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HAS 2025: Experiences for This Year's Investor Track

1 Presentations, Tech Demos, Q&A with HCAT CEO, Business Unit Leaders, Client

2 Attend our Industry Leading Healthcare Data & Analytics Conference

- Keynote Speakers & Breakout Sessions

- Analytics & AI Showcases

3 Interact with our clients/prospects on an ad-hoc basis

4 Available time with CFO/IR

HAS'25

HAS 2025: Investor Presentation

Welcome & Company Updates

Dan Burton
Chief Executive Officer and Director

Ignite: Strategic Differentiation and Partnerships

Dave Ross
Chief Technology & Product Officer

Client Presentation

Rajender Agarwal, MD, MPH, MBA
VP, Clinical Transformation, Lifepoint Health

Terrill Wolf
Senior Account Executive

Transition to Ignite, AI Opportunities & Product Demo

Dan LeSueur
Chief Operating Officer

Dan Heinmiller
SVP of Implementation Services

Dan Samarov
Chief AI Officer

Q&A Panel

Leslie Falk
Chief Client Success Officer

Holly Rimmasch
Chief Clinical Officer and SVP & GM of Clinical Quality

Jack Kane
Board Member

Jason Alger
Chief Financial Officer

Robbie Hughes
SVP of Product Strategy

Kathleen Merkley
SVP of Professional Services

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HAS 2025: Recommended Investor Track Agenda

August 26

Time	Event Type	Details	Location
5:00pm – 7:00pm	Investor Presentation	• **Presentations / Tech Demos / Q&A with HCAT CEO, Business Unit Leaders, Client**	Brighton (3rd Floor)
7:00pm – 8:30pm	Showcases	• **Analytics Showcase** • **AI Showcase**	Sundance Terrace (6th Floor)

August 27

Time	Event Type	Details		Location
Throughout the Day	Keynote Presentations	• **Dan Burton (8:45am)** • **KD Weitzel, Advisory Board (9:00am)** • **Dave Ross, Product Roadmap (9:45am)** • **Harjinder Sandhu (10:45am)** • **Rhiannon Harms (3:45pm)**		Salt Lake Ballroom (2nd Floor)
1:15pm – 3:10pm	Breakout Presentations	Wave 1 (1:15pm)	• **7 - Improved Population Health Success: Smarter Outreach and Better Outcomes** • 8 - From Dashboards to Data Science: Improving Quality Outcomes Through Data and AI Maturity • 9 - Navigating MIPS at Scale: Performance Reporting Across 35+ EHRs and 187 Practices	Various
		Wave 2 (2:20pm)	• **10 - Revolutionizing Enterprise Analytics: Leadership and Organization-wide Engagement Unlocks ROI** • 11 - Driving Market Share and Growth: Redesigning Primary Care Access and Imaging • 12 - Deploying a Care Coordination Hub: Improving Access, Direct Admissions, and Procedure Volumes	
Throughout the Day	Client/Prospect Interactions	• **Interact with our clients/prospects on an ad-hoc basis**		Various
9:00am – 3:00pm	CFO/IR 1x1	• **Available time with CFO/IR by request**		Various

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HAS 2025: Recommended Investor Track Agenda

	Time	Event Type	Details		Location
August 28	Throughout the Day	Keynote Presentations	• **Tim Ferris (11:00am)** • **Robyn Benincasa (11:50am)** • **Dan Burton (1:00pm)**		Salt Lake Ballroom (2nd Floor)
	8:30am – 10:25am	Breakout Presentations	Wave 3 (8:30am)	• 15 - Cracking the Code: How to Reduce Variation, Elevate Care, and Decrease Costs • **16 - Discover Cost Clarity: Unlock Deeper Insights for Smarter Healthcare Finance** • 17 - Improving Value-Based Care Utilization: $28.3M Cost Savings	Various
			Wave 4 (9:35am)	• **18 - Modernizing Healthcare Analytics: The Three Pillars for Lasting Impact** • 19 - Redefining Healthcare Delivery: Deploying a New Operating Model and Advanced Analytics • 20 - Scaling Digital Patient Engagement: Transforming Pre-Procedure, Post-Discharge, and Population Health Outreach	
	Throughout the Day	Client/Prospect Interactions	• **Interact with our clients/prospects on an ad-hoc basis**		Various

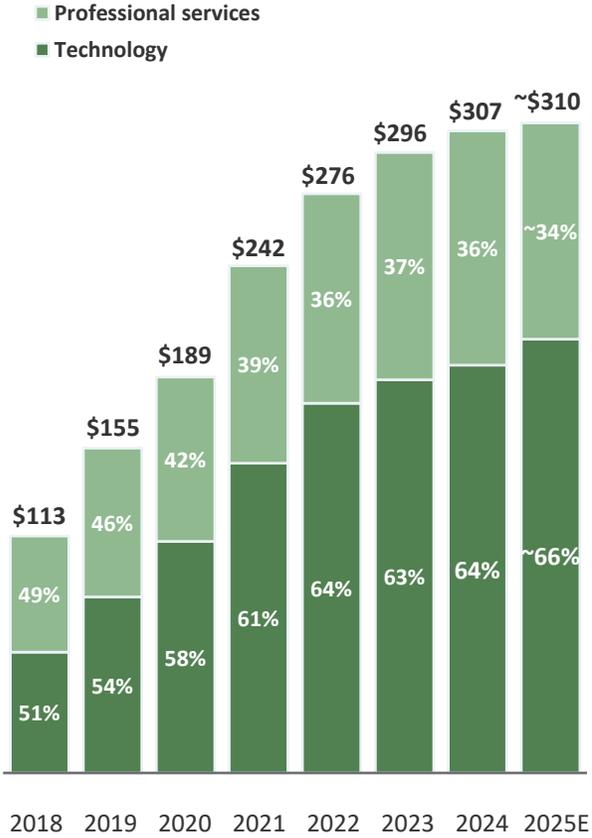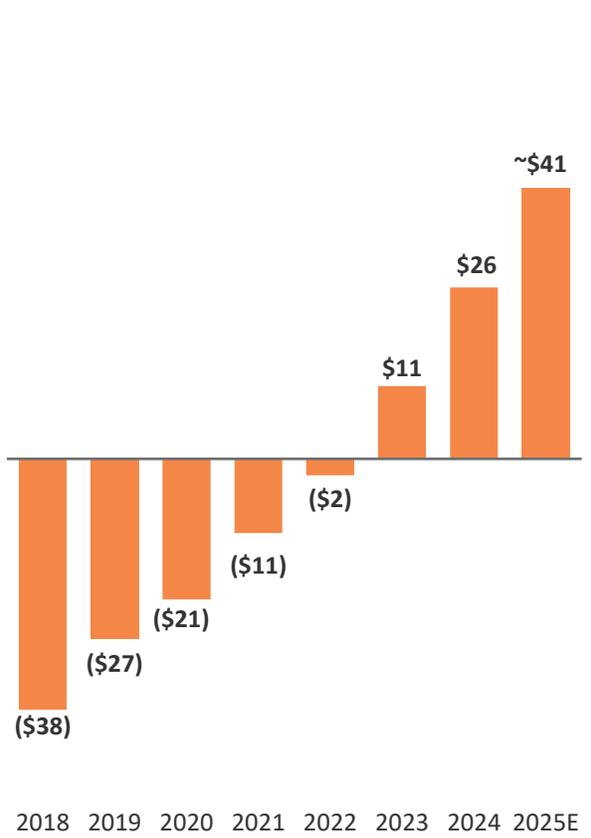HAS 25

Health Catalyst Growth & Maturation

Over the past seven years, the company's revenue base has nearly tripled, its profitability has improved from $(38M) in 2018 to a target of ~$41M in 2025, its team member base has nearly doubled, and its client base has increased almost ten-fold
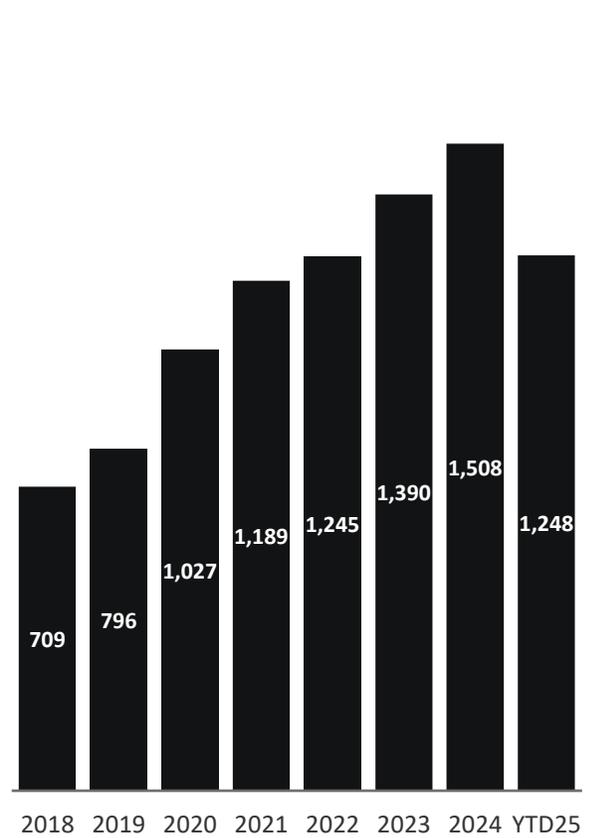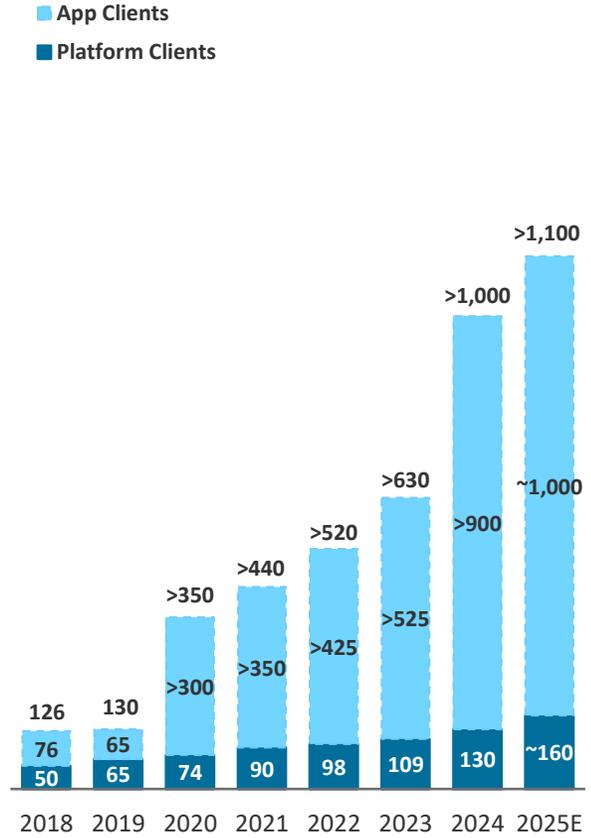
Total Revenue[1] ($mm)

- Professional services
- Technology

Year	Technology	Professional services	Total
2018	51%	49%	$113
2019	54%	46%	$155
2020	58%	42%	$189
2021	61%	39%	$242
2022	64%	36%	$276
2023	63%	37%	$296
2024	64%	36%	$307
2025E	~66%	~34%	~$310

Adjusted EBITDA[1] ($mm)

Year	Value
2018	($38)
2019	($27)
2020	($21)
2021	($11)
2022	($2)
2023	$11
2024	$26
2025E	~$41

Team Members[2]

Year	Value
2018	709
2019	796
2020	1,027
2021	1,189
2022	1,245
2023	1,390
2024	1,508
YTD25	1,248

Total Clients[3]

- App Clients
- Platform Clients

Year	Platform Clients	App Clients	Total
2018	50	76	126
2019	65	65	130
2020	74	>300	>350
2021	90	>350	>440
2022	98	>425	>520
2023	109	>525	>630
2024	130	>900	>1,000
2025E	~160	~1,000	>1,100

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The Components of our Solution Have Been Consistent for Years

We are the leading provider of improvement-focused solutions to healthcare organizations

Comprehensive Solution

1 Platform

Integrate data in a flexible, open, and scalable platform

2 Applications

Deliver insights on how to measurably improve

3 Services

Enable and accelerate data-informed improvement

Our healthcare provider clients use our solutions to manage data, gain insights, and drive measurable clinical, financial, and operational improvements

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Our Highest Growth, Profitability, Client Value & Differentiation is in our Applications
"Measurable Improvement As a Product"

We are the leading provider of improvement-focused solutions to healthcare organizations

