

A Healthcare CFO Guide:

# How To Maximise The Benefits Of Your Health Information Management Team



## About Code Focus

Code Focus, a Data Agility product, was developed so hospital Health Information Services departments have the power to improve efficiencies and optimise results.

Launched in 2015, Code Focus was designed to support hospitals with real-time coding and clinical auditing. Its features have been expanded to a full suite of features, including CDI.

Code Focus is now utilised by 100 hospitals across Australia.



Hospital teams found a revenue uplift up to 120% by connecting with the HIM team and using the Code Focus platform.

## About Data Agility

Data Agility has been providing data analytics and information management support to hospitals since 2003.

We develop modern software platforms that enable automation of processes and improved efficiencies, allowing healthcare organisations to do what they do best – help people.

Our expert team of Health Information Managers, data and analytics specialists, and health integration specialists has delivered over 200 projects within public health and private health sectors.

According to Gartner, organisations lose an average of \$12.9 million every year due to poor data quality.

## Introduction

In the complex landscape of modern healthcare, financial management plays a pivotal role in a hospital's operational success and ability to deliver optimal patient care. As the leader behind the institution's financial decision-making, Chief Financial Officers bear the responsibility of steering the organisation towards fiscal sustainability.

The work of Health Information Management (HIM) teams emerges as a crucial component to unlock innovative financial efficiencies, thus helping CFOs extract more value out of budgets and resources.

In this ebook, we delve into:

- How to maximise your operational budget by optimising HIS workflows and processes
- How to improve hospital funding with better HIS department reporting and data
- The 13 essential metrics to optimise operational budget and funding

As you explore the pages of this book, we invite you to embrace the transformative potential of maximising the benefits of your HIM team, processes and funding.

Yours sincerely,

Callum Haggerty  
Business Development Manager  
Code Focus  
A Data Agility Product



## How to maximise your operational budget by optimising HIS workflows and processes

In the world of Health Information Services, time is a precious commodity. With HIS teams constantly stretched, it's essential to find ways to streamline workflows and improve efficiency to maximise your operational budget.

Using software tools and tech to scale, streamline and automate workflows can save time and reduce costs associated with manual processes. The importance of which cannot be underestimated in times of tight budgets and a highly competitive labour market.

According to [research\\*](#) the skills shortage, combined with mounting margin pressure and changing patterns in health care demands, has prompted many health organisations to turn to technology and new approaches to address the gap and drive greater cost efficiencies.

## Reclaim bandwidth for your HIS team

Workflow optimisation can save HIS teams hours of administrative work by creating automation and streamlined workflows for the tasks they're usually buried in.

For employees who are spending hours maintaining spreadsheets, this opens the door for them to be upskilled to other roles or departments.

However, sometimes it's the managers who maintain the spreadsheets rather than using their expertise on larger projects. Therefore, by optimising workflows and investing in technology that takes care of the mundane, repetitive and low-risk tasks, highly qualified and expensive staff have the bandwidth to focus on more strategic tasks.

Coding optimisation is one area in which CFOs will see a fast return on investment. A performance optimisation software solution, like Code Focus, can digitise and automate the reporting, code auditing, and workflow management to improve productivity and deliver significant time savings.

With Code Focus, HIS teams have reduced the number of audits by 52% whilst maintaining NWAU/revenue targets.

They've also increased Audit NWAU/revenue uplift by over 120% through better targeting and improving audit efficiency.



One Code Focus customer said the solution has transformed the way they work:

“We used to have about 20 Excel spreadsheets to record everything on. We don't do that at all anymore, which is great.”

## Improve staff retention through higher engagement

With the war for talent, healthcare organisations are looking at the wider issue around how to engage, retain, and motivate employees.

Workflow optimisation is key for retaining employees in a competitive market. By replacing multiple spreadsheets with a solution like Code Focus, HIS staff are kept engaged by delivering value on strategic tasks rather than becoming frustrated and burnt out by working on repetitive tasks.

