

# Proving value in holistic care

## Client story

### Client

A U.S.-based academic medical center and health system

### Sector

Healthcare

### Project

Service line analytics



### Client challenge

Our client, a top ranked academic medical center, has led the way in patient care for decades thanks to their holistic approach to treatment. But despite their reputation for excellence in clinical care, they had difficulty establishing new referral relationships with a large commercial payer outside of their core market. The hospital believed that their diagnosis and treatment protocols provided the best patient outcomes for the greatest value over the course of treatment. The payer, however, couldn't look beyond the price per discharge as compared to other healthcare providers when determining the value of care. To increase market growth and patient volume to their practice, the hospital needed robust data and analytics to prove the value of their services.



### Benefits to client

In just a few months, KPMG developed a new analytical standard consistent with the clinical excellence the client provided to their patients. The new standard measured and analyzed the total cost of care for patients treated at the hospital versus those treated at other providers in the payer's main market. This standard captured the value generated in the diagnosis stage through the treatment and follow up stages of care. Through this analysis, the client was able to:

- Quantify the value that they provided for their patients in terms that would resonate with the payer to build a strong business case for establishing a relationship
- Identify the drivers of operational and price differences and utilization between providers that allowed them to create new strategies to further enhance their value
- Pinpoint opportunities to increase market growth by identifying markets where they could offer superior value



## KPMG response

To define their standard of clinical care, the hospital needed to redefine value in a way that hadn't been done before. Using a large commercial claims dataset, we worked to compare clinical care delivery in three areas—prevention, diagnosis, and treatment—to help quantify the total cost of care against other market providers. Working together, our finance, payer contracting, and data and analytics teams looked at two years of historical data to gain an accurate picture of what health plans were paying providers over the course of clinical care. Consulting with our care continuum optimization team, our client could understand not only the numbers, but also what patient behavior and progression meant for their clinical operations.

The hospital could then quantify the total cost of care against other market providers. The data showed where they were indeed a good value for patients, providing lower total cost of care over the long-term. Not only that, but the hospital could also explain the operational differences behind their value, those that were intentional, and those they were unaware of. Armed with this knowledge, they could return to the payer and reopen the dialogue around creating a relationship.

As an innovator in healthcare, our client now has the data insights to support their leading standard of clinical care. Redefining what quality care looks like and how much it should cost, they can use this data to fuel better business decisions and identify other opportunities to reduce costs for patients while improving outcomes.



## KPMG insights

### Rethink end-to-end operations to improve value for patients

Patients and payers can experience additional value when hospitals consider the entire lifecycle of patient care. Reliable, aggregated claims data can help health systems transform operations to treat more holistically, lower costs, and improve the patient experience.

### Look behind the numbers

It's not just about what you learn from data, but what you do with it. A cross-functional team of financial analysts and clinicians that understand business and clinical operations can quickly identify where improvements can be made and optimize for better outcomes and lower costs.

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**If you are interested in learning more about this case study, or if you are experiencing similar issues, please contact us.**

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