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## Loyola University Physician Foundation Cuts Billing Lag Time by 50% with Microsoft BI

### Overview

**Country or Region:** United States

**Industry:** Education—Medical

### Customer Profile

Chicago-based Loyola University Health System is a leader in healthcare and research. The system includes the Stritch School of Medicine and the Loyola University Physician Foundation.

### Business Situation

Loyola struggled with problems familiar to many healthcare organizations: old, siloed legacy applications, inaccurate data, manual reporting processes, and minimal data analysis capabilities.

### Solution

With the help of The Revere Group, Loyola implemented a Business Intelligence solution based on SQL Server, Microsoft PerformancePoint Server, and Microsoft Office SharePoint Server.

### Benefits

- Automated reporting processes
- Improved analytic abilities
- 50% reduction in billing lag time
- Doctor pay tied to performance
- Improved cash flow

“Thanks to our Microsoft BI solution, we can make process improvements that will increase financial liquidity and decrease business risk.”

Peter Gouws, Chief Financial Officer, Loyola University Physician Foundation

Serving the Loyola University Health System, the doctors within the Loyola University Physician Foundation (Loyola) provide expert care to treat many diseases and disorders. Like many healthcare organizations, Loyola was plagued by aging legacy applications, inaccurate data, manual reporting processes, and inadequate tools for analyzing data. After implementing its Microsoft® Business Intelligence solution, Loyola has a single source of information and rich analytic capabilities, enabling staff to make better decisions that improve operational performance. The solution has helped Loyola increase net collection rates, renegotiate contracts with insurance companies, and roll out a performance-based compensation plan. In addition, Loyola has drastically cut charge lag time, which has improved cash flow.

“My accountants are thrilled. We know what we charge. We know what we collect. Everything in their books is complete and accurate. It’s as good as it gets.”

Peter Gouws, CFO, Loyola University Physician Foundation

## Situation

For Loyola, making decisions based on reliable information was a painful, tedious process. “Loyola had legacy applications, disparate billing and physician systems, and four different reporting systems,” says Jim Gorman, principal at The Revere Group, a Chicago-based IT and business consulting firm and Microsoft Managed Gold Certified Partner. “It took two or three days just to extract data from its source.”

Because of the difficulty extracting data, the data that was collected for reporting and analysis was often out-of-date and inaccurate. “None of our reporting systems tied to one another monthly, so we dispersed a lot of partial information,” adds Gouws. “To produce meaningful data required nearly twenty man-hours of human intervention each week based upon requests coming in for analysis.”

The multiple standard and custom reports that Loyola did run were inflexible and failed to hone in on the healthcare provider’s most critical issues. “We needed a single source of information and consistent, flexible reporting,” says Gouws. “Our lack of data integrity was definitely holding us back.”

Senior managers didn’t have the contextual information and deep analytic capabilities needed to find out why certain locations or specialties weren’t performing well. Billing staff had difficulty tracking the status of bills over time. Physicians didn’t know why their collection rates were low. And finding answers was nearly impossible.

## Why Microsoft?

Given a limited budget and just ten months to fix the problem, Gouws turned to Microsoft. “I was familiar with many of the other business intelligence providers and knew none would match Microsoft’s ease of use and cost,” he says. “Also, other vendors offered prebuilt

healthcare reports, not custom views of our data. We truly believe that Microsoft offers the only solution that could have solved our complex problem within our timeframe and budget.”

## Solution

To develop its Microsoft Business Intelligence (BI) solution, Loyola tapped The Revere Group, which is dedicated to helping its clients accelerate growth, improve profitability, and drive performance using technology. “Revere contributed a tremendous depth of Microsoft expertise,” says Gouws. “They brought best practices from other industries to help us accomplish our goals. It was fantastic to work with them.”

Revere integrated billing data from Loyola’s IDX system, physician practice management information, and general ledger data into Microsoft SQL Server 2005. Leveraging Microsoft PerformancePoint® Server 2007 (now part of Microsoft Office SharePoint® Server 2007), Microsoft Office SharePoint Server, and Microsoft Office Excel 2007, Revere built a BI solution that makes it easy for users to access, monitor, and analyze data from a single consolidated source.

## Portal Provides Context

The Microsoft BI portal provides nearly 700 stakeholders easy access to accurate, timely data. It presents data in the proper context, facilitating improved decision making. From any desktop, users can view several different scorecards – such as historic trends, matched payments, aged accounts, lag days, and denials – and run any of its comprehensive standard reports.

## Scorecards Improve Cash Flow

Thanks to Loyola’s new scorecards, a stakeholder can quickly gauge how his or her department, and the entire organization, is performing – and gain a clearer understanding of why it’s meeting or missing

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its goals. For example, the matched payments scorecard compares total charges by department or billing area to the actual payments posted to those charges. This allows Loyola to track net collection and adjudication rates versus their targets, as well as determine where to focus resources to mitigate default risk and improve cash flow.

