

Why Information Governance Means Real Return on Investment (Updated) - Retired

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Editor's Note: This Practice Brief supersedes the February 2016 Practice Brief "Why Information Governance Means Real Return on Investment."

Securing the support of executive leaders for information governance (IG) requires demonstrating how the program enables the organization to better achieve its strategic goals and objectives with trusted, reliable information. Healthcare is a highly regulated and competitive industry. This is reflected by the top issues identified in the 2018 HealthCare Executive Group Top 10 main issues and concerns, based on member input.¹

These issues and concerns include:

1. **Clinical and Data Analytics:** Leveraging Big Data with clinical evidence to segment populations, manage health, and drive decisions
2. **Population Health Services Organizations:** Operationalizing population health strategy, chronic care management, driving clinical integration, and integrating social determinants of health
3. **Value-based Payments:** Targeting specific medical conditions to manage cost and quality of care
4. **Cost Transparency:** Growing legislation and consumer demand
5. **Total Consumer Health:** Improving members' environment and medical, social, financial, and overall well-being
6. **Cybersecurity:** Protecting the privacy and security of consumer information
7. **Healthcare Reform:** Repeal, replacement, or substantial modification of current healthcare laws; block grants; single payer systems; and industry stability concerns
8. **Harnessing Mobile Health Technology:** Improving disease management, member engagement, and data collection/distribution
9. **Addressing Pharmacy Costs:** Implementing strategies to address growth of pharma costs versus benefits to quality of care and total medical costs
10. **The Engaged Digital Consumer:** Health savings accounts, member/patient portals, health and wellness education materials

Information governance does not appear on this list, but when formally implemented, IG can position an organization to effectively and efficiently overcome these challenges and set the stage for success—resulting in a return on investment and competitive advantage. In order to “sell” IG to executive leaders and secure their sponsorship, health information management (HIM) professionals should build the case by demonstrating how the organization can use quality information to achieve the Institute for Healthcare Improvement's Triple Aim of improving the patient experience of care (including quality and satisfaction), improving the health of populations, and reducing the per capita cost of healthcare.² Achieving the Triple Aim is necessary to address the issues and challenges listed above.

Healthcare organizations can no longer assume information is trustworthy. Information should be viewed and managed as a strategic asset, much like other assets such as buildings and equipment. Add to this the growing amount of data generated each day that needs to be harnessed and converted into information that can be used for supporting the Triple Aim—and the many other initiatives healthcare organizations are facing.

More often than not, IG can be a tough sell. Unless it is mandated or there has been some major patient safety issue, compliance sanction or fine, legal loss, or cyberattack, it can be difficult to make the business case for IG. In fact, “the largest impediment to IG adoption is simply identifying its benefits and costs,” according to the Economist Intelligence Unit.³ Sure, the enterprise needs better control over its information and the decision-making around its information. But how much better? At what cost? What is the payback period and the return on investment?

HIM professionals have the knowledge and experience needed to provide leadership in IG regardless of the position they hold. Now is the time to take the steps necessary to make the case for IG using return on investment techniques to ensure organizational success.

Return on Investment Explored

Why is return on investment (ROI) important? According to Chris Schweighardt, with iSixSigma, “Calculating the true value of any project... with respect to its impact on margin has always been challenging, mainly due to the ambiguity of turning notions into dollar values.”⁴

The following benefits are gained from demonstrating ROI:

- Quantifies project value
- Builds stakeholder support
- Uncovers additional benefits
- Leads to project prioritization

Simply put, ROI is a calculation of the profits of an investment as a percentage of the original cost. It is important to note that healthcare organizations are slow to budget for an overarching IG program. Likewise, it's not easy to determine the overall cost of an IG program nor is it easy to determine the dollar return on investment of an overarching IG program, but there are many IG-related projects and initiatives that are already in process or may be planned for the near future that can show a return. It's critical to note that without having a formalized IG program in place, these IG-related projects and initiatives will not take hold for the long term and will require downstream clean up—as well as result in challenges to confidence in information and the organization as a whole. IG is not only a lifelong program, but it also needs to become part of the organizational culture.