Importantly, workflow optimisation is not about replacing people with technology, but instead helping clinical coders and auditors to be more efficient as they work side by side with technology. The resulting employee satisfaction will manifest itself in greater productivity, innovation, loyalty and other tangible benefits to the bottom line.

## Manage remote working efficiencies for hybrid teams

Managing virtual or hybrid teams means Health Information Managers (HIMs) have to adjust workflows to accommodate the needs of employees working remotely, which can affect clinical coding efficiency and create potential backlogs.

Using software to optimise workflows and processes can improve efficiencies for remote teams. For example, Code Focus creates audit work queues automatically, with all information required to audit contained in a single view. It also allows HIMs to use worklists to prioritise and allocate high-value coding and auditing work. Coders can simply log in and view a list of episodes to be coded, while HIMs can provide real-time feedback to their coders, thereby improving the productivity of HIS teams.

A cloud-based software like Code Focus also enables easier collaboration. It gives HIMs and hospital executives access to the same up-to-date information, whether they are working at the hospital or remotely. This can improve efficiency and communication, leading to better outcomes for the organisation as a whole.

Code Focus clients have reduced their Discharge to Coding time by 40%. One client reduced their time from 55 to 17 days.

## Invest in coding quality

Investing in the right workflow optimisation tools will enable HIMs to ensure high quality coding and, therefore, better business outcomes.

Our [study](#) with HIMs revealed that investing in Health information Technology (HIT) is one of the major factors affecting the quality of coding, and therefore hospital data quality.

Around a third of all staff told us they felt there was a strong need for analytics and/or auditing software. This demonstrates the professional evolution of HIMs into analysis, and the increasing desire for high quality coding.

As the medical record has evolved, HIMs are no longer clerical support to hospitals – they work with software, policies, and processes to ensure high quality coding, which affects Activity Based Funding (ABF), which in turn affects a hospital's operational outcomes.

## Receive high-quality data

Workflow and process optimisation can help HIMs deliver high-quality data, which healthcare CFOs and the rest of the organisation can rely on to make well-informed decisions.

Good quality data is invaluable for healthcare organisations – it leads to better decision-making, greater visibility on business activities and enables organisations to reduce their operational risks and costs.

Without accuracy and reliability in data quality, CFOs cannot trust the data or make informed decisions, which can lead to operational issues and costly mistakes.

According to Gartner, organisations lose an average of \$12.9 million every year due to poor data quality.

However, research by Data Agility reveals that 45% of HIMs don't believe they are receiving the support they need to maintain the integrity of their health data.

With software like Code Focus, workflows can be optimised and HIMs can deliver quality clinical coded data that you can trust.

In the next chapter we'll explore how better reporting and higher quality data from HIS departments can lead to better business decisions.



## **How to improve hospital funding with better HIS department reporting and data**

For healthcare CFOs, finding opportunities to improve funding and prevent funding leakage is a serious challenge. How do you ensure hospital funding reflects patient complexity? How can you better optimise resource allocation and funding?

As with any business decision, the answers depend on high-quality data insights. A hospital generates huge amounts of data, which has the potential to support the analysis, planning, and delivery of optimised hospital funding and performance. The challenge for CFOs is how to access the high-quality data and reporting required to make strategic decisions.

That's where the HIS department comes in.

## How HIS reporting and data can improve funding

HIS departments manage all patient-related information and data. They code patient records, provide casemix and DRG data, audit coding, maintain data and reports, and much more. In short, the HIS department can be a goldmine of reporting and data for the CFO.

With access to a range of data and reports, the CFO can gain instant insights into the hospital budget's health and the current funding situation – all of which can help them make evidence-based decisions to improve funding, maximise resource allocation, and, ultimately, optimise hospital performance.

## Make better business decisions from better data quality

Making informed decisions relies on hospital CFOs being able to trust the quality of the HIS data. As stated previously, a study by Gartner showed organisations lose an average of \$12.9 million every year due to poor data quality.

In the HIS department, data quality depends on the **quality of coding**.

