Best Practices for Data Governance in Healthcare

How to Remove Silos, Collect the Right Data, and Measure ROI

Jay Spence
VP, Healthcare Software Solutions, Syntellis Performance Solutions

Randy Albert
VP, Finance and Analytics, Northern Light Health

Introduction

Now more than ever, healthcare needs actionable, data-based insights to help manage costs and improve outcomes, but not all hospitals and health systems are equally equipped to leverage data as a strategic asset. With modern enterprise resource planning (ERP) and electronic medical record (EMR) platforms, healthcare organizations can capture a vast amount of operational and patient data — though capturing data is only the beginning of the data governance journey.

Most current ERP and EMR platforms create data silos, leaving hospitals and health systems in the dark rather than improving visibility into the relationship between financial outcomes and quality. If you're frustrated by data silos within your organization, you're not alone — 85% of CFOs agreed they should do more to leverage financial, clinical, and operational data to guide and inform their planning decisions in the 2022 Syntellis Healthcare CFO Outlook report.

Balancing the need to collect and secure information while also leveraging the immense value that information provides is called data governance. Data governance includes guidance around the people, processes, and technologies involved in collecting and using data. But why is data governance in healthcare so difficult?

Top Data Governance Challenges:

1. Executive attention and resources

2. Establishing a clear vision for the end result

Insights from HFMA

The Healthcare Financial Management Association (HFMA) Financial Analytics Council — sponsored by Syntellis since its inception in 2018 and chaired by Randy Albert, VP Finance – Operations & Analytics at Northern Light Health — provides a valuable forum for members to collaborate, discuss, and share best practices related to healthcare financial management topics. In a recent survey, council members identified the top two data governance challenges as (1) executive attention and resources and (2) establishing a clear vision for the end result .

Based on recent council discussions, finance leaders are prioritizing breaking down the walls around data and analytics — in other words, implementing a data governance function. This e-book will explore how high-performing organizations use data and analytics, and define the three components of data governance in healthcare:

1 Adopting a leadership structure and best practices for data and analysis

2 Collecting the right data and getting it into the hands of the right users

3 Measuring the return on data and analytics investment

Adopting a Leadership Structure and Best Practices for Data and Analytics

There is no single healthcare data governance model that is considered best practice; organizations achieve success with various team structures and reporting relationships. However, in recent HFMA Financial Analytics Council discussions, three primary themes emerged among high-performing organizations:

The Rise of the Chief Analytics Officer

In healthcare organizations, analysts often fall into the same silos as the systems that collect and store data — financial, quality, revenue cycle, etc. — with a separate team dedicated to each area. While this model can and does work for some, it creates challenges around how organizations share, integrate, structure, define, and present data consistently. More advanced organizations bring those teams together to report to a chief analytics officer.

With a dedicated team and visibility at the C-suite level, this reporting structure provides significant benefits:

- Legitimizes the strategic importance of data to the organization

- Provides a forum to discuss and address resource constraints, sensitive data access, and ownership

- Gives visibility into current strategic initiatives, tactical performance improvement activities, and areas where the data and analytics team may add value

"Introducing a chief analytics officer role is one step toward an organization recognizing the importance of analytics, the role that it plays, and some of the business imperatives around that."

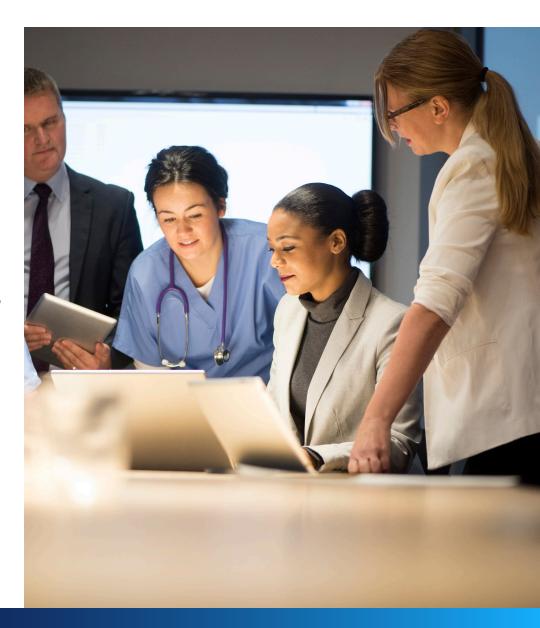**-Randy Albert,** Vice President of Finance - Operations and Analytics for Northern Light Health

Adopting a Leadership Structure and Best Practices for Data and Analytics

Introducing the Analytics Consultant Role

An analytics consultant takes on a broader role than an analyst assigned to a specific area of the organization, supporting operational and clinical leaders as a partner and problem solver. In this collaborative role, analytics consultants deliver more than just data outputs; they also provide interpretation and insights.

