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4 ways to track and manage costs during a crisis

Provide excellent healthcare and revenue management no matter what

Hospitals and health systems not only face pressure to offer the best possible patient care but are feeling the economic pinch as costs continue to rise as we settle into a "new more complex normal." Health systems already challenged with narrow margins are now confronted with revenue losses caused by cancelled or postponed elective procedures as various departments temporarily shut down. While most organizations have resumed elective procedures, some face temporary closures when surges in COVID-19 occur. Consider the monetary loss of the projected deficit of **$5 billion** during a two-month shut down earlier this year for knee and hip replacements alone.[1]

This guide will present four ways to help healthcare leaders track and manage costs during and after a crisis.

1. Monitor and predict supply usage

As health systems quickly learned while the pandemic unfolded—being able to pinpoint critical supply use can help mitigate shortages. Embedding cost and accounting software with capacity modeling for insightful, timely decision-making can help your healthcare organization better analyze and predict where supply shortages may occur and develop a plan to cover your bases before supplies run out. Managed integrations help deliver critically needed information into the hands of decision-makers, and what would normally take weeks or months with manual systems can now be done in near real-time with executive dashboards that help predict outcomes, and give your organization a proactive vs. reactive approach to supply utilization. Plus, managed integrations are handled by the vendor—meaning that the hospital or health system does not need to have additional team members maintain them.

2. Improve operations with automation

Most organizations have been working toward improving financial operations wherever possible. During the pandemic, the need to consolidate and report on numbers with speed to support decision-making is urgent, and if your data is being collected manually from different systems, such as billing and electronic health records, you should **consider intelligent process automation** wherever possible. Intelligent process automation can perform repetitive tasks such as taking over the purchase requisition approval process or sending files between IT systems. Formulating an intelligent process automation strategy can also help examine areas such as individual task duration against benchmarks for similar roles within the same types of organizations. This can help holistically improve the overall care that is delivered, streamline tasks, and save money.

3. Monetize and manage clinician burnout

Recently, a **New England Journal of Medicine** opinion piece cited a dual challenge of COVID-19:[2]

1. Battling the pandemic itself
2. Preventing harm to clinicians' well-being—both emotional and physical

In addition to tracking revenue, finance teams also need to monetize the cost of clinician burnout. According to a report from **Nursing Solutions, Inc.**, the average cost of nursing turnover per hospital is $3.6-$6.1 million per year.[3] Creating awareness and delivering analytics to HR teams helps make decisions about developing programs to reduce burnout, alerts them to flight-risk indicators, and offers recommendation for all healthcare team members' specific roles.

4. Get your M&A house in order

Many **experts** already predict even more consolidation within the healthcare industry in an effort to diversify as shifts in care settings, heightened expectations for cost management, and a better consumer experience emerge.[4] Hospitals and health systems, as well as payers, are making bold moves to extend offerings beyond their core strengths and access new profit tools, especially for those seeking other entities that have a natural synergy with their core strengths. We're seeing more "**payviders**" emerge as providers and health plans merge, which feels like a natural progression as providers manage their patients' care and payers coordinate the payment of care.[5] Combining these core competencies can potentially help develop better community health initiatives and achieve better care outcomes. Consolidation also offers organizations the ability to spread out costs and adopt more best practices, which will help everyone develop more value-based care initiatives, streamline expenses, and create greater efficiencies and scale.

Find out more about how your organization can track and manage costs by downloading this eBook: **Five steps to responding to a crisis**.

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