Therefore, the work carried out by HIMs, clinical coders and coding auditors has a direct impact on how effectively a CFO can use HIS data to make decisions. After all, coding affects Activity Based Funding (ABF), which ultimately leads to better business outcomes.



There are three top causes of poor coding quality in HIS departments, as identified in [our study](#):

1. Incomplete clinical documentation
2. Variations in coding standards interpretations
3. Pressure caused by quota to HIMs and clinical coders

Our study also found these issues can be solved with the help of HIT, combined with efficient workflows, processes, and ongoing training.

## Examples of HIS data to inform better funding

Some key examples of HIS data that can be used to improve funding include:

- **National Weighted Activity Unit (NWAU) Achievement:**  
Coding target vs Actual shows the CFO how many records are coded in a certain time, while Audit target vs Actual reveals how much funding was retrieved. Tracking outstanding NWAU/\$ is also a good indicator of communication flow between clinicians and coders.  
  
Code Focus provides the NWAU/\$ queries feature that hospital teams need.
- **Cost Data:** As each episode is coded, Code Focus keeps a running total of ABF budget vs actual budget. So CFOs have real-time access to these figures to assess hospital performance, uncover funding that was unable to be determined at the time of coding.
- **Average Length of Stay (ALOS):** With insight into the average number of days a patient stays in the hospital, CFOs can assess resource utilisation, bed occupancy, and efficiency, which can lead to cost savings and increased capacity.

- **Case Mix Index (CMI):** Understanding the relative complexity of patients treated in the hospital is crucial for CFOs. For example, a higher CMI means CFOs can justify higher funding to manage the higher level of case complexity.
- **Revenue and Costs by Service Line:** Evaluating the financial performance of each service line helps CFOs identify areas of strength or areas that require improvement. By analysing revenue generated, costs incurred, and profitability, CFOs can better optimise resource allocation and funding.

## Why CFOs need real-time reporting from the HIS department

Hospitals are fast-paced environments, and new information can be quickly made available or suddenly required.

Real-time data and reporting enables immediate action, allowing hospital CFOs to proactively seize opportunities for better funding, prevent issues from escalating, or respond to resourcing needs.

However, when HIS departments are using multiple spreadsheets for coding allocations, coding audits, queries, CDI, etc., there is a high risk that by the time the data is extracted, it will be out of date. The burden of bringing together data from separate spreadsheets is time-consuming and labour intensive, meaning there will be a lag time from patient discharge. As such, CFOs can not make full use of the data to make timely decisions.

Code Focus helps solve this challenge by providing one unified and trusted source of data.



A hospital using Code Focus said this:

“We don't have to use Excel spreadsheets anymore. In Excel we were having to pull it from multiple different spreadsheets, now it's all there in Code Focus.”

The cloud-based tool eliminates the need for multiple spreadsheets, instead putting all the data in one place, where human error is greatly reduced and managers can access real-time reporting easily, on demand.

For example, as each episode is coded, Code Focus keeps a running total of the ABF budget versus actual budget. With real-time access to these figures, CFOs can assess hospital performance and funding as it stands at any point of time and take corrective action immediately if necessary.

The coding auditing tool can help uncover funding that was unable to be determined at the time of coding, and it can also identify NWAU leakage as a result of coding errors or missing codes to ensure appropriate funding for all episodes.

The real-time reporting also enables CFOs to make insightful comparisons, such as comparing performance across sectors such as hospitals and campuses, or data from different specialties against the NWAU.

Code Focus also helps ensure high-quality data through a real-time coder-auditor-coder feedback loop. It maintains a full history of every coding change and allows users to add comments to codes and detail their reasons for changes. Clinical coders can log in to access the feedback and apply their learnings, which drives a higher accuracy of coding and therefore more accurate funding.

## The high cost of inaction

With hospital leaders being challenged with complex funding rules and widespread worker shortages, there is no time for inaction. Workflow optimisation can alleviate the pressure of talent shortages in the HIS department by reducing workloads, improving productivity, and reclaiming the bandwidth of skilled staff for higher value projects.

