital Information Integration

Physician participation and leadership are critical success factors in healthcare governance and management, clinical quality and customer satisfaction. This collaborative will explore how IDNs have successfully involved physicians in cost reduction, business operations and clinical management through the use of information management solutions.

Participants will target specific applications and technologies that help achieve information integration, learning from each other what has worked and what has not. Specifically, Web-based solutions will be scrutinized for their effectiveness in achieving cost-effective information integration. Current industry research of leading practices, metrics and incentives will augment the work of the collaborators. Participants will take away programs that can be implemented and points of contact for ongoing "mentorship" during implementation. Collaborators, we suspect, will want to bring physicians to the table and encourage them to become part of the working group.

> Benefits from the Physician/Hospital Integration Collaborative may include:
> - Identification of programs and structures that work and marginal programs to be avoided
> - An understanding of the realities, opportunities and risks regarding Web solutions
> - Development and refinement of specific tactical plans

9. Security, Confidentiality and Privacy:
Compliance with HIPAA Requirements

Collaborative participants will learn the details and implications of HIPAA's evolving standards and how to comply with them. We will review and apply practical tools for assessment and implementation. Collaborative participants will perform high-level self-assessments to determine their own organization's compliance level, sharing that information—including gaps in compliance—to ensure no area has been overlooked. We will also explore how the role of the Compliance/Security

Officer can be effective. Finally, the group will create plans, unique to each member, for meeting the new requirements.

> Benefits from the Security, Confidentiality and Privacy Collaborative may include:
> - Approaching this initiative with a group of peers; collaboration could occur long after this formal collaborative is completed
> - Organizing for the long term, and developing a communication/education plan for your organization
> - Gaining commitment for the optimal resources required for compliance

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If you are interested in learning more or in participating in one or more of these studies, please contact Shelli Williamson, **312.706.0200** or **888.294.8804** or by email: **swilliamson@fcg.com**.

Yes, the registration materials for our

Annual
Membership Conference
April 13-15, 2000

have been mailed out to everyone.

Send your registration in today!

For further information, call the

SI Membership Services Office at 612/545-5880 or

send an e-mail to Cynthia at cpratt@fcgnet.com