

# Axiom Cost Accounting and Decision Support



## A reliable and trusted source of patient-level costs that informs strategic financial planning and clinical transformation initiatives

The demand for sound, data-driven decision making has never been greater as hospitals and health systems nationwide face increasing pressures to improve care quality and outcomes while cutting costs. Kaufman Hall offers a modern cost accounting platform that is fully integrated with its enterprise planning solutions.

Kaufman Hall's comprehensive Decision Support and Cost Accounting solutions help organizations to:

- **Streamline the cost accounting process** for efficiency and repeatability
- **Develop accurate patient-level costs** across inpatient and outpatient settings
- **Use expected or actual net revenue**, including the option to use detailed contract-level expected payment models when evaluating margins
- **Deliver timely views of patient costs and service line performance** with dynamic reporting and dashboards
- **Identify opportunities to improve cost and quality outcomes**, including the option to incorporate clinical outcomes data and external benchmarks from Kaufman Hall's Peak Software

### Cost Accounting

The Kaufman Hall Axiom Cost Accounting solution improves the overall validity and reliability of costing results. Benefits include:

**Improve cost accuracy with sophisticated costing methodologies** - Multiple cost assignment methods can be leveraged to support accurate activity- and patient-level costs, enabling a process that is both accurate and efficient. Methodologies include RCC, RVU, time-driven methods, reverse mark-up, and direct-item costing. Additionally, direct-to-patient allocations can be used to further refine cost assignments.

**Develop patient costs across inpatient and outpatient settings** - As models for how patient care gets delivered continue to be evaluated, Kaufman Hall's Cost Accounting solution enables organizations to develop cost-of-care measures across inpatient and outpatient settings, including physician practices and clinics. With flexible data integration tools, detailed patient information can be automated from virtually any source.

**Provide transparency across the costing process** - Establishing buy-in and gaining trust in the resulting patient-level costs are an important tollgates to ensure data are truly leveraged to support strategic decision making. Kaufman Hall's Cost Accounting solution helps streamline the cost development process. Data validation and reconciliation tasks improve efficiency and reliability while providing transparency into how costs are calculated and assigned.

Key capabilities of the solution include:

- **Flexible cost category definition** – tailor the definition and number of costing categories to meet your specific needs

- **Sophisticated cost assignment methods** – improve cost accuracy by integrating actual or standard costs from any source, including implants, pharmacy, and other high cost supplies
- **On-line RVU cost modeling** – engage managers to review and refine RVUs and cost assignments
- **Customized process management and workflow** – create workflows unique to the costing process being used with defined steps, owners, and notifications
- **Automated job scheduling** – automate key functions to run on demand or as scheduled processes

### Decision Support

Hospital and health system leaders must have full visibility into financial and clinical data across their entire organization to make the best decisions.

#### **Analyze and report on service lines, patient populations, or payer performance**

Kaufman Hall's reporting tools empower finance, strategy, and process improvement teams with insightful views of volume, cost, and profitability measures across clinical service lines. Trended views of key indicators and analytics are available at any dimension, including by service line, DRG, physician and payer. With powerful ad hoc reporting capabilities, users can quickly drill from consolidated reports to the underlying details, including to patient and charge-item detail levels.

#### **Model contracts and analyze payments**

Kaufman Hall offers sophisticated contract modeling and claims analytics which enable organizations to simulate managed care contracts, estimate third-party contractual allowances, analyze denials, and provide analytics related to payer- and contract-level profitability. Healthcare finance professionals can calculate accurate expected payments for managed care, Medicare, Medicare-like, and Medicaid contracts with the abilities to automate and integrate

contractual allowance data back into their patient accounting system. Additionally, 'what-if' and 'simulation' capabilities empower staff members to negotiate better contracts and ensure compliance with payers.

#### **Integrate cost data with clinical outcomes and benchmarks**

Kaufman Hall's Clinical Performance Measures provide hospital leaders with the data and analytics they need to identify significant opportunities to improve clinical outcomes, patient satisfaction, and financial performance. They gain ready access to data on utilization, quality measures, patient satisfaction, cost variations, and benchmarks of internal and external best-practice care. Armed with this information, hospital leaders can create initiatives to drive performance improvement, as needed, to reduce the possibility of financial penalties, save costs through patient care initiatives, and increase value. The integration between these modules supports the synchronization of true patient cost data into a benchmarking database, including meaningful peer groups and risk-adjusted measures.

Key capabilities of the solution include:

- **Configurable service line definitions** – maintain multiple versions of service line definitions across inpatient and outpatient populations
- **Flexible report writing capabilities** - highlight key volume, cost, and profitability measures across any dimension and visualize results with graphs and charts
- **Drill-down and drill-through capabilities** - analyze consolidated reports and drill-through to underlying trends, across service lines, by DRG, by payer, by attending M.D., and any other dimension
- **Report distribution and publishing** - online access or scheduled distribution of performance reports or report 'books'