

# Improving Business Knowledge and Financial Awareness in the IT Organization

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**Cook Children's Health Care System**

# Agenda

- Cook Children's Overview
- Healthcare Overview
- Why is Business/Financial Knowledge Important
- Finances – IT impact
- Tips and Techniques

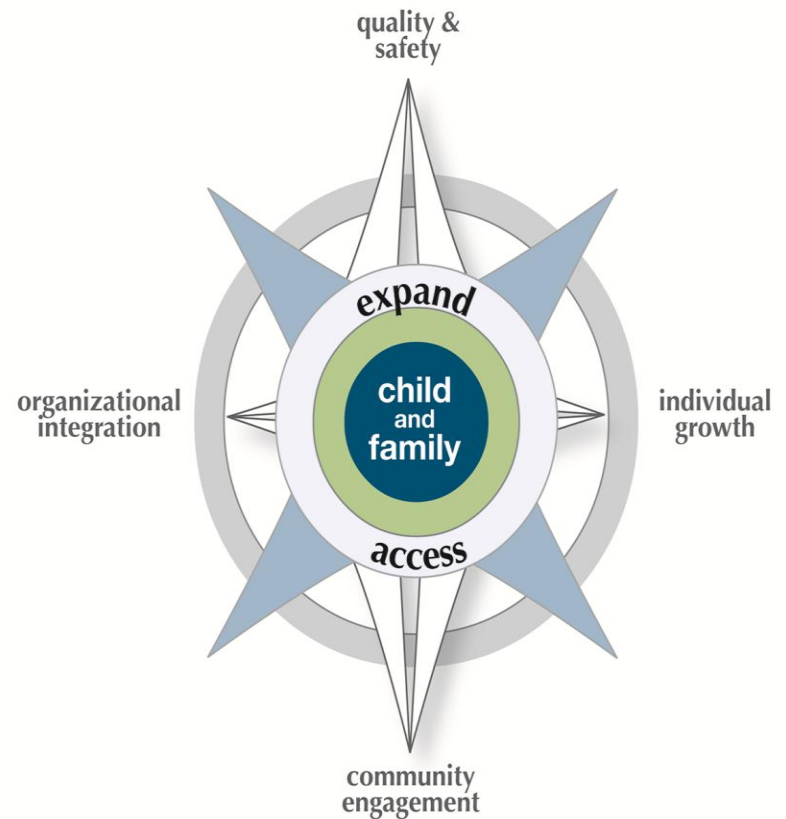
# About Cook Children's

- Founded in 1918
- Grown from Fort Worth Free Baby Hospital to a Health Care System with a service area that covers 47% of the state of Texas
- Tarrant, Parker, Hood, Johnson, Wise, Denton



Knowing that every child's life is sacred, it is the promise of Cook Children's to improve the health of every child in our region through the prevention and treatment of illness, disease and injury.

# Our Promise



# Our Health System

 <p><b>CookChildren's</b> Health Care System</p>	 <p><b>CookChildren's</b> Physician Network</p>
 <p><b>CookChildren's</b> Health Plan</p>	 <p><b>CookChildren's</b> Medical Center</p>
 <p><b>CookChildren's</b> Home Health</p>	 <p><b>CookChildren's</b> Northeast Hospital</p>
 <p><b>CookChildren's</b> Health Foundation</p>	 <p><b>CookChildren's</b> Pediatric Surgery Center</p>



# Fast Facts

## Annual Statistics

- Private, not-for-profit corporation held in the public trust by a board of community and physician leaders
- 321 licensed beds
- >60 medical and specialty clinics
- 600 active medical staff
- 5000 employees
- 17,000 Surgical procedures
- 108,000 emergency room visits per year
- Health Plan membership 95,000 covered lives
- 8800 Home care visits
- > 1 million patient encounters each year
- ~\$ 1 billion revenue
- ~\$ 100 million in community benefit
- 1309 employees donated \$436,157 to health system

## Awards and Recognition

- SDI's Top 100 Integrated Healthcare Networks
- Magnet re-designation (only 3% of hospitals achieve)
- Texas Award for Performance Excellence from Quality Texas Foundation
- US News and World Report Best Children's Hospitals ( 6 out of 10 specialties)
- APEX Quality Award by CTQ solutions
- Center for Children's Health Launched in 2011
- The Dallas Morning News Top 100 places to work 2011
- Leapfrog Group's 2011 Top Hospital List