Comprehensive Solution

1 Platform

2 Applications

3 Services

	Platform	Applications	Services
Solution Offerings	• Ignite Data and Analytics for healthcare systems • Ignite Interoperability for HIEs	• Regulatory & Security • Clinical Quality • Revenue & Cost • VBC & Patient Engagement	• TEMS (with AI-enablement) • Healthcare Domain Expertise • Implementation Services
Growth Profile	• Slightly down (Ignite less expensive, much more modular than DOS)	• Double-digit growth	• Slightly down (restructuring contracts for profitability)
Strategic Focus	• Migrate DOS to Ignite Data and Analytics • Migrate Medicity to Ignite Interoperability	• Differentiation by problem-based solutions • Sustained focus on measurable improvement & ROI	• Supercharge services with AI • Deliver on "last mile" impact that enables change management & improvement

3 **SERVICES:** *Experts in analytics, clinical, financial, and operational areas to drive improvement*

Data Foundation & Integration
- Healthcare data management & normalization
- Healthcare-specific data models
- Interoperability & data integration

Insights & Intelligence
- Healthcare analytics
- Advanced data science & AI
- Resource management & decision support

Operations & Change Enablement
- Clinical & operational workflow
- Change management & performance improvement
- Compliance & quality management

Tech-Enabled Managed Services
- AI-enabled chart abstraction
- AI-enabled analytics

2 **APPLICATIONS:** *Use case technology that generates actionable insights for improvement*

Clinical Quality
- Chronic & acute disease mgmt
- Patient safety
- Surgical quality & efficiency
- Inpatient performance improvement
- Ambulatory operations

Revenue & Cost
- Revenue cycle health & integrity
- Chargemaster management
- Supply chain optimization
- Labor efficiency
- Clinical costing variation

Value-Based Care (VBC)
- Network management
- VBC performance
- Care transformation
- Patient engagement automation
- Population health management

Regulatory & Cybersecurity
- Quality performance & measures
- Registry performance
- Cybersecurity & risk management
- Pricing transparency

**1** **IGNITE INTELLIGENCE:** *AI powered Healthcare Improvement Co-pilot*

0 **PLATFORM:** *Healthcare-specific data and analytics infrastructure to ignite improvement*

Data Foundation & Integration

Data and analytics integration & democratization | Data availability & reliability | Machine learning & AI
Ignite Data and Analytics for healthcare systems | Ignite Interoperability for HIEs

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Our mission is to **be the catalyst** for massive, measurable, data-informed healthcare **improvement**

Our flywheel represents **how** we accomplish our mission with each client—our **company strategy**
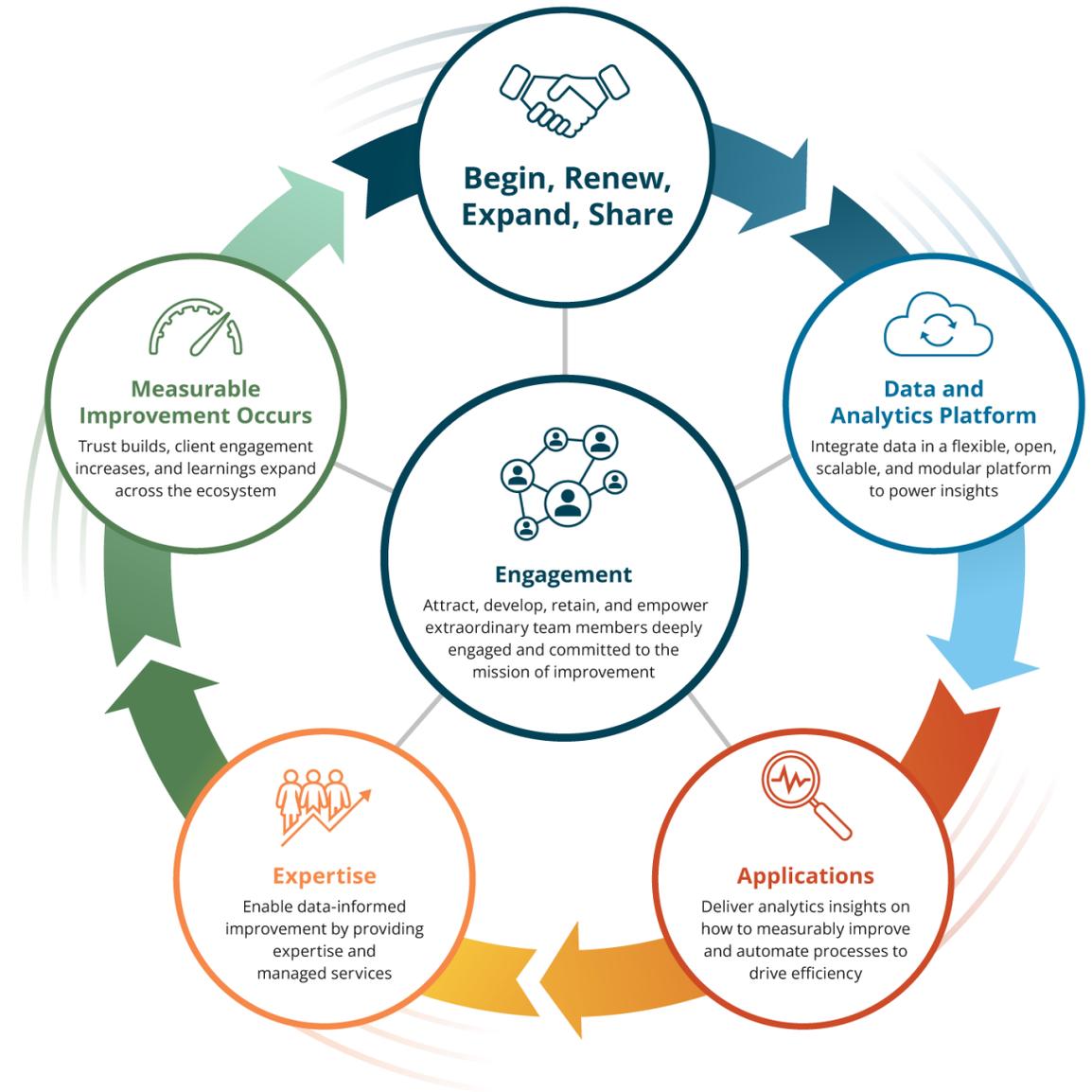
Experienced and Visionary Management Team

Daniel Burton
Chief Executive Officer
and Director
Tenure at Health Catalyst: 15 years

Jason Alger
Chief Financial Officer
Tenure at Health Catalyst: 12 years

Kevin Freeman
Chief Commercial Officer
Tenure at Health Catalyst: 5 years

Leslie Falk
Chief Client Success Officer
Tenure at Health Catalyst: 13 years

Amanda Flanders
SVP of Marketing & Communications
Tenure at Health Catalyst: 10 years

Ben Landry
General Counsel &
Corporate Secretary
Tenure at Health Catalyst: 6 years

Dan LeSueur
Chief Operating Officer
Tenure at Health Catalyst: 14 years

Linda Llewelyn
Chief People Officer
Tenure at Health Catalyst: 12 years

Holly Rimmasch
Chief Clinical Officer and
SVP & GM of Clinical Quality
Tenure at Health Catalyst: 13 years

Dave Ross
Chief Technology Officer and
Chief Product Officer
Tenure at Health Catalyst: 4 years

Kyle Salyers
Chief Strategy Officer &
SVP of Corporate Development
Tenure at Health Catalyst: 11 years

Dan Samarov
Chief AI Officer
Tenure at Health Catalyst: 4 years

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Ignite Data Platform
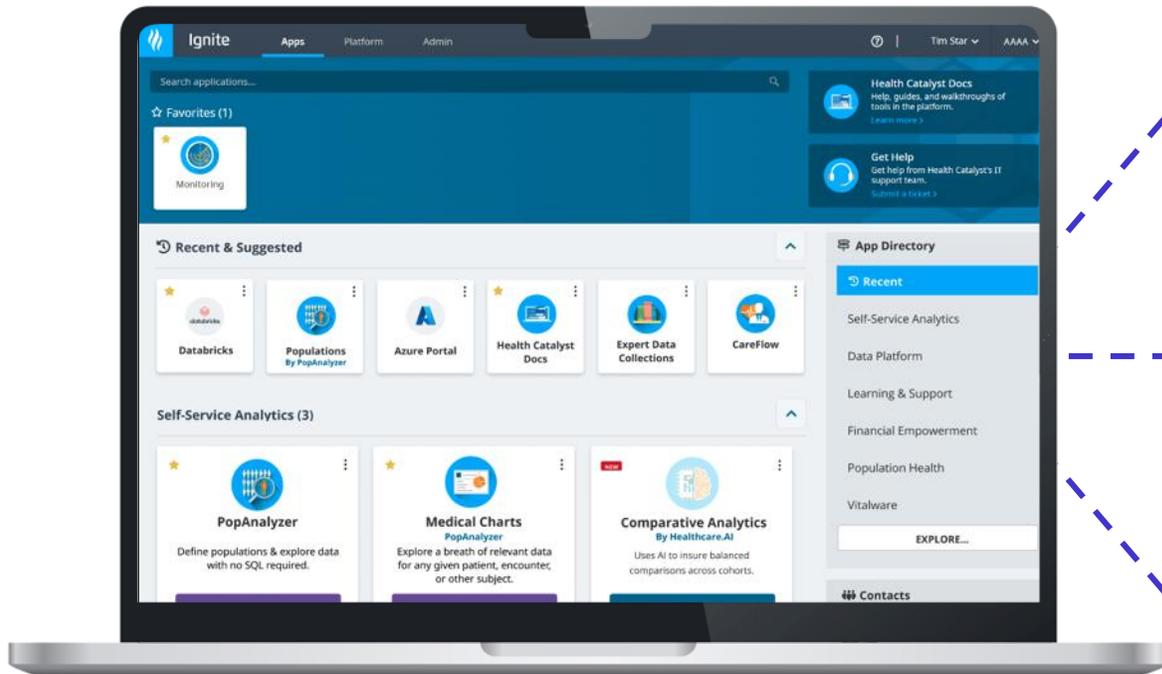
WHAT IT IS
A data and analytics ecosystem that combines best-in-class technologies, healthcare-specific data models, self-service tools, and industry expertise

WHAT IT DOES
Breaks down the cost, time, access, and expertise barriers to data-informed healthcare improvement

WHAT IT MEANS
Gets the right data in the hands of decision makers—at the right time—to drive massive, measurable improvement

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Core Technologies: Strong, But Not Enough

Core technologies support raw data, but healthcare needs more specific solutions

CORE TECHNOLOGY VALUE

• **DevOps**: Automates and scales data operations, improving efficiency and agility.

• **Cloud Data**: Offers scalable, flexible, and cost-efficient data storage with remote access.

• **Infrastructure**: Provides reliable, secure platforms with customizable solutions and disaster recovery.

• **Cloud Computing**: Delivers real-time data processing and powerful analytics with on-demand resources.

• **Data Security**: Ensures encryption, compliance, and continuous monitoring to protect sensitive data.

• **Access Management**: Simplifies user permissions with role-based control and identity verification.

LANDING RAW DATA FOR USE....

CONVERTING RAW DATA TO HIGH-VALUE DATA READY FOR HEALTHCARE USE CASES.....

