3M Health Information Systems

Case study: Children’s Medical Center Dallas
Dallas, Texas

“Our success in clinical documentation and coding improvement across the organization—and the use of our 3M tools as the foundation—is celebrated on a monthly basis. There is not a month that goes by that a senior executive doesn’t applaud our efforts.”

– Katherine Lusk, chief health information management and exchange officer, Children’s Medical Center Dallas

Snapshot of Children’s Medical Center Dallas
Tracing its roots back to an open-air clinic established in 1913, Children’s Medical Center is now the fifth-largest pediatric healthcare provider in the nation and serves the pediatric population of North Texas. Children’s is private, not-for-profit, and comprised of nearly 600 beds across two hospitals and more than 50 subspecialty programs. There are nearly 700,000 patient encounters at Children’s each year.

The challenges
The state of Texas moved to a prospective payment system in 2013, affecting the 65 percent of Children’s Medical Center’s population who are Medicaid patients. “We give away $40-60 million dollars of uncompensated care annually at Children’s,” said Katherine Lusk, chief health information management and exchange officer. “We knew that prospective payment for our Medicaid population would present our organization with big challenges.”

To face these challenges, Children’s needed to change its approach. The hospital deployed new tools, technology, and a clinical documentation improvement (CDI) program. “I went to our 3M representative and asked, ‘What can we do to improve our case mix index to make sure that we’re paid accurately and appropriately?’ The impetus was based on our continued mission of ‘Making Life Better for Children,’ and the need to continue to provide $40 to $60 million dollars of uncompensated care annually,” Lusk said.

Proven results
With the 3M 360 Encompass System, Children’s has seen:

- $20 million dollars that wouldn’t have been previously captured
- Reduction in five outsourced coders (equivalent to a 30-percent productivity increase)
- 10 percent improvement in case mix index
- Decrease in medical necessity denials
Case study: Children’s Medical Center Dallas

The approach

Children’s selected the 3M™ 360 Encompass™ System as its technology in January 2012 and went live with computer-assisted coding annotation (highlighting clinical terms) in July 2012. “We immediately saw that we were capturing more diagnosis codes,” Lusk said. “We started out with about six diagnosis codes per inpatient case. When we went live with annotation, it went up to seven immediately, and our case index mix went up.” In November 2012, Children’s started using the 3M™ 360 Encompass™ System to auto-assign ICD-9 codes.

“We started capturing an average of eight diagnosis codes per inpatient record,” Lusk said. “And during that time, we really didn’t have a CDI program in place; it was entirely based on the technology. By the end of the year, it was up to nine diagnosis codes per record and our case mix index had gone up seven and a half percent.” Children’s new CDI program helped facilitate better communication between caregivers. While there was some initial hesitation from coders and CDI specialists in using a new system, that hesitation soon went away. “Our coders love their 3M tools. They were a little nervous about computer-assisted coding” Lusk said. “But now that they’ve gotten used to the tool, they love it. It makes them more efficient, and they don’t worry about missing a diagnosis. Coders by nature are extremely conscientious professionals, so to give them a tool that supports them can only be seen in a positive manner.”

The results

Along with solid improvements in case mix index and coder satisfaction, Children’s has also seen strong productivity and financial improvements. The benefits of using 3M 360 Encompass resulted in a reduction of five outsourced coders (equivalent to a 30-percent productivity increase). “We had five contract coders, and we were barely able to keep up with our four-day turnaround time. The computer-assisted coding improved the efficiency of our coders to such an extent that at the end of 2012, we eliminated all five contract coders. Can you imagine the cost of contract coders? They’re very expensive. We eliminated that cost, and improved our turnaround time, so it’s been a huge success.”

Children’s also saw significant improvements in case mix index. In 2010, Children’s had the lowest case mix index among its group of five peer hospitals. By 2013, Children’s had a 10 percent improvement in case mix index, moving it up to second among its peer hospital group. In addition, Children’s has seen a decrease in medical necessity denials.

“I believe we paid for our 3M 360 Encompass implementation in the first three months of prospective payment. We are estimating $20 million dollars that would not have been captured previously because of the tools and our CDI program,” Lusk said. “It has been a positive return on investment. Any time you can drive up your case mix index, accurately and appropriately, it allows your organization to capture the funds that are due to you. And any time that you can capture more funding and support your organization, a product pays for itself.”

Working with 3M

For Katherine Lusk, chief health information management exchange officer at Children’s Medical Center Dallas, working with a trusted vendor was key in selecting the 3M 360 Encompass System. “We’re long-time 3M clients. I can honestly say that the reason we chose to go with 3M is because of how solid they’ve been in the past,” Lusk said.

“When I go to 3M with an issue, 3M has the knowledge and the expertise to assist in developing a strategy and operationalizing the decision. We also have assurance that we are coding accurately. 3M has been excellent to work with and helped us in our journey. Without 3M’s support, knowledge and innovation, the journey to prospective payment would have been significantly different. 3M was a big part of our positive transition.”

Call today

For more information on how 3M products and services can assist your organization, contact your 3M sales representative, call us toll-free at 800-367-2447, or visit us online at www.3Mhis.com.