# Healthcare Fast Facts



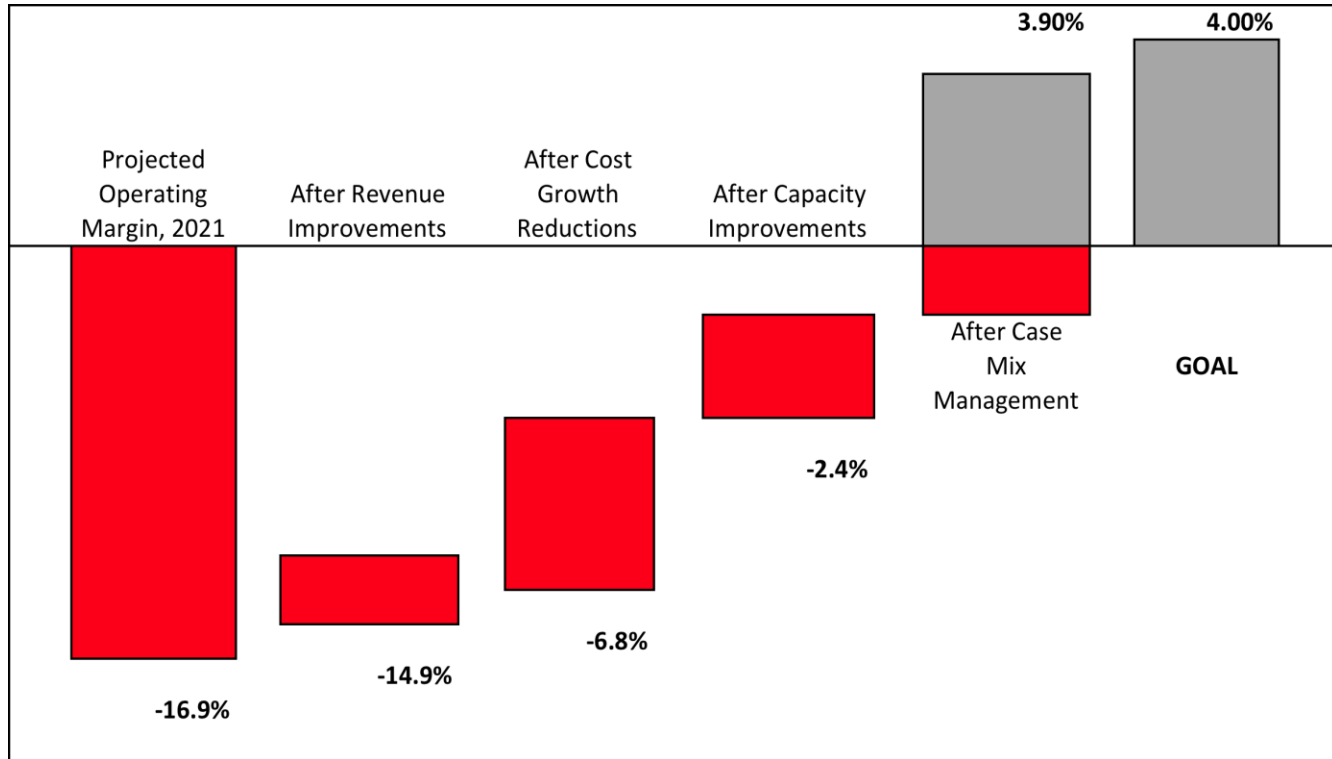
# Why Understand the Business?

- Enables IT to propose solutions to business problems
  - Improve quality
  - Improve productivity
  - Increase access to information vs. data to make decisions
- Develops trust with customer
- One of the few departments that interacts with ALL aspects of the business
- Greater satisfaction with job performance



# Living on Medicare Margins Example

Typical Operating Margin Improvements Needed by 2021



Source: 2012 The Advisory Board Company

# Finances – IT impact

- Average IT budget is between 3 to 8% of total operating budget
- Capital expenses are increasing for strategic initiatives
- IT expenses are rarely reviewed once purchase has occurred
- Inadequate business case development for the impact of IT (process, people, technology)

# Tips and Techniques

- Embed business people in IT
- Decentralize IT people to departments
- Education on business for IT staff
- Education on technology for Business staff
- Development of partnerships



# Tips and Techniques

- Baseline your IT Spending
- Review annually
  - Vendors
  - Maintenance
  - Outside Services
  - Use with customers
- Governance and Transparency
- Use process improvement techniques as part of IT initiatives



# Tips and Techniques

- Avoid “one off” quick fixes
- Deploy robust process specific business intelligence
  - Reduce cost growth
  - Improve revenue
  - Promote customer loyalty
- Develop a plan of how IT can support the business based on changing market conditions



# QUESTIONS?



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