Furthermore, finance teams can't afford to ignore the advantages of HIS data and reporting to improve decision-making. However, the decisions are only as good as the data quality. When CFOs have access to high-quality real-time HIS data, they can have a clearer picture of the funding integrity of their hospitals and can make informed decisions to improve funding, and ultimately, hospital performance.

What key metrics do you analyse to optimise your operational budget and funding?

We've created a checklist of the most important HIS metrics that should be available to CFO's, see overleaf.



# Essential checklist to optimise operational budget and funding

- ☐ **Average Length of Stay (ALOS):** ALOS measures the average number of days a patient stays in the hospital. It helps assess resource utilisation, bed occupancy, and efficiency. Lowering ALOS can lead to cost savings and increased capacity.
- ☐ **Diagnosis-related Group (DRG) Data:** DRG data provides information on the diagnoses and procedures performed, which is crucial for reimbursement purposes. It helps identify the average reimbursement rates for various conditions and procedures, enabling better financial forecasting and revenue management.
- ☐ **Case Mix Index (CMI):** CMI measures the relative complexity of patients treated in the hospital. It considers the severity of illnesses and the resources required for their treatment. A higher CMI indicates a higher level of complexity, which can justify higher funding.
- ☐ **Readmission Rates:** Analyse the rates at which patients are readmitted within a specific time frame after discharge. High readmission rates may suggest inadequate care or the need for better discharge planning, affecting funding based on quality metrics.
- ☐ **Revenue and Costs by Service Line:** Evaluate the financial performance of each service line to identify areas of strength or areas that require improvement. Analyse revenue generated, costs incurred, and profitability to optimise resource allocation.
- ☐ **Cost per Procedure:** Calculate the average cost per procedure or service provided. This analysis helps identify opportunities for cost reduction, process improvements, and efficient resource utilisation.
- ☐ **Patient Satisfaction Scores:** Measure patient satisfaction through surveys or feedback mechanisms. Positive patient experiences not only lead to better outcomes but can also impact funding through incentives tied to patient satisfaction metrics.

- ☐ Compliance with Quality Metrics: Ensure compliance with quality metrics established by regulatory bodies and payers. Meeting or exceeding these metrics can lead to increased funding or bonuses, while non-compliance may result in penalties.
- ☐ Physician Productivity and Efficiency: Evaluate the productivity and efficiency of physicians by tracking metrics like patient encounters, surgical volumes, and resource utilisation. This information can help identify areas for improvement or training needs.
- ☐ Time from procedure to funding received: Optimising work processes so all required submissions can be made in a timely manner minimising delays on funding returns.
- ☐ Hospital acquired complications (HAC's): Transparency over HACs occurring at the service level helps to identify potential areas for safety and quality improvement. As well as provide training in these areas to help reduce HACs.
- ☐ NWAU Achievement: Monitor the dollar values against the overall goal which allows for better service management
  - ☐ Coding target vs actual: reviewing how many records coded in a certain time ensures submissions and financial returns are optimised.
  - ☐ Audit target vs actual: reviewing how much funding retrieved ensures a variety of audits are being completed in a timely manner to maximise reimbursement possibilities for the service.
- ☐ NWAU achievement by discharge unit: Gain visibility of the revenue achieved by specialty against their overall goal. Also allowing for the process of unit optimisation.



## Ensure optimisation of funding, data quality, and workforce efficiency, with one view of your Health Information Management activities

Code Focus receives real-time updates as episodes are coded, giving you instant access to your hospital's performance position.

Executives and Health Information Managers alike, can access clinical auditing data including DRG changes and financial/weighted uplift, to understand HIM department impact to hospital business outcomes, and empower better business decisions.

To find out how our team can support your organisation's strategy, contact me on the details below:

**Callum Haggerty**

0414 261 332

[callum\\_haggerty@dataagility.com](mailto:callum_haggerty@dataagility.com)



**CodeFocus**

## Improving Efficiencies And Optimising Results

**Western Health is a 980 bed Public health service in Victoria with 120,000 annual separations. It provides Tertiary Acute care, Sub- Acute Care, Community Services, Day Hospital and Transition Care.**

Western Health had a requirement to eliminate inefficiencies, improve productivity, report in real-time and optimise their budget results by digitising and automating Auditing workflow.

