

Bending the Cost Curve



Medical Operations

Cleveland Clinic began as a single building at a single site in 1921. Since then, it has grown to become the largest health system in Northeast Ohio. Today, our system includes our main campus, which houses 50 buildings on 166 acres, nine community hospitals and 15 suburban family health and ambulatory surgery centers. Through the development of innovative business intelligence tools, better utilization of resources and process improvement initiatives, Cleveland Clinic has realized considerable cost savings and improved efficiency throughout our system.

Improved Patient Access & Experience

- Application of business intelligence tools has reduced wait time for new patients from 14 days to 7 days, adding 100,000 visits in first year of implementation and increasing patient satisfaction scores
- Patients receiving “Appointment When Wanted” reached 78 percent in Jan. 2009, up from 72 percent in Jan. 2008
- Reduced pathology lab turnaround time by 88 percent, allowing for faster diagnosis
- Reduced overall wait for chemotherapy patients from over 60 minutes to 20 minutes
- Reduced total patient time in Bariatric Outpatient Clinic by 32 percent; from 2 hours 40 minutes to 1 hour 49 minutes
- Decreased no-shows in our Coumadin Pharmaceutical Care Clinic by 34 percent and follow-up phone calls by 11 percent.
- Dropped ED diversion to 0 for past 9 months

Patient Beds/Length of Stay

- Added average of 30 beds per day, improving patient volume
- Decreased cardiac surgery pre-op length of stay by 22 percent

Transfers

- By regionalizing hospital transfer center in Jan. 2009, more than 90 percent of hospital transfers are placed within one day, up from about 63 percent in Jan. 2008
- Nearly 33 percent of our main campus facility is filled with hospital transfers

Inpatient Drug Cost and Utilization Management Strategies

- Saved more than \$22 million in pharmaceutical costs since 2006
- Drug cost per patient day lowest compared with similar organizations
- High-cost IV medications: Prepared and hand delivered to nursing units with signature card, which reduces chance of missing doses and prevents unnecessary remakes

Electronic Medical Records

Through our electronic medical record system, we virtually aligned all of Cleveland Clinic’s physical locations, physicians, nurses and care teams into a single, coordinated group practice. We also provide our patients with secure, online tools to ensure that they are well-informed and actively engaged in the decisions regarding their care.

- 80 percent of Cleveland Clinic patient appointments utilize the EMR, reducing retrieval and distribution of the paper record
- Call Center volume has dropped from 350 calls/day to 75 calls/day because of electronic record accessibility
- 85 percent of the release of information requests received (70,000 annually) can be fulfilled electronically
- All ED records are available online
- Cleveland Clinic has 2.5 million active paper charts and 2+ million inactive charts; has experienced a 75 percent reduction in printing of traditional paper medical record forms

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Operations

Supply Chain & Operations Management

Cleveland Clinic has a fully integrated supply chain across our system and has consolidated support operations. This integration has reduced overall costs by eliminating duplication of services, which enables better price negotiation, utilization of resources and improved customer service.

- Consolidated support operations for medical technology across the health system – saved \$438,000 through the first six months of 2009 in parts purchasing alone
- Realized “Redeployment/Re-use” savings on average of \$250,000 - \$500,000 by identifying technologies with long life cycle and improving utilization of those assets

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- Hedged natural gas pricing, realizing a cost avoidance of just over \$3 million for 2009
- Entered into a long-term electric supply contract, resulting in cost avoidance of \$2.5 million for 2009

Sustainability

In 2007, Cleveland Clinic began a sustainability initiative that seeks to reduce our environmental impact, increase our conservation efforts and create efficiencies. Through energy conservation alone, we have saved or avoided costs of over \$10 million this year.

- Energy conservation, behavioral changes and other general accomplishments resulted in a 2009 cost avoidance of over \$4 million
- Water conservation savings of \$3.5 million over 10 years; retrofitted existing buildings with water-efficient toilets, faucets and shower heads
- Replaced over 56,000 incandescent lamps with CFLs or LEDs since 2006, which has reduced consumption by over 30,000,000 kilowatt-hours, equal to \$2 million (54,000,000 pounds of CO₂)
- Diverted 25 percent of waste at main campus (2,283 tons) from landfill, realizing more than \$100,000 savings in 2008 over 2007 baseline; savings have increased in 2009

- Implemented reusable sharps container program, saving nearly \$500,000 over 2007-08; diverted 28 tons of plastic containers from landfills in 2008 alone

Patient Financial Services

Our Patient Financial Services department provides integrated billing, collection and management strategies. By developing incentives for patients and insurers, rewarding for timely prepayment and offering “prompt pay” discounts, we remove the administrative burden for collection.

- 45,000 patients receive their statements and make payments online
- Charity policy at 400 percent of poverty guidelines with a sliding scale
- Increased self-pay collection in 2009 by \$13 million and accelerated cash collection by 20 days
- Contractual cost savings – new \$.10 transaction cost vs. \$.14 under separate agreements = \$5,400/month savings
- Created a single statement for entire enterprise, realized a 20 percent reduction in printing costs; printing 120,000 fewer statements per month = \$72,000/month saved

Workforce Management

Wellness and Employee Initiatives

Cleveland Clinic has a very unique vantage point on health benefits. As Ohio's second largest employer with 40,000 employees, we can appreciate the enormity of covering the cost of healthcare for employees. As a provider, we also see and pay for the impact of unhealthy lifestyles.

- Employees have free access to fitness centers, Weight Watchers and yoga classes. To date, more than 6,500 employees utilize gym memberships; 4,725 employees have participated in Weight Watchers since Aug. 2008 losing 82,320 pounds (an average of 17 pounds per employee)
- Developed weight loss program, Shape Up and Go!; 2,776 employees participated and lost 14,673 pounds (about 5 pounds per employee)
- 240 employees who lost 10 percent of their initial weight received a total of \$24,000 in incentive payments
- Cleveland Clinic does not hire smokers and offers free programs for current employees who want to quit; there is no smoking on Cleveland Clinic property
- Trans fats are banned from all cafeterias and patient meals