“In healthcare, we always struggle to know what happened to a bill over time,” explains Gouws. “With our matched payments scorecard and report, we can go service-by-service, invoice-by-invoice, to understand where we’re losing ground. We can now figure out if we have a payer that’s taking advantage of the system or a physician who is coding treatments incorrectly.”

With its Microsoft BI solution, Loyola has also reduced billing charge lag, the time between a patient’s visit and the issuing of invoices to payers, from 28 to 15 days. By shrinking its charge lag, Loyola has improved cash flow by two percent.

“If you don’t get a bill in the payer’s hand within 20 days, you’re going to have trouble getting paid,” notes Gouws. “Before our BI solution, we didn’t know where we were dropping the ball. Now, we have immediate, complete visibility into patient-level data, which is helping us find and remove billing bottlenecks.”

#### **SharePoint Provides Easy Access, Saves Money**

Loyola also vastly simplified the reporting process, producing just seven comprehensive reports rather than 40 incomplete ones. A single, easy-to-use system makes it easy for managers to create custom reports for their departments, rather than needing others to do it for them.

“We’ve saved at least five percent of our corporate budget by reducing the number of reporting systems and the staff required to support them,” says Gouws. “We distribute reports through the SharePoint portal, vastly improving efficiencies and our ability to monitor and evaluate data.”

Each report and scorecard on the SharePoint portal has a similar look and feel, and uses vernacular understood by Loyola’s stakeholders. Explains Gouws, “SharePoint allowed us to change the language we use to describe data. For example, our billing subsystem calls charges ‘debits,’ and that’s vernacular physicians may not understand. We are now able to use ‘charges,’ which is familiar to them. It may seem simple, but SharePoint makes the system much easier for people to use.”

#### **Deeper Analysis Boosts Understanding**

Loyola’s financial staff uses the BI solution most rigorously, drilling through SharePoint to analytic tools such as PivotTables, PivotCharts, and Analysis Services Cubes to better understand data. “My accountants are thrilled,” Gouws remarks. “We know what we charge. We know what we collect. Everything in their books is complete and accurate. It’s as good as it gets.”

#### **SharePoint Supports New Pay Structure**

SharePoint has also facilitated Loyola’s new compensation structure, which ties doctor performance to pay. Physicians can view how they’re performing against goals. “Without a BI solution that consolidated our data, ensured its accuracy, and made it easily accessible to doctors, we never would have been able to roll out a new compensation plan,” says Gouws.

#### **Benefits**

The new pay structure encourages doctors to be more productive and efficient, helping improve overall organizational performance.

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about Loyola University Health System products and services, visit the Web site at: [www.loyolamedicine.org](http://www.loyolamedicine.org)

In fact, Gouws hopes the compensation plan will boost production by at least 15 percent. The Microsoft BI solution has helped Loyola save money in other ways, too. After gaining deeper insight into its data, Loyola was able to renegotiate a contract with one payer. "We collect about \$150 million a year, and our new contract improves our numbers by 2.5 percent," says Gouws. "Without the data from our BI solution, we simply couldn't have renegotiated knowing what rates we needed from the payer."

For Loyola, there's no doubt that adopting a Microsoft BI solution has paid big dividends. "We saw huge improvements after implementing Microsoft's BI platform," says Gouws. "We immediately cut billing lag time from 28 to 15 days, because we gained deep visibility into our departments. Thanks to our Microsoft BI solution, we can make process improvements that will increase financial liquidity and decrease business risk. Now, we thoroughly use and understand our data."

### A Healthy Future

Looking to the future, Loyola wants to extend the Microsoft BI solution to budgeting. "We'd love to collect budgets through SharePoint," Gouws notes. "We look forward to growing our Microsoft BI solution, using its power to improve our processes and performance even more."

## Microsoft Business Intelligence

Microsoft provides a comprehensive set of business intelligence technologies that enable organizations to improve performance through better decision making. Microsoft Business Intelligence helps small-to-large businesses maximize the value of their data through timely analysis and knowledge sharing. Powered by Microsoft SQL Server, Microsoft SharePoint Server, and Microsoft 2007 Office, Microsoft Business Intelligence solutions provide increased value to users throughout the organization.

For more information about Microsoft Business Intelligence solutions, go to [www.microsoft.com/bi](http://www.microsoft.com/bi)

## Software and Services

### ■ Products

- Microsoft SQL Server 2005 Enterprise
- SQL Server Integration Services
- SQL Server Analysis Services
- SQL Server Reporting Services
- Microsoft Office Excel 2007
- Microsoft Office SharePoint Server 2007

- Microsoft Office PerformancePoint® Server 2007 (now part of Microsoft Office SharePoint® Server 2007)

### ■ Technologies

- PPS Monitoring
- PPS Analytics