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Differentiated Healthcare Expertise as a Product

Healthcare-Specific Source Connectors	Identity Resolution for Providers and Patients	Healthcare-Specific Data Security	Longitudinal View	Terminology Standardization Across Systems
Healthcare-Specific Content Libraries	Data Quality Assurance	Healthcare Interoperability Support	Self-Service Analytics Tools	Healthcare-Specific AI

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Core Technology Challenges in Healthcare

Healthcare Unique Needs	Gaps in Generic Core Technologies	What It Means
Land and Secure Source Data (*in common Environment*)	▪ No built-in healthcare templates or models ▪ No pre-built connectors for EHRs, claims, & clinical data systems	Loading source data and securing it requires significant time from both application and data analytics teams, leading to delays in realizing value
Unified Patient/Provider View	▪ Lack of longitudinal data aggregation ▪ No pre-built transformations for creating longitudinal patient views	Fragmented patient data, poor care coordination, incomplete patient insights
Standardized Medical Terminology	▪ No automatic normalization of healthcare-specific codes (ICD-10, SNOMED) ▪ Lacks integration for varying terminology systems	Data inconsistencies, increased manual reconciliation, and higher error rates
Data Quality & Validation	▪ Limited healthcare-specific validation ▪ No tools for real-time data quality checks or flagging inconsistencies in clinical data	Low confidence in data reliability, compromised analytics, and decision-making based on inaccurate or incomplete data
Healthcare Compliance	▪ No built-in compliance frameworks (HIPAA, GDPR) ▪ Limited support for healthcare-specific audit trails and data governance	Increased risk of data breaches, regulatory fines, and non-compliance
Interoperability	▪ Lack of support for healthcare-specific standards like FHIR, HL7 ▪ Inability to exchange data seamlessly between disparate systems	Disconnected systems, inability to create a single source of truth, fragmented data exchanges
Healthcare-Specific Content	▪ Limited healthcare-specific content for complex use cases. Can't enable certain content (e.g., chart abstractions)	Inability to support various use cases efficiently, leading to poor scalability
Self-Service Tools/Data Access	▪ Lacks user-friendly tools designed for non-technical clinical and operational users ▪ Complex interfaces requiring IT intervention	Clinical and operations teams dependent on IT for analytics, slower time to insights, underutilized data for decision-making

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How We Solve Healthcare Data Challenges

Healthcare Unique Needs	How We Solve For Them	What It Means
Land and Secure Source Data (*in common Environment*)	▪ 300+ source templates for secure, standardized data landing ▪ Pre-built connectors for EHRs, claims, and clinical data	Faster and secure data setup, reducing the time to begin deriving value from data
Unified Patient View	▪ Pre-built longitudinal patient/provider data transformations ▪ Integrate patient data across multiple healthcare systems	A complete, unified patient and provider view for better care coordination, decision-making, and outcomes
Standardized Medical Terminology	▪ Normalize source data to ICD-10, SNOMED, LOINC and RxNorm codes ▪ Use Expert Data Collections (EDCs) to provide standardized clinical, financial, and population health data models	Provides consistent terminology across systems and ensures that data can be understood both internally and externally
Data Quality & Validation	▪ Implement real-time healthcare-specific data quality checks ▪ Provide ID resolution for patients, providers, and locations	Ensures accurate, high-quality data, reducing errors and improving trust in the data used for clinical decisions
Healthcare Compliance	▪ Healthcare-specific data security and metadata tagging (e.g., SPHI security across multi-org systems) ▪ Granular role-based access for healthcare data governance ▪ Apply healthcare-specific security frameworks (e.g., HIPAA)	Secure, compliant data management, reducing risk of breaches and regulatory penalties
Interoperability	▪ Full support for FHIR, HL7, CCD and other healthcare standards. ▪ Out-of-the-box interoperability with various data systems	Seamless data exchange improving care coordination and operational efficiency
Healthcare-Specific Content	▪ Pre-built healthcare content for risk models, regulatory measures, and chart abstraction data: Tailored content cleans, normalizes, and shapes data for faster, more accurate integration with ARMUS/CRStar. ▪ Tailored content to accelerate implementation ▪ Benchmarks via tools like Touchstone	Immediate access to healthcare-specific content that is difficult for individual organizations to build, accelerating time to value
Self-Service	▪ Pop Analyzer: Enables pop health analysis with a drag-and-drop interface ▪ IDEA (Instant Data Entry Application): Self-service tool for direct data flow from spreadsheets into analytics workflows	Empowers end-users with data insights and the ability to manage data inputs, reducing IT dependency and improving decision-making and data quality

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Ignite Data and Analytics
Lighting the Path to Data-Driven Healthcare

Data Acquisition

- EHRs
- Pharmacy
- Steams
- Claims
- Legacy Systems
- HL7
- Imaging

Pop Analyzer · Data Entry · Unified Model · Analytic Engine · Healthcare.AI · Ignite UI

Source Marts	Data Collections	Domain Marts
- Landing & Validation	- Normalize Structure	- Calculations & Filters
- Schema Evolution	- Standardize Content	- Data Imputation
- Register Metadata	- Master Person ID	- Measures & Registries
- Change Data Capture	- Clinical Data Quality	- Populations & Cohorts
- Profiling & Telemetry	- Master Organization	- Attribution

Integrate Apps and Insights

Trigger Event-Driven Workflows

Share Data Assets

Foundational Capabilities

- Catalog & Metadata
- Lineage & Provenance
- Format Agnostic
- Secure Data Sharing
- Optimized Storage
- Cost Monitoring
- Auditing & Logging
- Centralized Governance

databricks

Core Enabling Technologies

Azure

- Dev Ops
- Cloud Data
- Infrastructure
- Cloud Computing
- Data Security
- Access Management

Our Partnerships with Databricks and Microsoft

Reduced Risk

- A proven solution that delivers benefits through an upgrade rather than starting from scratch

Best of both worlds

- Getting a market leading data platform combined with deep industry expertise.

Accelerated time to value

- Tried and tested data models ensuring that your team are working at the top of your license

Moving beyond analytics to improvement

- Expert team that partners with your data teams to help guide them towards action and improvement

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Lifepoint Health by the Numbers

Legend:
- Acute Care Hospital
- Behavioral Health Hospital
- Rehabilitation Hospital
- ★ Health Support Center
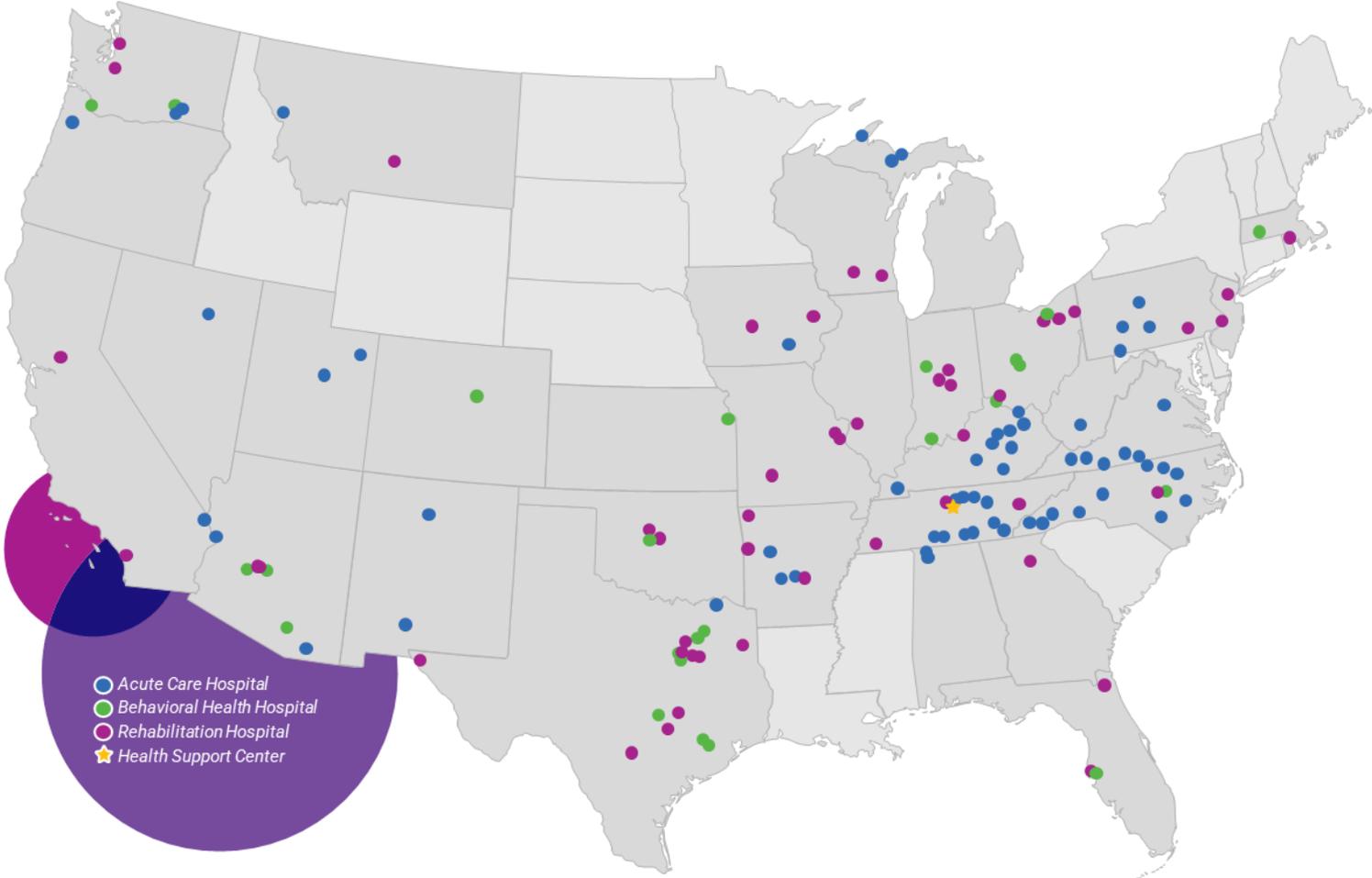
Nearly **55,000**	employees
2,000	employed providers
32	states
60	community hospital campuses
48	rehabilitation hospitals
25	behavioral health hospitals
300+	managed acute rehabilitation units, outpatient centers, post-acute care facilities and other sites of care

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The Lifepoint and Health Catalyst Partnership

IMPROVE

operational efficiencies to reduce costs

ENHANCE

physician engagement to achieve better clinical outcomes

COLLABORATE

on analytics insight and drive quality improvement
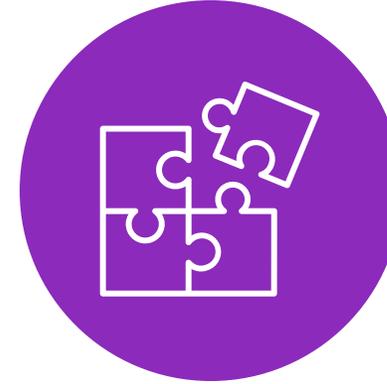
INTEGRATE

clinical data for real-time metrics and improved reporting
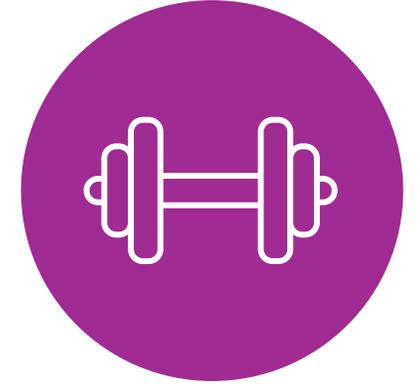
STRENGTHEN

reporting for the National Quality Program to gain better insights

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Numerous Data Sources Create Data Complexity

60 acute care hospitals*
Size ranges from **25 to ~400** beds
Wide range of EHRs, with small pockets of EHRs on the same instance

1 Allscripts	5 Cerner	4 Epic	13 Medhost	3 Meditech 6.0
6 Meditech Client Server	2 Meditech Expanse	6 Meditech Magic	11 Meditech Magic HCA	7 Paragon

***Note:** Roughly half of sites allowed a direct database connection, other half requires custom data extracts from a variety of third-party vendors

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Visualizing Performance

Dashboard callouts:
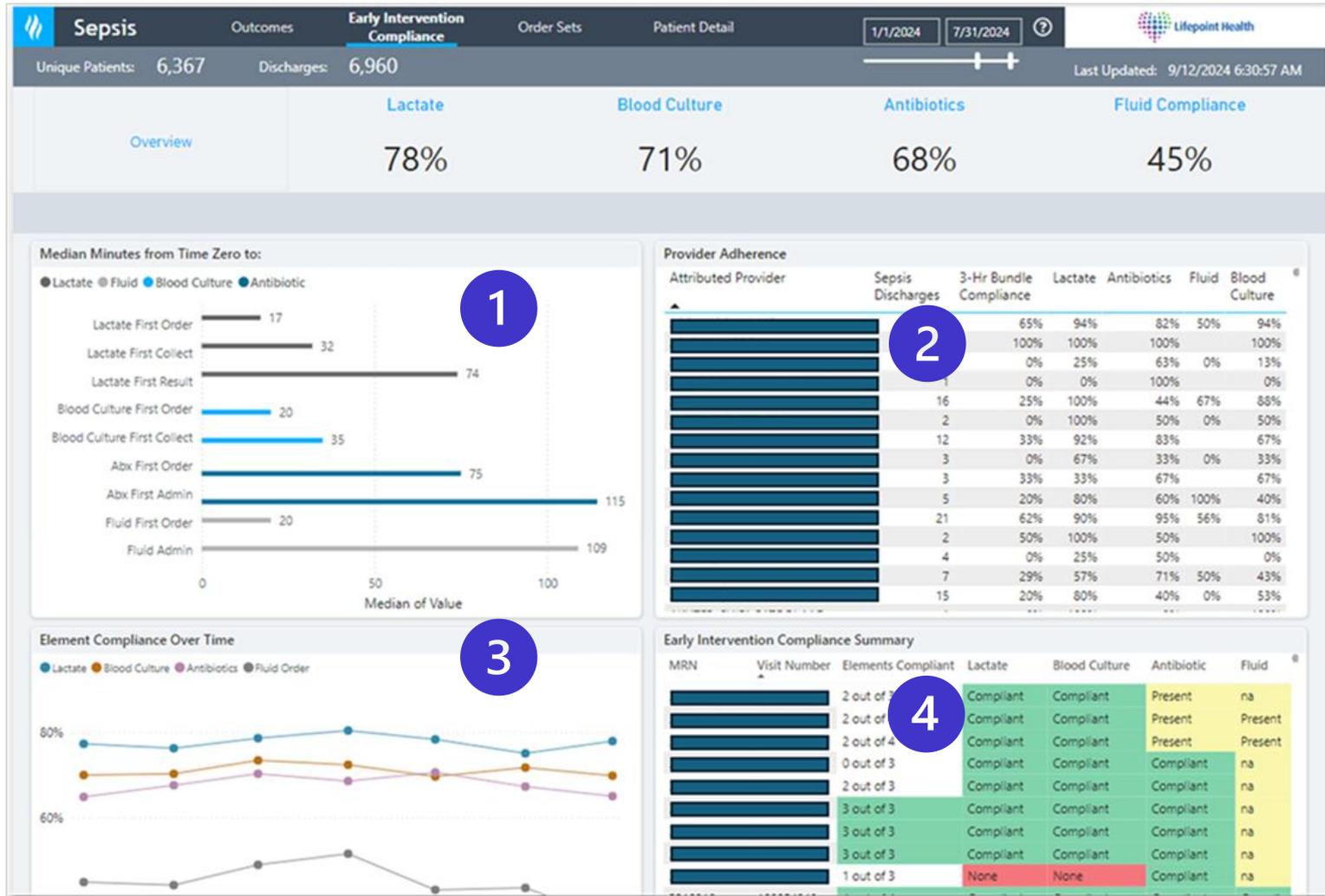
1. Median minutes from time zero to lactate, fluid, blood culture, antibiotics
2. Provider 3-hour bundle adherence
3. Element compliance over time
4. Early intervention compliance summary