### Challenge

Western Health's Auditing team's efficiencies and productivity were impeded by using manual processes, involving 39 spreadsheets, each of which contained up to 26 cells for Audit target criteria mapping. Each Episode was manually checked by Auditors, and if it met any target criteria, it would be manually entered into the relevant Unit's spreadsheet in the specific cell.

WIES difference was both manually calculated and entered into these spreadsheets. Reporting and analysis on this Audit data were not possible given that cells contained free text. This process was associated with significant costs (time and labour) and laden with human error. Audit results were only available at the end of the month, the resulting lag time from patient discharge being 6-8 weeks.

### Solution

Data Agility consulted with a range of stakeholders at Western Health and identified that Code Focus, a performance optimisation software solution was required. We were then able to propose a way forward for implementation, including a series of detailed prioritisations to eliminate inefficiencies, improve productivity, allow real-time reporting and optimise their budget results.

Staff needed to shift their focus on improving their Coding metrics. We could digitise and automate the Auditing workflow to improve productivity, which would also deliver significant time saving.

A key area for improvement was time and labour efficiencies. The work backlog demanded additional headcount and Western Health was aiming to hire additional resources. Using Code Focus, they would be able to accurately align resources to demand resulting in zero backlog.

Real-time, accurate reporting on each Unit by the most common ICD and DRG changes was required by Western Health. Code Focus could deliver an improvement in accurate, complete and timely data. This would also lead to improved User and Clinician Education, in addition to improved quality in Clinical Documentation.



eQueries were used at Western Health, generated in Western Health's Digital Medical Record (DMR). These could be captured in Code Focus. eQueries would be able to be emailed to and from Clinicians, improving efficiencies and effectiveness given it resolved projected funding gaps in a timely manner.

Coder, Auditor and Educator training was undertaken as part of the implementation. Initially, some of the Coding team were unsure as to how they would manage with Code Focus. However, once they saw that there was no data entry because fields were auto-populated, that the user interface was simple and very easy to navigate, they felt very comfortable using the solution and adopted it very quickly.

## Results

The installation of Code Focus at Western Health had a profound impact on the business. They now have a platform and solution that can cater to their needs and supports their organisational requirements.

### Time Savings:

- ✓ Efficient and optimised Auditing allows staff to focus on Coding
- ✓ Reduced average coding completion time from over 30 days to 17 days and decreasing
- ✓ Decreased the number of Episodes audited to achieve an optimised WIES target result

### Cost Savings:

- ✓ With time saved, it has eliminated the need for contract staff, reduced casual staff and overtime limits
- ✓ Workforce Capacity Planning is optimised according to demand (surge and seasonality)
- ✓ Continuously improving Coding "First Time Right" metrics
- ✓ 22,000 Audits (B and C DRGs)
- ✓ 9,500 Coding / ICD-10 changes
- ✓ 6,500 DRG changes
- ✓ 104% Target
- ✓ \$28.5m additional funding

## CodeFocus

HIM workflow automation. Real time data. Optimised funding.

Code Focus was developed by Data Agility to support Health Information Services departments within hospitals with real-time coding and clinical auditing. Launched in 2015, Code Focus is now utilised by hospitals across Australia.

Data Agility has been providing data analytics and information management support to hospitals since 2004. At Data Agility, we have a deep understanding of the unique business, technical and data challenges and opportunities faced by the Healthcare sector.



### Callum Haggerty

Business Development Manager

M: +61 414 261 332 T: +61 3 8646 3333

[callum\\_haggerty@dataagility.com](mailto:callum_haggerty@dataagility.com)

[codefocus.com.au](http://codefocus.com.au)

Product of [dataagility.com](http://dataagility.com)

Level 10, 420 Collins Street

Melbourne Victoria 3000