For instance, an analytics consultant may work with multiple clinical leaders on a cost management initiative aimed at reducing high operating room costs. In this example, a consultant can help providers understand how their processes, preferences, and overall patient experience drive different financial outcomes.

"We used the term consultant to articulate that the role is more than just an analyst delivering reports. Our analytics management consultants are positioned to partner with our management team to teach them and guide them."

-Caroline Gay, former Senior Vice President and Chief Analytics Officer at Lakeland Regional Health

Adopting a Leadership Structure and Best Practices for Data and Analytics

Importance of Executive Sponsorship

Engaging executives as active sponsors of data and analytics can also boost your chances of success. Consider creating a steering committee that meets quarterly and brings together executives from financial, operational, and clinical domains with IT. Especially in the early stages of a healthcare data governance initiative, it is easy to get stuck on the politics of where data lives and who has access to that data. Forums that promote transparency around the answers to those questions can build trust and gain advocacy from the executive team.

Organizations with mature data governance and analytics functions may alternatively choose to form an analytics improvement council that meets quarterly. Meetings should actively engage leaders and promote discussion on how analytics tools, processes, and measures need to evolve in response to new growth strategies, acquisitions, and performance improvement initiatives.

"We have an information governance council that consists of senior executives, including four members of our enterprise leadership team. Each month, they weigh in regarding our more resource-intensive and time-intensive analytics project requests and help set priorities."

-Richard Pro, Chief Data and Analytics Officer at Cone Health

Collecting the Right Data and Getting It in the Hands of the Right Users

After implementing an appropriate leadership structure, hospitals and health systems can focus on collecting meaningful data and extracting value from it.

The Roadmap to Meaningful Analytics

Effective data governance requires finance, quality, and operations teams and their data to come together to collectively understand what to measure and how to turn information into action.

"If you want to simplify the idea of healthcare data governance, it's really about getting tangible outcomes," explains Deb Bulger, Vice President of Strategic Partners at Syntellis. "That requires getting meaningful information — not just lots of data — into the hands of people who are accountable for it." Here's how to begin that process:

- **Start with conversations:** Finance and quality teams should discuss how and what data they gather. For instance, each team may define length of stay differently, and they may begin or end the measurement at different moments. Teams should collaborate to agree on common definitions and determine how to align processes to generate meaningful analytics.

- **Identify valuable data:** Leaders should make strategic decisions about what information to measure to ensure the resulting data will provide accurate and useful insight.

- **Address data quality and standardization:** Health systems with multiple hospitals and care locations must normalize data across all facilities before attempting to glean insights. Software solutions that leverage machine learning (ML) and artificial intelligence (AI) make it easy to collect, normalize, and infer data. This ensures consistent data and standardized definitions across sources, which is critical for accurate, effective reporting when pulling data from one system to another.

- **Combine analytics and action:** Healthcare reporting often fits into two categories: analytics — such as the data from the finance side — and action, such as quality initiatives. One without the other is meaningless; organizations must determine how analytics influence action and vice versa. Clinical and finance leaders must work together to implement performance improvement initiatives — timely, accurate data and analytics makes that possible.

Collecting the Right Data and Getting It in the Hands of the Right Users

Taking a Patient-Centric Approach

Reporting generally takes a finance-oriented approach, but healthcare leaders should consider all facets of a patient experience rather than looking solely at financial data. The patient journey can reveal valuable information about cost, variance, and opportunity.
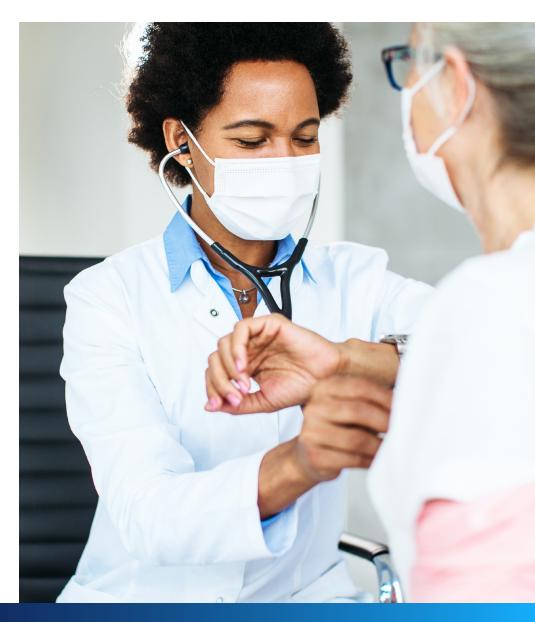
"In healthcare, when we look at financial numbers, we may look at variances by service line or department, but we need to focus the lens a little deeper," explains Bulger. "Did something happen to the patient that raised the cost? What about process variability? What about provider preferences for implants or drugs? What about the patient contribution?"

A robust decision support system that integrates quality and financial data can help answer these questions.