UCVR Clinical Focus Areas for Years 1-2

Improving sepsis outcomes
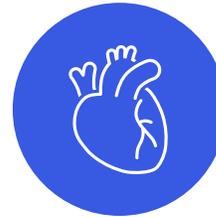
Improving heart failure management

Optimizing blood transfusion utilization
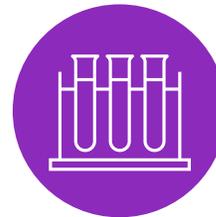
Reducing repetitive lab testing

Optimizing surgical recovery

Improving the accuracy and specificity of clinical documentation integrity

Focusing Process Metric Improvement Efforts

You cannot "boil the ocean." Care paths may have 5+ metrics—too many to improve all at once.

A causal machine learning analysis helped identify which process metrics had the largest impact on the outcome metric using Lifepoint's own data.

HEART FAILURE LOS REDUCTION

- Daily weights → **highest LOS impact** → improvement focus

- Order sets utilization → **2nd highest LOS impact** → improvement focus

- Timely cardiology consults

- Echocardiogram

- Medications (angiotensin receptor/neprilysin inhibitor, aldosterone, beta-blocker, sodium-glucose cotransporter-2 inhibitors, diuretic, etc.)

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Process Improvement in Action

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Improvement & Change Management Tools

- Care Guides
- Sepsis Playbook
- Nursing Education Decks
- Physician Report Cards
- Hospital Heat Map
- Rankings

Our Journey

Apr 2025 — Six active use cases

Apr 2025 — Program live at 18 facilities

Jan 2023 — Program kickoff at Conemaugh with sepsis and heart failure

Aug-Dec 2022 — UCVR business unit formation

Jun 2022 — Partnered with Health Catalyst

Jun 2021 — UCVR pilot conceptualized and approved

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Impact

Improved care quality, decreased unwarranted care variation, and achieved financial improvement targets

700+	**1.2K**	**24K**	**$**
Lives saved, the result of mortality reductions	Fewer blood products transfused	Patients spent more days at home, the result of LOS improvements	Achieved financial improvement targets

Benefits of a Modern Infrastructure

Ignite Reduces Cost and Time-to-Value

- **Faster Data Refreshes**
  - Elastic compute reduced billion-row (e.g. Cerner Event table, Epic Flowsheet) reloads by 71%
  - Significant drop (80%) in source load failures when compared to DOS, improving reliability
- **Accelerated Data Loading**
  - 50 sources loaded in 75 days vs. 282 days pre-Ignite (73% faster)
  - Improvements driven by scaling through scripting and automation
- **Streamlined Data Ingestion**
  - Shift from manual flat-file loads (Workday, Salesforce, Qualtrics) to API connections
  - Early Ignite adopters are seeing reduced manual effort, shorter processing times, and greater scalability for these source types
- **Elastic Scalability**
  - Ignite supports more concurrent sources and data mart refreshes without needing infrastructure upgrades
  - Example: ACO client rebuilt solutions post-migration to capitalize on expanded capacity

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Benefits of a Modern Infrastructure

Ignite Value Delivered During Migrations

- **Early Value Realization**
  - Clients can begin developing in Ignite as soon as 6 weeks into migration
- **Reduced Data Replication Needs**
  - Delta Share (via Databricks) enables live, cross-platform data sharing without replication
  - Function has been key for our large health systems' expanding data science use cases
  - Makes data science expansion faster, less costly, and more scalable vs. DOS
- **Granular Cost Analysis**
  - Daily consumption tracking has enabled cost/benefit analysis of expensive processes for our Ignite client base
  - Example: A client optimized workloads by focusing on incremental costs and prioritizing high-value work
  - Processes the same data volume and delivers equivalent insights at a lower overall cost
- **Expanded Data Resources**
  - Partnership with Mimilabs adds robust public datasets within Ignite
  - Sandbox environments pre-loaded with Mimilabs data and dashboards to showcase platform capabilities

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Tooling and Automation Driving Speed

Ignite Migration: What Clients Can Expect

- **Code Conversion Tool (99%+ coverage)**
  - AI/ML scripting helps resolve problematic patterns
  - Cuts targeted conversion issue resolution time by 98.3%
- **Smart Verification**
  - Health Catalyst developed tooling flags only true data parity, reducing false positives
  - 90.3% reduction in analysis time to identify data verification issues
- **Proven Migration Playbooks**
  - Focusing on repeatable processes saves 5-10% of the total migration time
- **Dedicated Technical Oversight**
  - Experienced leads ensure consistency and quality across migrations
  - Leads working to integrate LLMs into the workflow, further reducing manual steps in planning and delivery
- **Scalable Delivery Model**
  - HCAT India + Veersa staff augmentations enable global delivery execution

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Ignite Training and Certification
Building Client and Internal Expertise

- **Blended learning approach –** combining industry-standard training with Health Catalyst-specific Ignite curriculum

- **Structured learning journey –** Covers environment navigation, updated SQL, tooling, and data mart development

- **Role-based certifications –**
  - Data Ecosystem Administrator (40 hours of instruction)
  - Data Engineers (Instructor-led, mix of e-learning and instructor-led)

- **At-the-Elbow Support –** Instructor-led, real-time guidance during migrations and new Ignite installs

- **Skill Sustainability –** Clients and internal teams receive a foundational understanding of Ignite, ensuring consistent delivery quality

Data Engineers

Data Mart development tools

Ignite Advisor *(future release)*

Tasks
- Generate SQL statements
- Perform data discovery
- Apply data quality standards

Ignite UI

Tools
- Monitoring – Track source, data mart, and Expert Data Collection data load jobs
- Data Entry – Ingest supplemental data

Databricks

Tools and Tasks
- **Catalog** – Data exploration
- **SQL Editor** – Data discovery
- **Notebooks** – Script and test code
- **Workflows** – Run data jobs
- **Job Runs** – Track and verify data jobs into Databricks
- Databricks visualization tools – Data mart testing

Data Resources
- Source data mart catalogs
- Expert Data Collections
- Data marts catalogs

Visual Studio Code

Tasks
- Create/configure data marts
- Deploy Databricks Asset Bundles (DABs) to development environment

File types
- Jinja (SQL and templating)
- YAML (configuration)

Azure DevOps + Git

Tools
- **Repos** – Source control
- **Pipelines** – Create schemas and deploy DABs to test environment

Legend
- - - User entry point to use Ignite data
→ Data flow

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Certification Program for Data Ecosystem Administrators

~40 hours paced over months: e-learning, instructor-led, hands-on practice

- Introduction to Ignite
- Introduction to Data Source Ingestion and Monitoring
- Monitoring and Troubleshooting Data Source Jobs
- Deploying, Monitoring, and Troubleshooting Data Marts
- Monitoring Expert Data Collections
- Designing, Creating, and Maintaining Data Access Policies
- Other Data Ecosystem Maintenance Tasks

HAS 25

The Promise vs The Reality of AI

HEADLINES

- " AI will revolutionize healthcare

- " Reduce physician burnout by 50%

- " Save billions in healthcare costs

VS REALITY

- 77% cite immature AI tools as main barrier

- Only 53% see high success in clinical documentation

- AI scribes may save <1 minute, studies suggest*

Adoption of artificial intelligence in healthcare: survey of health system priorities, successes, and challenges
Poon, et al. (2025)

HAS 25

From Idea to Improvement: The GenAI Bottleneck

Entrepreneur

Nearly 95% of Companies Saw Zero Return on In-House AI Investments, According to a New MIT Study: 'Little to No Measurable Impact'
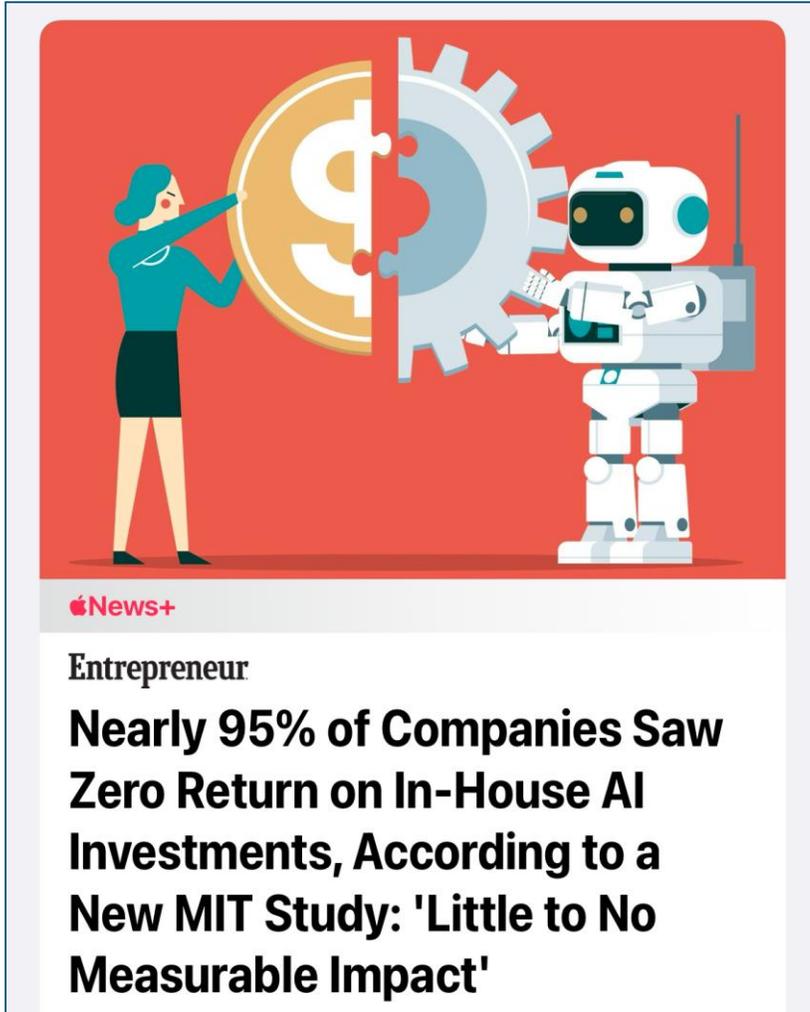
NEWSLETTERS· CFO DAILY

MIT report: 95% of generative AI pilots at companies are failing

BY **SHERYL ESTRADA**
SENIOR WRITER AND AUTHOR OF CFO DAILY

August 18, 2025 at 6:54 AM EDT

SHARE

https:///fortune.com/2025/08/18/mit-report-95-percent-generative-ai-pilots-at-companies-failing-cfo

Our Focused Approach

Real Impact, Proven Results

For 15 years, Health Catalyst has delivered measurable improvements, validated across 375+ client case studies