ROI can be demonstrated most directly through tangible values. These are values with a real impact that are concrete and can be quantified. Examples include proactive person identity management that eliminates or minimizes retrospective clean up activities; a formalized, organization-wide record management plan; increased productivity; and reduced staff turnover.

Person identity management includes the ever-important patient identity management and elimination of duplicate medical record numbers. In the “Real World Examples of IG's Return on Investment” section of this Practice Brief, Karen Proffitt shares her experience with enterprise master patient index (EMPI) strategies. Additionally, other “person” identities within the healthcare organization—such as physician identity and attribution and employee identity—are included and should be addressed through policies, procedures, and staff education. How often does a healthcare organization report physician attribution to service types (e.g. attending, admitting, consulting, surgeon) inaccurately? Not only does this reflect poorly upon the healthcare organization and the provider in question, but requires rework on the back end.

Record management programs should be organization-wide and address all types of information on all types of media. Critical to a record management program is a record retention schedule and a record destruction policy. Organizations can save thousands of dollars by destroying records and other documents that have met federal or state record retention requirements and no longer serve a business or legal purpose for the organization. Additionally, there is a risk associated with maintaining records and documents longer than is needed. This risk can result in negative legal outcomes.

Improved productivity and decreased staff turnover are two additional areas worth exploring for ROI. By making proactive decisions, developing consistent policies and procedures, and educating staff on their roles and responsibilities, the organization will reduce retrospective workarounds, fixes, and other rework, thereby making staff more productive. Likewise, there is a cost associated with staff turnover—the cost to recruit, hire, and orient new employees is not inexpensive. When staff knows what is expected and where to find policies and procedures in support of roles, and are properly educated and trained, they are most likely to be successful in their work. Reducing stress and frustration is one way to retain qualified employees.

There are many other areas that can be delved into across the healthcare organization that will result in increased efficiencies, which equate to efficient and effective healthcare.

Real World Examples of IG's Return on Investment

The following offers real world examples of IG projects in enterprise information management and data governance that garnered return on investment.

Enterprise Information Management (EIM)

Karen Proffitt, MHIIM, RHIA, CHP, is vice president of identity enterprise solutions for Just Associates, Inc., a consulting firm focused on identifying and resolving patient data and integrity issues. She has worked with several healthcare clients to centralize management and control of the EMPI for accurate patient identity. She recommends that the EMPI strategy, policies, and performance monitoring initiative be a key component of an enterprise IG program. The return on investment for EMPI program centralization and management includes increased efficiency, productivity, and reduced costs.

To achieve the ROI, Proffitt recommends HIM be the owner of the EMPI, as they are uniquely qualified to provide:

- One authority for adoption of consistent maintenance methodologies
- Standardized/simplified error correction processes
- Consistent MPI conversion decisions with minimal required resources
- Numerous hand-offs minimized to improve turnaround times
- Cross-trained team members who are interchangeable for coverage

One of Just Associates, Inc.'s clients who implemented centralized EMPI identified a potential return on investment in the form of full-time employee (FTE) reductions. Previously, under the decentralized model, there were 40 FTEs with a cost of \$21 per task for duplicate medical record number reconciliation. Under the centralized model, the total staffing decreased to 21 FTEs, and the duplicate reconciliation cost was reduced to \$12 per task. Another example of total EMPI centralization for eight hospitals in a corporate structure model resulted in an overall savings of \$4.6 million.

A focused strategy to minimize duplicate medical record number creation can lead to additional reduced costs. The average cost of a duplicate medical record is \$100 due to delayed treatment, duplicate tests, and other administrative issues. Another Just Associates client had significant FTE reductions—from 24 to nine—by centralizing the EMPI and reducing duplicate creation rates. These examples provide a compelling rationale to initiate an enterprise information governance program with centralized EMPI. This is IG at “ground zero.”

