

Managing exceptions in your healthcare financial system

Every healthcare organization's financial future depends on maintaining a healthy and sustainable bottom line.

Changes to payer models and the ever-evolving healthcare climate can make this very challenging. While every person along the care continuum—from those on the clinical floor to the finance department—has to pay close attention to revenue, expenses, and exceptions that can create risk, organizations need to make insight easy and meaningful.

Here are five ways to create a real-time, cross-functional financial system that saves time and mitigates risk.

1

Avoid information overload

According to [Psychology Today](#), the concept of people being able to multi-task is a myth.¹ Research shows that the brain doesn't really do tasks simultaneously. Instead, the brain moves from one task to another, quickly. Today's healthcare professionals are some of the most overburdened workers in America—called upon to perform various unrelated functions and actions, in any given day.

The last thing they need is too much information thrown at them at once. To most efficiently enable these professionals to make financial decisions, organizations need to move away from the traditional dashboard approach, which leaves users to search for problems. Instead, information should be parsed out carefully. For example, overspending on a particular account by department; you almost definitely have a budget value and actual value for these amounts—why not only send users that single piece of information with the option to drill down into the data and information they need?

2

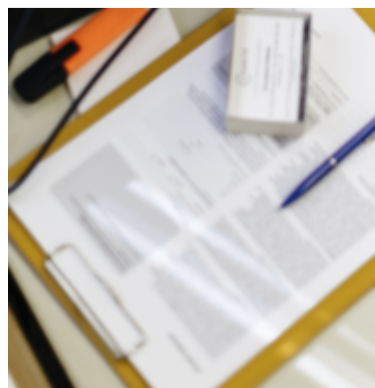
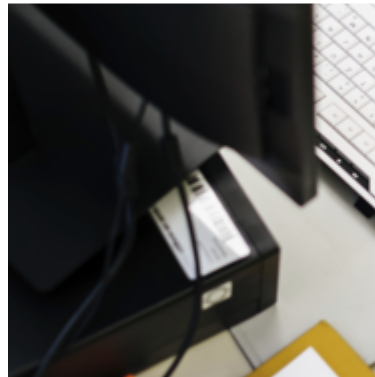
Take out the math

An *American Educator* magazine meta-article² says that 25% of four-year college students and 80% of community college students, have moderate to high “math anxiety.” Granted, many of those in healthcare are highly educated and trained, but their training is specifically in a biology-related field. You can engage operational decision-makers by removing the math and providing a graphical interface that displays real numbers, that are quickly and easily understood. This “at-a-glance” information can also be delivered where it’s most likely to be seen—on a mobile device.

3

Create exception alerts based on role

There are a myriad of roles and responsibilities in any healthcare system. What these players need to know in terms of financials, also widely varies.



For example, the chair of the cardiology department is interested in exceptions occurring at the procedural level, such as patient satisfaction; meanwhile, the director of finance is interested in the ledger and sub-ledger information, such as total professional services expenses. An efficient analytics solution should base the key performance indicators (KPIs), on the particular role. “Mini-reports” and exception alerts display actual budget and forecast variances to these KPIs, and then enable self-service by providing links to the necessary data analytics tools. Users can then use these tools to gain insight into the root causes for the deviations.

4

Reforecast, reforecast, and reforecast

If an organization isn't reforecasting regularly, exception alerts aren't accurate, and the subsequent actions risk becoming a waste of time. In addition, once-a-year planning (the annual budget process) creates general “planning anxiety.” The best way to avoid these issues is to change the budget holders' planning process to reforecast for a few minutes each month, as opposed to a few hours each year. This increases the accuracy of integrated business planning and enables organizations to do monthly rolling forecasts. Managers can adjust salary projections based on updated headcounts and demand, update upcoming supply costs based on latest demand and existing inventory, and revise numbers for contracts not in alignment with annual budget timing and notable timely discounts.

5

Keep it real (time)

For most healthcare organizations, the month-end management reports are distributed five to ten days after month-end—that's 36 to 46 days too late to address timely issues. The optimum financial management system is based on as close to real-time performance data as possible, giving decision-makers the analytics needed to determine causes of exceptions ASAP. The system would also include application-level integrations, or the ability to seamlessly drill within a single dataset or warehouse for efficient research.

[For more information, please listen to a recorded webinar >](#)

¹ The Myth of Multitasking, Nancy K. Napier, PhD, Psychology Today, May 12, 2014.

² Math Anxiety, Can Teachers Help Students Reduce It? Sian L. Beilock, Daniel T. Willingham, American Educator, Summer 2014.

Share this: [in](#) [f](#) [t](#)

infor

Copyright ©2017 Infor. All rights reserved. The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All other trademarks listed herein are the property of their respective owners. www.infor.com.

641 Avenue of the Americas, New York, NY 10011

INF-1624988-en-US-0317-1