- **Many AI Companies** start with a technology, find applications second

- **Health Catalyst** started with Measurable Improvement

- **This is where our opportunity lies**

$2.2bn+
In client validated outcomes

4.6M+
Care gaps closed

1,000+
Healthcare organizations trust our solutions

375+
Documented case studies of measurable improvement

16+
Years exclusively focused on healthcare

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The Improvement Flywheel is our Foundation
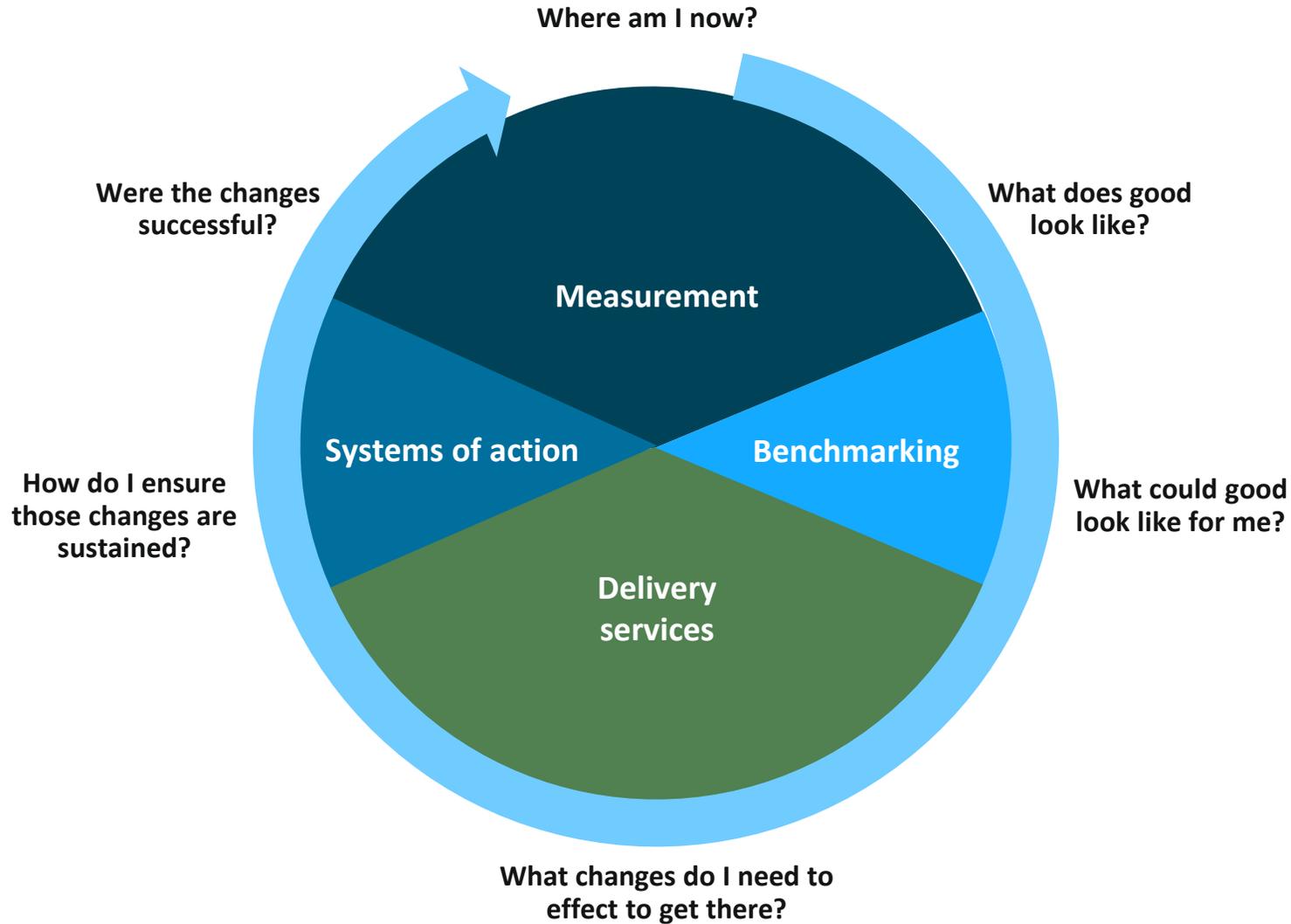
Improvement follows a process

Every industry follows the same set of questions to improve

Only HCAT has the full set for Healthcare

Our Unique Capabilities to Deliver Improvement

Normalized datasets

- Ignite enables cleansed and labeled data across hundreds of industry sources
- Linked and normalized into a common model
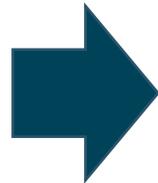
Comparison & Benchmarking

- Touchstone enables relative and absolute definitions of 'good'
- Risk adjustment for local conditions and operational constraints
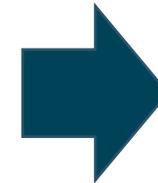
Improvement services

- Our services team has delivered 1,000s of improvement projects with source data for pre and post intervention including cost, intervention and outcome

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Our Challenges Can Also Be Our Opportunity

Where am I now?

Were the changes successful?

What does good look like?

Measurement

Systems of action

Benchmarking

How do I ensure those changes are sustained?

What could good look like for me?

Delivery services

What changes do I need to effect to get there?
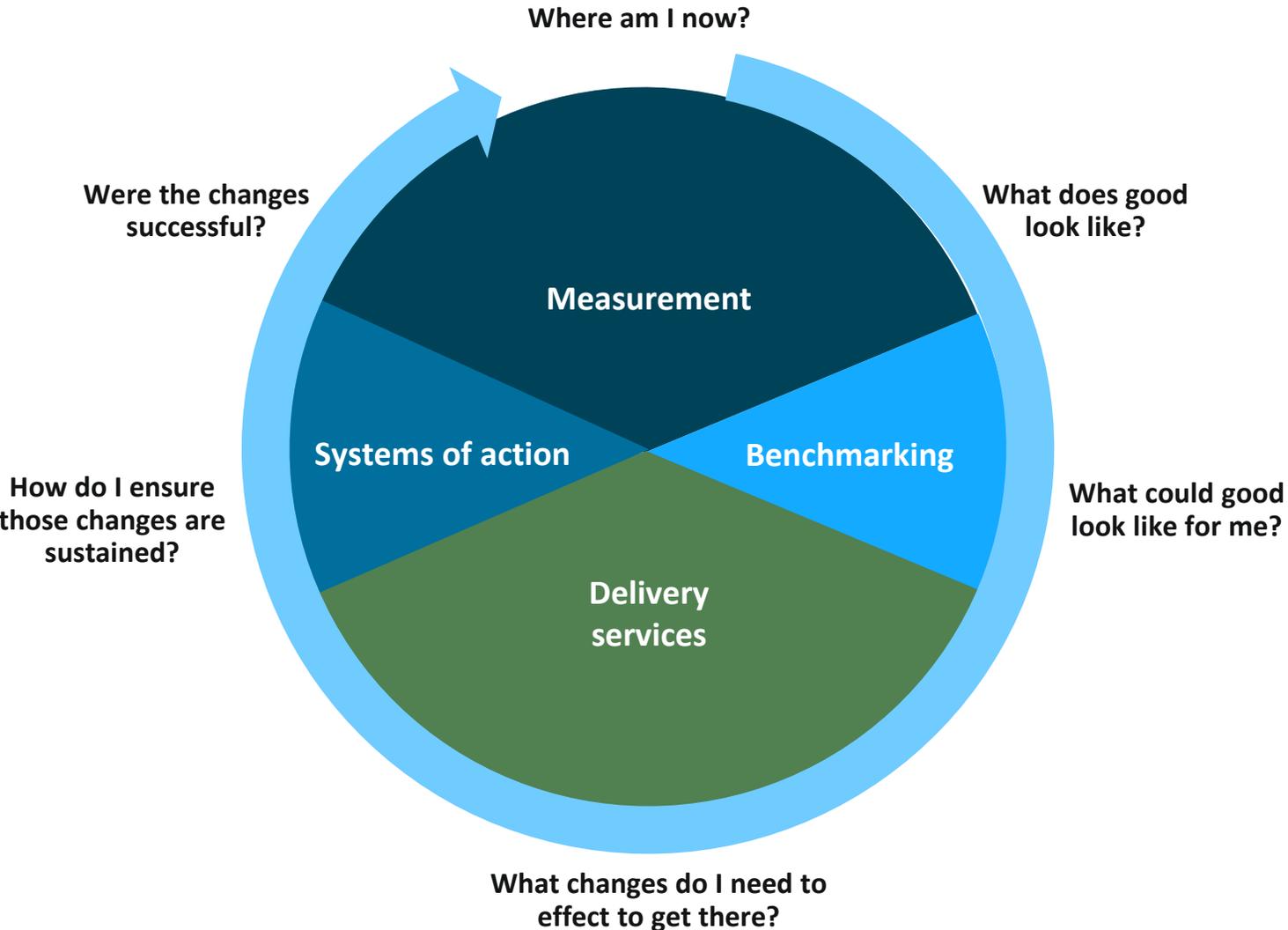
Improvement follows a *difficult* process

Services don't scale

Capabilities often exist individually

How can we do this differently?

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A Better Way...

AI Model Set

- Ignite enables cleansed and labeled data across hundreds of industry sources
- Linked and normalized into a common model
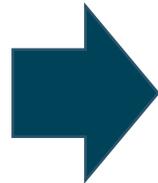
AI Training Targets

- Touchstone enables relative and absolute definitions of 'good'
- Risk adjustment for local conditions and operational constraints
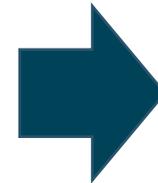
AI Training sets

- Our services team has delivered 1000s of improvement projects with source data for pre and post intervention including cost, intervention and outcome

Introducing the Ignite Intelligence

"Ignite Intelligence is an AI powered Healthcare Improvement Co-Pilot that helps clients translate their potential into a coherent plan"