Katherine Lusk, MHSM, RHIA, FAHIMA, chief health information management and exchange officer and Michelle Hermann, MS, RHIA, HIM director at Children's Health System of Texas (Children's Health), have been leading the IG effort for a number of years with many successes achieved. One of those was a focus on storage of paper documents in an offsite storage facility. Under the oversight of their Information Governance Committee, Children's Health developed retention schedules, policies, and procedures around document storage and were able to destroy these paper documents and save \$100,000 in annual costs.

Data Governance

Seth Jeremy Katz, MPH, RHIA, is the assistant administrator of information management and program execution at Truman Medical Centers (Truman), located in Kansas City, MO. He has been involved in multiple IG projects as directed by Truman's IG committee, called the Analytics Coordination Team (ACT). ACT is focused on all aspects of data governance at Truman, with their current attention placed on data reporting standards, information technology (IT) project life cycle, balanced scorecards, and data flow diagrams. Even in the absence of documented financial return on investment for these projects, Katz says he believes IG is “the right thing to do.” The return on investment is manifested in increased efficiency, accuracy, transparency, and reliability of data for the organization's internal processes.

All employees have access to actionable analytics to drive measurable results in real time at Truman Medical Centers, as demonstrated by these examples:

- The Data Quality Standards Committee (DQSC) was established to review every data request ticket. Analysts from all the different Truman reporting systems (i.e., electronic health record system, billing system, etc.) sit on DQSC and ensure the validity and consistency of the requested data, while also determining the “source of truth” for the requested data. DQSC maintains and reviews the organization's report inventory to determine if there is an existing report that

may be easily modified to satisfy the request and senior leadership must approve each request, requiring the requestor to complete a business case answering the basic question of “Why are you asking for this data?” The DQSC has streamlined the data request process and reduced the turnaround time for most reports to four hours or less.

- The IT project life cycle process was completely overhauled at Truman to better streamline the approval process. The Project Management Office drives this and ensures there is a standardized governance structure for all IT-related projects.
- A balanced scorecard for departments and the organization as a whole is now available with real-time dashboards offering “at a glance” reviews. The CEO was the executive sponsor of the balanced scorecard with a goal to have analytics available to drive strategic change with measurable results.
- ACT’s current focus is on creating data flow diagrams, which provide visual representations of data flow and touch points for all major systems. Though a time-consuming task, the end result will help safeguard the security of data as it flows through various systems.

Maximize Value

Kathy Downing, MA, RHIA, CHPS, PMP, CPHI, vice president of information governance, informatics, standards, and privacy and security at AHIMA, spoke at AHIMA’s 2017 Annual Convention and Exhibit and explained, “Information governance is the program that healthcare organizations are using today to maximize the value of their information while minimizing associated risks and costs.”

“It is the responsibility of all citizens in the healthcare ecosystem to advance the use of all information assets. We owe it to our patients and communities, in support of initiatives like population health. We owe it to our physicians who are dissatisfied with the use of electronic health systems and feel it takes six times longer to complete a chart. We owe it to our employees who want to understand their role in the creation, maintenance, quality, and retention of information. And we owe it to our organizations that need to succeed financially within the complicated and changing reimbursement models,” Downing said at the convention.

IG is a multifaceted initiative that requires forethought and leadership. Trusted information strengthens and supports the healthcare organization’s strategy to ensure success. Make the case for IG and reap the benefits.

Notes

1. HealthCare Executive Group. “2018 HCEG Top 10.” <http://hceg.org/hceg-top-ten/>.
2. Institute for Healthcare Improvement. “IHI Triple Aim Initiative.” www.ih.org/engage/initiatives/TripleAim/Pages/default.aspx.
3. Smallwood, Robert F. *Information Governance: Concepts, Strategies, and Best Practices*. Hoboken, NJ: John Wiley & Sons, Inc., 2014.
4. Schweighardt, Chris. “Calculating ROI to Realize Project Value.” iSixSigma. www.isixsigma.com/operations/finance/calculating-roi-realize-project-value.

Prepared By (2018 Update)

Ann Meehan, RHIA

Prepared By (Original)

Mary Reeves, RHIA

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