By considering the entire patient journey, healthcare organizations can more accurately pinpoint and address variations. A patient-centric approach accounts for:

- **Total opportunity cost**
- **Cost variability**
- **Severity**
- **Process variability**
- **Patient outcomes**
- **Patient experience**

For a more detailed look at a patient-centric approach to managing healthcare reporting and reducing costs, click here.

Collecting the Right Data and Getting It in the Hands of the Right Users

The Right Tools for the Right User

For most healthcare organizations, data governance requires a combination of tools and solutions rather than a single platform. To put your framework in motion, your organization can leverage resources and strategies, including:

- **Data warehouse:** A robust data management system aggregates data from disparate sources and supports business intelligence (BI) activities.

- **Data governance strategy:** A data governance strategy provides a blueprint to address the integrity, security, quality, and usage of data during its lifecycle; further, it defines the roles and responsibilities of staff, contractors, and consultants to enable an effective strategy.

- **Data scientists:** This role often completes more complex analyses than a typical data analyst, using advanced algorithms and programming languages.

- **Data engineers:** This role builds and optimizes the data warehouse, enabling data scientists and analytics consultants (analysts) to do their work.

- **Robust reporting:** Reporting tools should support a variety of intuitive reporting models, including visualizations, ad hoc reports, and spreadsheets. Reports should be easy to customize and refresh so each team can access the precise data they need to evaluate performance.

- **Role-specific dashboards:** Dashboards tailored for different users empower individuals in a variety of roles to easily view the exact information needed to make informed decisions.

Measuring the Return on Your Data and Analytics Investment

As with any significant purchase, healthcare organizations must eventually demonstrate the value of their data governance investment. Depending on the organization's goals, there are several ways to demonstrate ROI.

Tie Financial Goals to Analytics

Because analytics teams often work in silos within hospitals and health systems, it can be difficult to keep the organization aligned and accurately measure ROI. Aligning analytics teams with specific financial and performance improvement goals provides precise direction for the teams and empowers them to generate a demonstrable ROI.

Assess Impact on Decision-Making

Finance teams tend to think about ROI in terms of financial metrics, such as number of patients and margin on those patients. However, healthcare organizations must also think beyond the numbers and consider if and how the organization relies on data and analytics to influence decision-making.

Prioritize Analytics Projects Based on Value

Finance teams tend to think about ROI in terms of financial metrics, such as number of patients and margin on those patients. However, healthcare organizations must also think beyond the numbers and consider if and how the organization relies on data and analytics to influence decision-making

"We add an assessment of financial return to the value equation by asking questions such as, 'Is it expected to bring more than X dollars of net new revenue to the organization? Is it expected to identify opportunities for cost savings greater than Y dollars?"

-Richard Pro, Chief Data and Analytics Officer at Cone Health

Measuring the Return on Your Data and Analytics Investment

Moving from Descriptive to Prescriptive Analytics

Many healthcare organizations rely on descriptive analytics, which uses data to explore the reason why something happened in the past. Though hospitals and health systems can apply that information to guess at future expectations, descriptive analytics focus only on reactive measures.

As organizations adopt more sophisticated data governance functions, they can enjoy the benefits of prescriptive analytics. Prescriptive analytics takes into account historical data and extrapolates meaningful information that can be applied proactively. It asks, "How could we do something differently to change the future outcome?"

For example, a healthcare organization might review comparative benchmarks to determine how a department's labor and non-labor expenses compare to similar internal and external departments. Armed with those analytics before embarking on the budgeting process, the organization can align its budget with those benchmarks — improving budget accuracy and minimizing significant budget variances. With prescriptive analytics, healthcare organizations stand to make significant strides in patient care, quality outcomes, and operational performance by more accurately predicting and planning for what's ahead.

Conclusion

To unlock the power of data through a deliberate data governance and analytics function, healthcare organizations must encourage collaboration rather than siloed work. By prioritizing C-suite engagement and aligning processes to measure what matters most, hospitals and health systems can realize the value of data as a strategic asset and use it to inform decision-making across financial and clinical domains.

Axiom™ Enterprise Decision Support empowers healthcare organizations to drive performance and decision-making with a single, trusted source of financial and clinical performance measures. Equipped with the right data, healthcare leaders can reduce costs, optimize revenue, and improve clinical quality.

About Syntellis

Syntellis Performance Solutions provides innovative enterprise performance management software, data, and intelligence solutions for healthcare organizations. Our solutions include enterprise planning, cost and decision support, and financial and clinical analytics tools to elevate organizational performance and transform vision into reality. With over 2,800 organizations and 450,000 users relying on our Axiom, Connected Analytics, and Stratasan software combined with No. 1 rankings from Black Book Research and HFMA Peer Review designation for 6 consecutive years, our proven industry expertise helps healthcare providers acquire insights, accelerate decisions and advance their business plans. For more information, please visit www.syntellis.com.