Apps & Insights

Ignite Intelligence

Platform layer

HAS'25
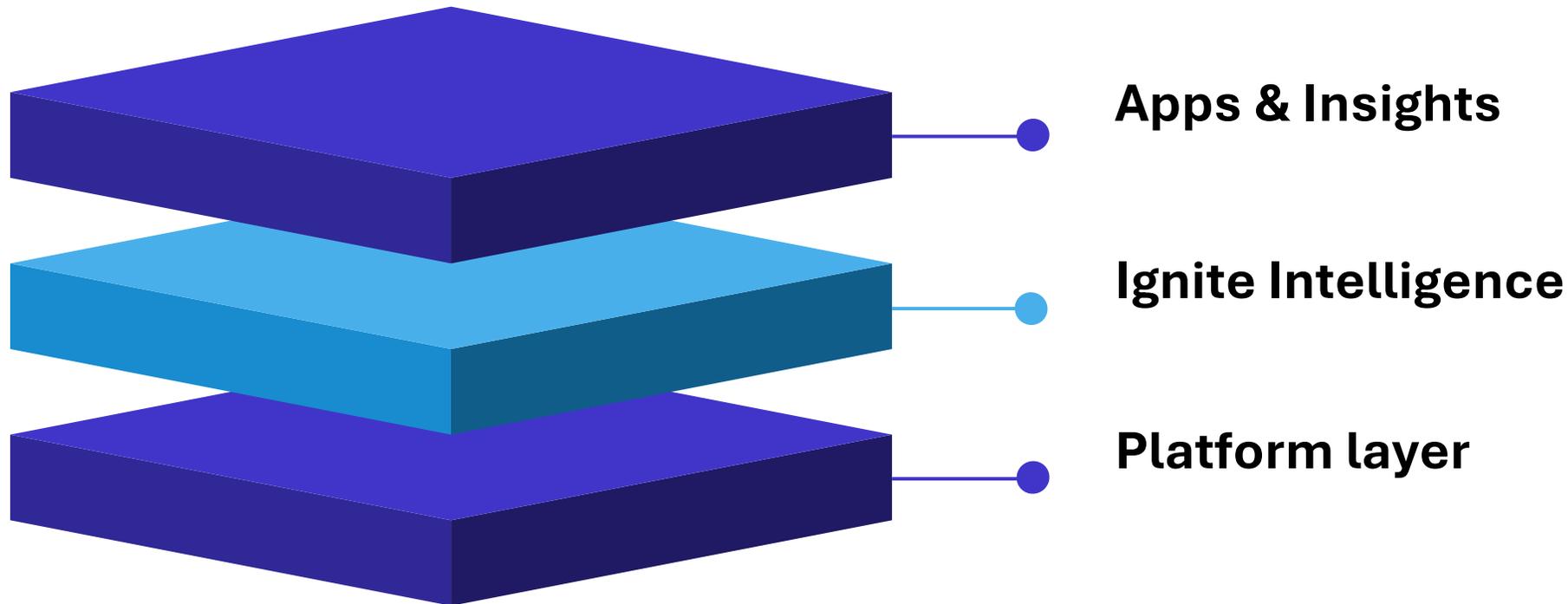
Measurable Improvement as "Product"
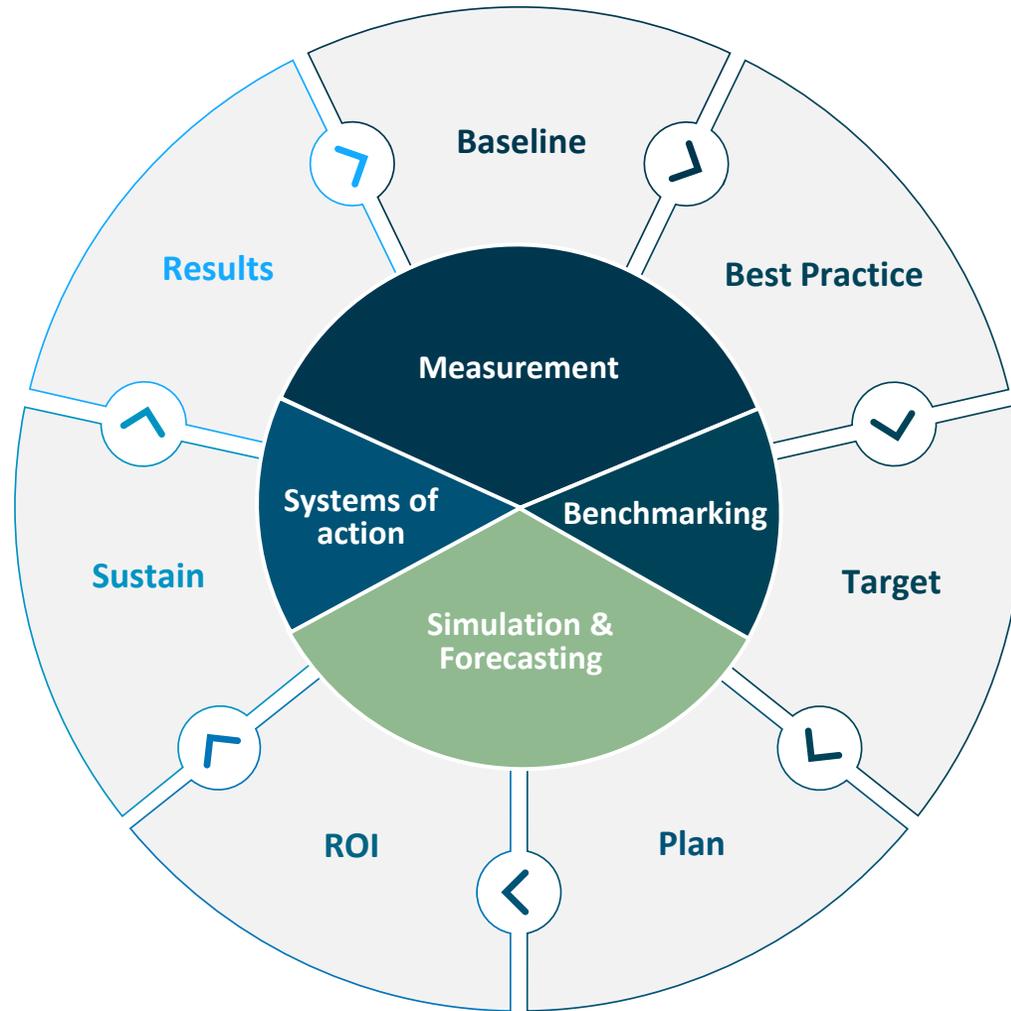
Key Advantages

- Improvement advisory as Generative AI
- Simulation to allow our customers to innovate faster
- ROI modelling to enable our services to work at top of license

Measurable Improvement as Product: Clinical Cost Intelligence

Helping Providers Cut Costs with AI enabled Improvement Intelligence
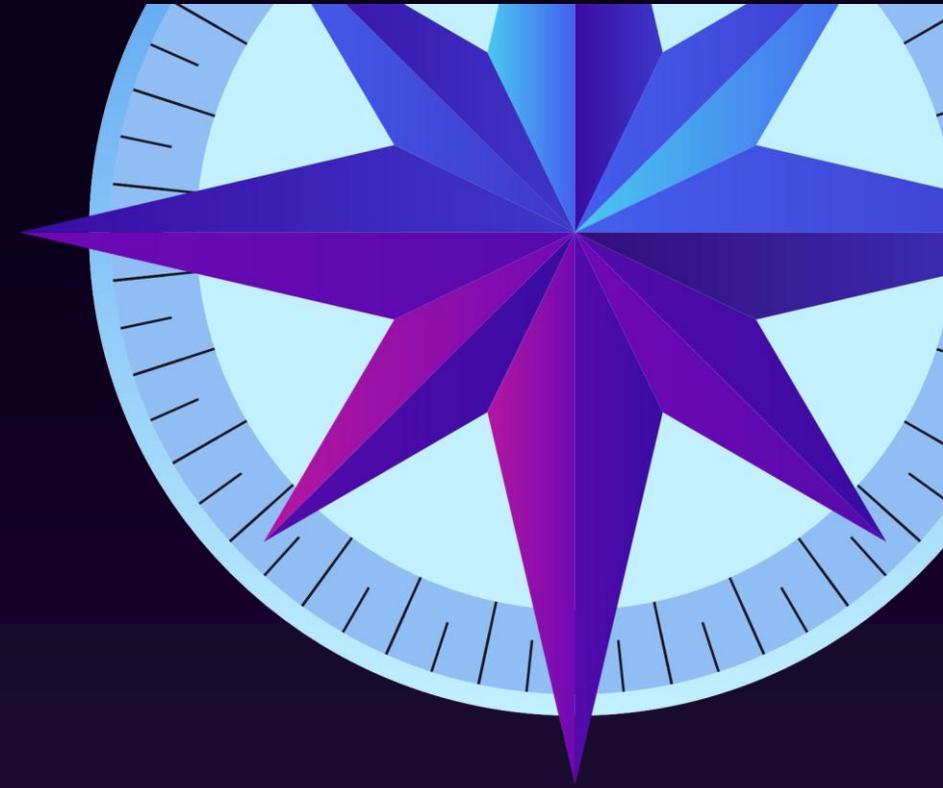
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What Is Ignite Intelligence

Turning over a decade of improvement expertise into product

AI Agents

Shared models and services

Benchmark and comparison services
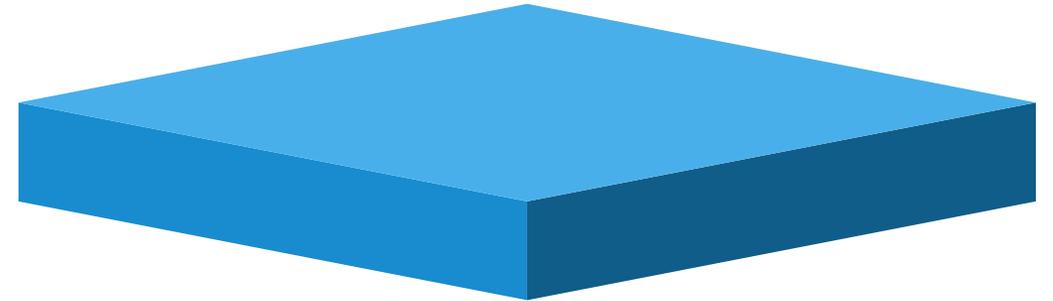
Our Foundations

Enabling Impactful and Scalable AI: Infrastructure and Data

The Hard Truth

- AI amplifies what you already have
- Accurate/reliable data + AI = Better insights
- Inaccurate/unreliable data + AI = Expensive bad insights

Pre-AI Checklist

- Data completeness and accuracy
- Data availability
- Integration capabilities
- Data quality
- Robust data architecture
- Governance structures in place

A Platform for Scalable Data and AI Solutions

- The Ignite platform is foundational for value enablement – allowing our customers and us to build and deliver scalable, high-impact solutions faster and reliably
- If you want to go fast, go alone If you want to go far, go together

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Realizing Cost Efficiencies

Mounting pressure to reduce costs

> " *We need to reduce health system wide costs by 30% over the next five years* "

> " *Our goal as a health system is to eliminate $300 million in costs over the next three to five years* "

> " *With CMS rolling out the Transforming Episode Accountability Model (TEAM) it's critical that we maximize efficiency in our cost of care delivery* "

Real Experience Real Results—*Scaled*
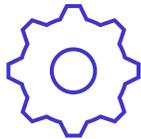
$2M	$3M	$4.3M	> $3M
in labor cost savings (Women's Hospital)	in cost savings and avoidance (UPMC)	in cost efficiencies (anonymous)	in annual indirect labor costs savings (Integris)

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The Problem: *Cost Savings Hiding In Plain Sight*

Activity-based costing helps providers identify cost reduction that is hidden at a P&L level

The promise

- Find combinations of providers, procedures and supplies that are best practice
- Identify cost and reimbursement variations/irregularities
- Deliver insight to realize actionable and measurable financial efficiencies
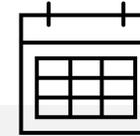
The reality

- 9–12-month onboarding time
- Insights require heavy services analysis to perform
- Substantial data quality issues
- Real savings possible, but only after substantial investment

ABC enables us to understand the true cost of care throughout a patient's journey

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The Opportunity: *Orders of Magnitude in Costs Saved*

Clinical cost efficiencies at your fingertips—from months to real-time

What we now deliver

- Hundreds of thousands of combinations of providers, procedures, supplies analyzed instantly
- Irregularities identified against peers and best practices
- Insights delivered instantly at the service line level to enable instant action
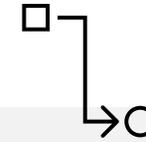
How we do it

- Supply name normalization (LLM agent)
- Ontology mapping (LLM agent)
- Variational analysis (Stat/ML models)
- Opportunity screen (LLM agent + Stat/ML models)
- Quality Improvement (QI) (LLM agent)

Delivering the benefits of months of expert advisory in seconds

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Expert Data Collections

Healthcare specific data models

Readily accessible

- **Costing data** (supply, labor, lab/imaging/pharm)
- **Risk/complexity metrics** (Elixhauser, Charlson/Deyo, demographics)
- **Outcomes** (LOS, 30-day readmission)
- **...and many others**

Supply Name Normalization

SUPPLIES

COMP FEM TRIATH CR SZ4 LEFT - S*

TRIATH CRUCIATE RETAINING

FEMORAL #4 LEFT TYPE CR

TRIATHLON FEM CR SZ7 LEFT - LOG506950

Triathlon X3 Symmetric Patella

PATELLA SYMMETRIC TRIATHLON - LOG523639

Stryker TriathlonSymmetric Patella S36mm x 10mm

INSERT TIBIAL TRIATH X3 #4 9MM - LOG548761

INSERT TRIATHLON X3 #6 13MM - LOG528528

INSERT TIBIAL TRIATH X3 #5 9MM - S*

NORMALIZING AGENT

femoral component triathlon cruciate retaining

COMP FEM TRIATH CR SZ4 LEFT - S*
TRIATH CRUCIATE RETAINING
FEMORAL #4 LEFT TYPE CR
TRIATHLON FEM CR SZ7 LEFT - LOG506950

patella symmetric triathlon

Triathlon X3 Symmetric Patella
PATELLA SYMMETRIC TRIATHLON - LOG523639
Stryker TriathlonSymmetric Patella S36mm x 10mm

tibial insert triathlon

INSERT TIBIAL TRIATH X3 #4 9MM - LOG548761
INSERT TRIATHLON X3 #6 13MM - LOG528528
INSERT TIBIAL TRIATH X3 #5 9MM - S*

Ontology Mapping
Similar process to normalization

Supply Groups

- **Femoral Components**: Replace distal femur; cruciate retaining, posterior stabilized
- **Tibial Baseplates**: Base metal platform for tibial component
- **Tibial Inserts / Bearings**: Polyethylene insert providing articulation surface
- **Bone Cement**: Fixation material for components
- **Patella Components**: Resurface the underside of the patella
- **Stems & Augments**: Additional fixation or extension for femoral/tibial components
- **Screws & Fixation Aids**: Used for fixation when cementless or hybrid approaches used
- **System / Bundle Products**: Descriptive or bundle-level supply
- **Miscellaneous**: Any supply that does not fit into the other

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Models Adapted to ABC

- We aim to isolate provider-specific variation in a scalable, generalizable way
- Standard summary statistics (mean, median, CV) miss key nuances in the data distribution, so we account for procedure- and patient-specific factors—such as diagnoses, planned vs. unplanned cases, time of day, and other clinical variables
- **Our goal:** minimize false positives and maximize true positives

