
Case Study:

Financial Reporting That Answers the Population Health Challenge



Challenge

Understanding risk and costs is fundamental to an organization's ability to enter into mutually-beneficial contracts, flexibly serve individuals and populations, and assign resources where most needed. But the rules and assumptions for population health and other group-based care models are different from those underlying fee-for-service reporting. How did one multi-state healthcare system integrate existing technology and new approaches to ensure a comprehensive, relevant and timely operating statement? By initiating a simultaneous top-down and bottom-up process to establish its vision for population health accounting and reporting.

Efficient, in-depth planning

Point B's expertise was brought in to lead this effort. In just five months, we conducted stakeholder interviews, honed in on key metrics, questions, goals and challenges the financial system must address—enterprise-wide and within member organizations. Informed by that process, we brought together senior financial leaders and tactical accounting experts from 20 member organizations. In a two-day workshop, we facilitated agreement on a vision and an implementation path for the new financial system.

Point B then convened small work groups empowered to expedite the strategic and tactical design process. The resulting implementation plan was immediately launched and includes technology integration, testing and employee training.

New language is key

To measure program impact and create sustainable new care models, Accountable Care Organizations require accurate financial reporting of current utilization and reliable modeling capabilities. The evolving nature of care and reimbursement models requires tremendous flexibility within ACO

financial systems. A critical step in designing the new system was to create common definitions for data inputs that allow for comparability across locations and vastly different service programs, including:

- What qualifies as a population health program (and what does not)
- Assigning risk within each contract
- How and what information is tracked from each consumer's point of entry
- How to track the association between each consumer and the population program(s) of which they are a member

Conclusion

By the end of the planning process, the enterprise re-visioned and re-designed their financial reporting system, a common reporting language, standard set of monthly reports that reconcile to the general ledger and a clear structure to support budgeting and long-term financial planning. Strategic oversight is provided by a subset of the planning group, which meets quarterly to guide implementation and address future demands on the financial system which will provide performance visibility.