As development progressed, we added more fields, which Ignite makes easy and fast to iterate on
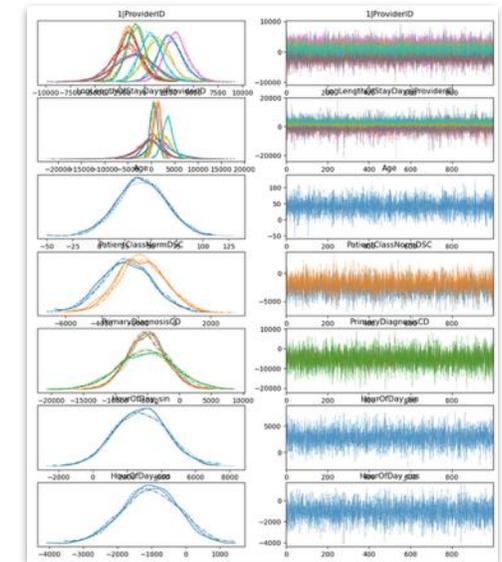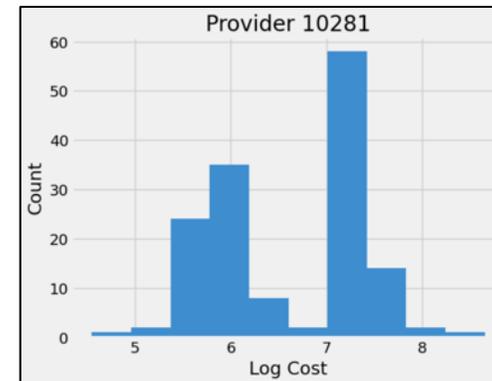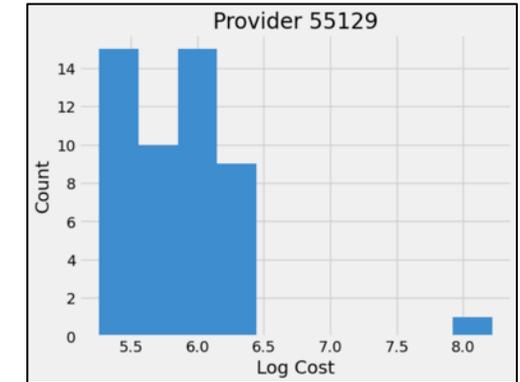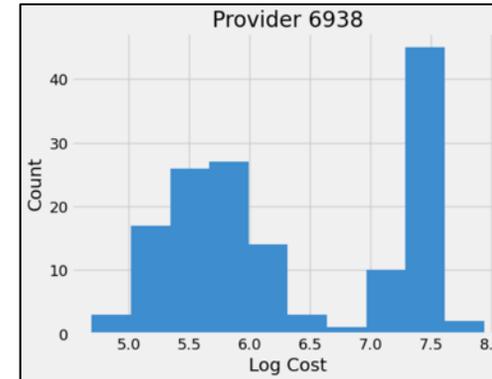
Distribution of supply costs for the same procedure across providers

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Quality Improvement Agent

Guidelines (Overview)

Apply all 7 steps from the Health Catalyst framework

For each step, include a **Cross-Check & Validation Section** that examines:

- Are there valid clinical reasons that could explain these patterns?
- What additional data would strengthen or challenge conclusions?
- How might this provider's case mix, patient population, or circumstances differ?
- What unintended consequences could recommendations create?
- Are there system-wide factors (equipment, training, protocols) contributing to variation?
- Which stakeholders should validate assumptions before proceeding?

Analytical Approach

- Present findings as opportunities for improvement and standardization
- Consider both provider-specific and system-wide factors
- Balance cost optimization with clinical effectiveness and safety
- Identify best practices that could be shared across providers
- Frame recommendations as collaborative improvement rather than corrective action

Instructions: Improvement Framework
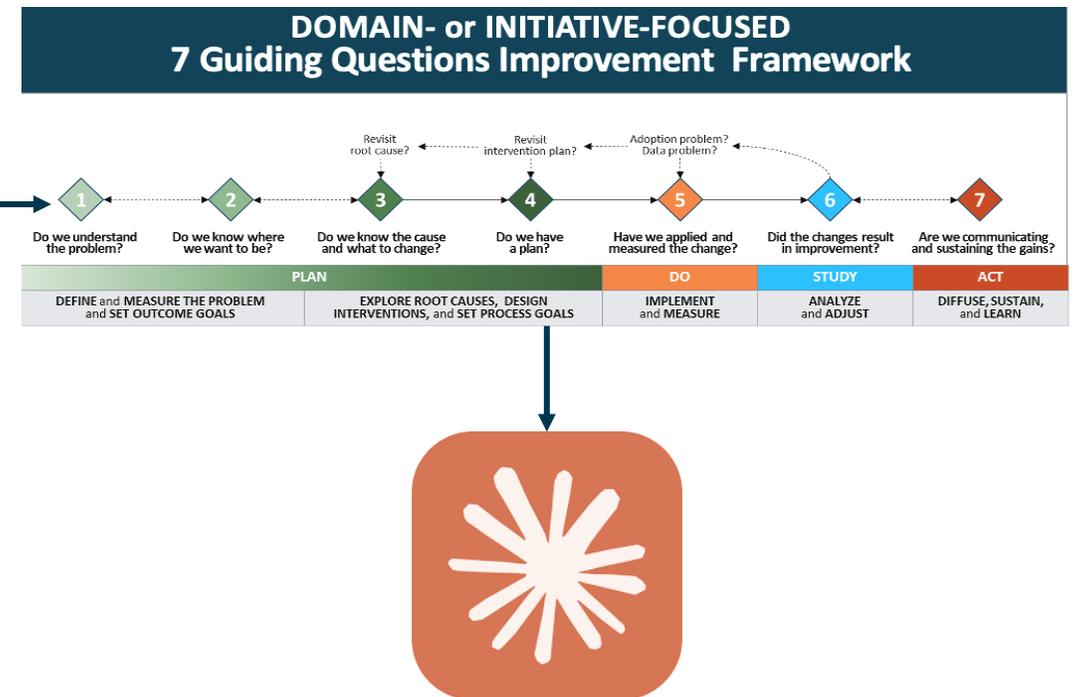
Quality Improvement Agent

Provider_A	Provider_B	mean_difference	ci_lower	ci_upper	prob_A_more_expensive	significant	avg_case_cost_A	avg_case_cost_B	n_cases_A	n_cases_B
10281	11750	605.270133	271.834676	973.711003	1.000	True	1041.093000	337.337619	140	21
10281	55129	597.194542	372.335684	868.286748	1.000	True	1041.093000	418.456600	140	50
10281	6938	185.899145	8.659693	360.861813	0.981	True	1041.093000	835.598276	140	145
10313	11750	948.086177	610.651495	1326.305802	1.000	True	1363.583623	337.337619	69	21
10313	519671	561.347846	-108.240862	1268.177854	0.939	False	1363.583623	398.970000	69	1
10313	55129	940.010587	691.170802	1222.064246	1.000	True	1363.583623	418.456600	69	50
10313	6938	528.715190	331.232523	721.158029	1.000	True	1363.583623	835.598276	69	145
18237	55129	853.763153	482.478669	1284.444054	1.000	True	1410.790909	418.456600	11	50
18237	6938	442.467756	107.023209	804.968529	0.996	True	1410.790909	835.598276	11	145

QI Agent

DOMAIN- or INITIATIVE-FOCUSED
7 Guiding Questions Improvement Framework
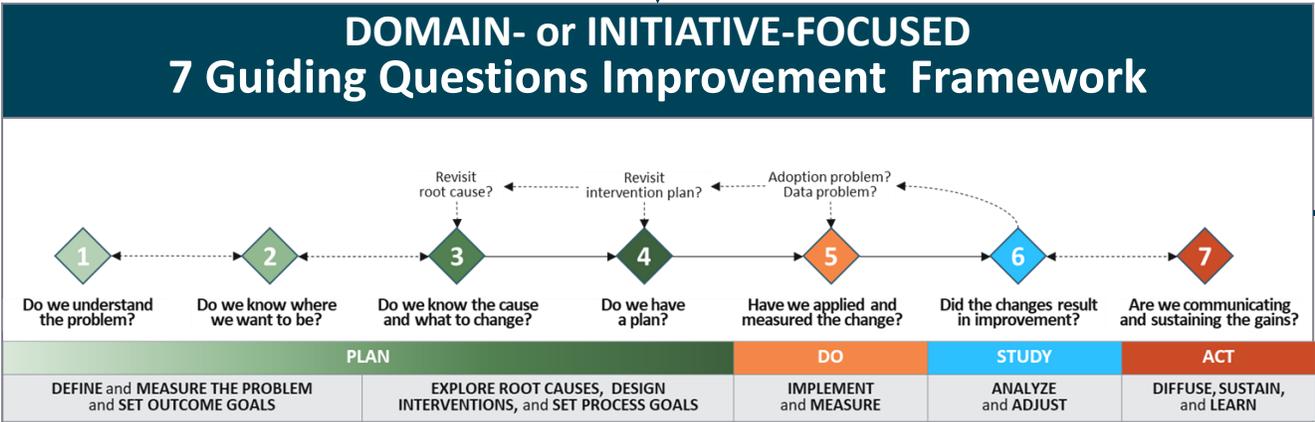
Problem Statement

Provider 10281 shows variable utilization of disposable ureteroscopes (disp aptra and disp aptra revers) ranging from 9.2% to 20% across diagnosis codes, while other providers (6938, 11750, 55129) show no or minimal usage (1.75%). Given the significant price difference between disposable and reusable scopes, this represents a potential cost savings opportunity

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Demo

Filters | 📁 Supplies ✕ | 📁 Orthopedics ✕ | 2 Departments ✕ | 2 Locations ✕ ✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

New (8) | Needs Review (2) | Pending Details (1) | Actionable (2) | Dismissed (2)

🔽 All Opportunities ⌄ | ↓ Newest ⌄ | ⓘ Workflow & Next Steps

⚖ **Cohort Cost Difference** | 📁 Supplies | New | ❓ 1

Total Knee Arthroplasty (TKA) Supply Cost Difference – Components Vs Bundled | CPT: 27447 • Inpatient ⓘ | 👥 Cohorts ⓘ | ✓ Risk Adjusted ⓘ

$ Cost Savings Opportunity ⓘ	$ Cost Per Case ⓘ	⚖ Cohort Difference ⓘ	📈 Case Volume ⓘ	📊 Clinical Outcomes		📉 Detected Variation
Annually	Avg Cost/Case-Components	Avg Cost/Case-Bundled	Annually	Length Of Stay (Days)	30-Day Readmission	• Component-based TKA cases average **$6,100** per case, which is **$1,600** above bundled cases of **$4,300**.
$630K – $760K	**$6,100**	**$4,300**	**432**	**4.2**	**9.1%**	
Avg savings per case: $1,600	+$1,600 vs Bundled					• Bundled cases average **$4,200–$4,500** per case, often through bundled implant systems.
	Range: $5,700–$6,500	Range: $4,200–$4,500	Bundled: 448	Bundled: 3.6 – 3.9	Bundled: 7.1% – 8.2%	

⌄ Show More | ⊘ Dismiss | 👥 Share | 🚩 Flag for Review

📉 **High Usage Variation** | 📁 Supplies | New | ❓ 3

Rotator Cuff Repair – Premium Anchor System Usage Variation | CPT: 29827 • Outpatient ⓘ | 👤 Provider: 49210 ⓘ | ✓ Risk Adjusted ⓘ

$ Cost Savings Opportunity ⓘ	$ Cost Per Case ⓘ	📉 Usage Variation ⓘ	📈 Case Volume ⓘ		📉 Detected Variation
Annually	Avg Supply Cost Per Case	Device Usage Range	Annually		• Provider **54321** selects premium anchor systems in **60–75%** of cuff repair cases, averaging **$4,800** per case.
$480K – $620K	**$4,980**	**60% – 75%**	**441**		
Avg savings per case: $1,980	▲ 90th %ile	▲ 90th %ile			• Peers use premium anchors **20–30%** of the time, keeping lower supply costs of **$3,400–$3,700** per case.
	Peers: $3,400 – $6,700	Peers: 2% – 10%	Peers: 310 – 500		

⌄ Show More | ⊘ Dismiss | 👥 Share | 🚩 Flag fo... | 1

UNDERSTAND

⚠ **High Cost Difference** | 📁 Supplies | New

Filters | 📁 Supplies ✕ | Orthopedics ✕ | 2 Departments ✕ | 2 Locations ✕

✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

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All Opportunities ▾ | Newest ▾ | ⓘ Workflow & Next Steps

⚖ Cohort Cost Difference   📁 Supplies   New   ❓ 1

Total Knee Arthroplasty (TKA) Supply Cost Difference – Components Vs Bundled
CPT: 27447 • Inpatient ⓘ | 👥 Cohorts ⓘ | ✓ Risk Adjusted ⓘ

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	Range: $5,700–$6,500				

Detected Variation:
- Component-based TKA cases average **$6,100** per case, which is **$1,600** above bundled cases of **$4,300**.
- Bundled cases average **$4,200–$4,500** per case, often through bundled implant systems.

⌃ Show Less   ⊗ Dismiss   👥 Share   ⚑ Flag for Review

Opportunity Summary | Explore & Review

Summary of Opportunity: TKA Supply Cost Difference – Components vs Bundled
Risk-adjusted • CPT: 27447 • Inpatient •

❓ **Why This Matters**

Component-based TKA cases drive higher supply costs without showing better outcomes. **Bundled** implant systems often achieve lower costs per case while maintaining similar length of stay and readmission rates. Standardizing toward bundled systems could reduce spend without harming patient outcomes.

⊟ Cohort: Components
- Supply cost per case ranges: **$5,200 - $6,500**
- Uses individual implant components for most TKA cases
- Greater variation in implant selection and cost per case
- Average cost per case well above bundled range
- No measurable difference in LOS or readmission rates

⊟ Cohort: Bundled
- Avg supply cost per case: **$4,200–$4,500**
- Uses standardized bundled implant systems in most TKA cases
- Lower variation and more predictable supply costs
- Average cost per case consistently lower ($4,200–$4,500)

Provider vs Peer Range — Key Metrics
Risk-adjusted • CPT: 27447 • Inpatient •

	Components	Bundled	Difference
Usage Rate (%)	60–75%	2–10%	+55% ↑
Supply Cost Per Case ($)	$4,980	$3,400–$3,700	+$1,200 ↑
Annual Spend ($)	$500K	$70K–$180K	+$320K–$430 ↑
Case Volume	441	310–500	

◆ 2   ◆ 3

GOAL   CAUSE

Filters   📁 Supplies ✕   📁 Orthopedics ✕   2 Departments ✕   2 Locations ✕   ✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

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⌃ Show Less   ⊗ Dismiss   👥 Share   ⚑ Flag for Review

✓ Opportunity Summary   **Explore & Review**

Cost Per Case (Risk-Adjusted)
Cohort cost comparison: provider variation + averages.

Avg: $4.3K Avg: $6.1K

Provider 2548	$6,900
Provider 58763	$6,500
Provider 589634	$5,800
Provider 698743	$5,700
Provider 22568	$4,600
Provider 39874	$4,500
Provider 9862	$4,200
Provider 13685	$4,100

● Cohort - Components
○ Cohort - Bundles

$0k $1k $2k $3k $4k $5k $6k $7k $8k

Provider Vs Peer Range Distribution Over Time   View by ● Cost ($) ○ Usage (%)
CPT: 27447, Inpatient , last 12 months

● Cohort - Components   ● Cohort - Bundles

$10K
$8K
$6K
$4K
$2K
$0
Jul 2024 Aug 2024 Sep 2024 Oct 2024 Nov 2024 Dec 2024 Jan 2025 Feb 2025 March 2025 Apr 2025 May 2025 Jun 2025 Jul 2025

◆ 3   ◆ 4
CAUSE   PLAN

What's Driving the Variance (Usage, Cost & Outcomes)

Filters ✕

rthopedics ✕ | 2 Departments ✕ | 2 Locations ✕

✓ Data Refreshed 11:00 PM, 07/15/2025

📁 **Opportunity Category** More Coming

1 Supplies ✕ ⌄

Service Line

Orthopedics ⌄

Department

2 Multiple Selected ✕ ⌄

Location / Site of Service

2 Multiple Locations ✕ ⌄

Patient Type

☑ Inpatient

☑ Outpatient

Provider

All Providers ⌄

Clear All | **Apply Filters**

n Opportunities

g Details (1) | Actionable (2) | Dismissed (2)

🔽 All Opportunities ⌄ | ↓ Newest ⌄ | ⓘ Workflow & Next Steps

☐ Supplies | New | ? 1

) Supply Cost Difference – Components Vs Bundled | CPT: 27447 • Inpatient ⓘ | 👥 Cohorts ⓘ | ✓ Risk Adjusted ⓘ

$ Cost Per Case ⓘ | 🔀 Cohort Difference ⓘ | 〰 Case Volume ⓘ | 📊 Clinical Outcomes ⓘ | 〰 Detected Variation ⓘ

Avg Cost/Case-Components | Avg Cost/Case-Bundled | Annually | Length Of Stay (Days) | 30-Day Readmission

$6,100 | $4,300 | 432 | 4.2 | 9.1%

+$1,600 vs Bundled | | | |

Range: $5,700–$6,500 | Range: $4,200–$4,500 | Bundled: 448 | Bundled: 3.6 – 3.9 | Bundled: 7.1% – 8.2%

- Component-based TKA cases average **$6,100** per case, which is **$1,600** above bundled cases of **$4,300**.
- Bundled cases average **$4,200–$4,500** per case, often through bundled implant systems.

⊗ Dismiss | 👥 Share | 🏳 Flag for Review

Explore & Review

Provider Vs Peer Range Distribution Over Time

CPT: 27447, Inpatient , last 12 months

View by ● Cost ($) ○ Usage (%)

● Cohort - Components ● Cohort - Bundles

costs

4.3K | Avg: $6.1K

$6,900

$6,500

$5,800

$5,700

$4,600

$4,500

$4,200

$4,100

$4k $5k $6k $7k

● Cohort - Components
○ Cohort - Bundles

$10K

$8K

$6K

$4K

$2K

$0

Jul 2024 | Aug 2024 | Sep 2024 | Oct 2024 | Nov 2024 | Dec 2024 | Jan 2025 | Feb 2025 | March 2025 | Apr 2025 | May 2025 | Jun 2025 | Jul 2025

(Usage, Cost & Outcomes)

Filters | Supplies ✕ | Orthopedics ✕ | 2 Departments ✕ | 2 Locations ✕

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High-Cost, High-Variation Opportunities

New (8) | Needs Review (2) | Pending Details (1) | Actionable (2) | Dismissed (2)

Shared with me | Confirmed by me | ⌕ All Opportunities ⌄ | ↓ Newest ⌄ | ⓘ Workflow & Next Steps

⚖ Cohort Cost Difference | 📁 Supplies | New | ⓘ 3

Total Knee Arthroplasty (TKA) Supply Cost Difference – Components Vs Bundled

CPT: 27447 • Inpatient ⓘ | 👥 Cohorts ⓘ | ✓ Risk Adjusted ⓘ

🎯 **SMART Goal**
- Reduce cost per TKA case by shifting from component-based implants ($6,100) to bundled implants ($4,300).
- Target **$630K–$760K** annual savings (~$1,800 per case) while maintaining clinical outcomes.

Goal Progress	8/21/2025
Savings to Date	~$120K
Cost/Case (Components)	$5,120 ↓
Length of Stay (days)	4.2 —
30-day Readmission	9.2% —

Component vs Bundled Implant Costs – Trend Over Time

View by: ○ Usage (%) ● Cost ($)

● Components Cohort ● Bundled Cohort - - - Target Cost Range (Peer Benchmark) | Change Start

Projected alignment **$4,600** /case

⌄ Show More   👤+ Share

📈 High Usage Variation | 📁 Supplies | ✅ Confirmed by: Locus L. | 🕐 3/01/25

Laparoscopic Cholecystectomy – Disposable Vs. Reusable Trocar Variation

CPT: 47562 • Inpatient ⓘ | 👤 Provider: 6874 ⓘ | ✓ Risk Adjusted ⓘ

🎯 **SMART Goal**
- Reduce disposable trocar use from **65%** of cases to **25%** (peer benchmark) by adopting reusable alternatives.
- Target **$310K** annual savings by Q3 2026 while maintaining safety and clinical outcomes.

Goal Progress	8/21/2025
Supply Usage	31% ↓
Cost/Case	$1,120 ↓
Length of Stay (days)	1.8 ↓

Provider Cost Trend vs Peer Range Before & After Implementation

View by: ○ Usage (%) ● Cost ($)

● Provider Actual Cost ● Peer benchmark (risk-adjusted) - - - Target Cost Range (Peer Benchmark)

5 IMPLEMENT   **6** MEASURE   **7** COMMUNICATE

Filters   🗁 Supplies ✕   🗁 Orthopedics ✕   2 Departments ✕   2 Locations ✕   ✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

New (8)   Needs Review (2)   Pending Details (1)   Actionable (2)   Dismissed (2)   Shared with me | Confirmed by me   ⚲ All Opportunities ▾   ↓ Newest ▾   ⓘ Workflow & Next Steps

⚖ Cohort Cost Difference   🗁 Supplies   ✓ Confirmed by: Stephen K. | 🕐 7/18/25   💬   ❓ 3

Total Knee Arthroplasty (TKA) Supply Cost Difference – Components Vs Bundled   CPT: 27447 • Inpatient ⓘ   👥 Cohorts ⓘ   ✓ Risk Adjusted ⓘ

◎ SMART Goal

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Component vs Bundled Implant Costs – Trend Over Time   View by ○ Usage (%) ⊙ Cost ($)

● Components Cohort   ● Bundled Cohort   --- Target Cost Range (Peer Benchmark) | Change Start

Projected alignment **$4,600** /case

(Chart: Cost ($) axis $0–$7K; months Feb 2025 – Feb 2026)

⌃ Show Less   👤 Share

◎ AI Suggested Next Steps & Timeline Suggestions   ⤓ Download Full Opportunity Report

Clinical Review	~2-3 weeks
• Review recent bundled vs. component cases side by side.	
• Document the clinical reasons for choosing components.	

Criteria & Planning	~4-6 weeks
• Share findings with surgeons and service line leaders.	
• Define clear criteria for use, with safeguards tied to clinical outcomes.	

Team Alignment	~3-4 weeks
• Confirm pilot scope, participants, and metrics with clinical teams.	
• Ensure workflow, training, and equipment needs are addressed up front.	

Pilot Implementation	~8-12 weeks
• Start with a small group of willing providers.	
• Monitor early cases closely for safety, outcomes, and costs.	

Monitor & Adjust	ongoing, quarterly
• Compare pilot results against baseline performance.	
• Adjust criteria and workflows based on outcomes and clinician feedback.	

5 IMPLEMENT   **6** MEASURE   **7** COMMUNICATE

⌁ High Usage Variation   🗁 Supplies   ✓ Confirmed by: Locus L. | 🕐 3/01/25

Filters | 📁 Supplies ✕ | Orthopedics ✕ | 2 Departments ✕ | 2 Locations ✕ | ✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

New (8) | Needs Rev... | ...orkflow & Next Steps

Cohort Cost D...

Total Knee Arth... | Adjusted ⓘ

🎯 SMART Goal
- Reduce cost per... from componen... to bundled impl...
- Target $630K–$... (~$1,800 per cas... clinical outcome...

⌃ Show Less | 👥 Share

🎯 AI Suggested ...

Clinical Review ... rtunity Report
- Review recent cases side by s...
- Document the... choosing components.

Understanding Opportunity Workflow & Next Steps ✕

CCI helps you spot cost and variation patterns, compare providers fairly, and uncover savings opportunities—while keeping patient outcomes in focus.

The workflow follows a 7-step improvement approach. It starts with identifying variation, scoping opportunities, and exploring possible causes.
Later steps—like designing and measuring interventions—are offered as guidance for leaders to consider.

Note: These insights are meant to guide discussion, not dictate action. Final decisions should align with your clinical and organizational goals.

Step 1 — Step 2 — Step 3 — Step 4 — Step 5 — Step 6 — Step 7

Understand The Problem
- Variation Against Peers Detected & Surfaced
- Data To Assess Opportunity Provided

Know Where We Want To Be
- Defined Benchmarks And Peer Ranges
- Defined The Target

Know The Cause
- Risk-Adjusted Data Points To Peer Differences
- Shows Potential Variations, Savings And Impact

Know What To Change
Suggested:
- Audit Practices
- Define Criteria
- Review Providers

Apply And Measure Change
Suggested:
- Run A Pilot
- Track Usage Weekly
- Measure Impact

Check For Improvement
Suggested:
- Compare Post Change Outcomes And Cost Savings

Sustain The Gains
Suggested:
- Embed Rules Into Workflows, Dashboards, And Peer Review

Need Help Planning Next Steps? Consult HC Improvement Team | 👥 Schedule a meeting

Close

⌄ High Usage Variation | 📁 Supplies | ✓ Confirmed by: Locus L. | 🕐 3/01/25

#HAS25 | HAS25

Filters | Supplies ✕ | Orthopedics ✕ | 2 Departments ✕ | 2 Locations ✕

✓ Data Refreshed 11:00 PM, 07/15/2025

High-Cost, High-Variation Opportunities

New (8) | Needs Review (2) | Pending Details (1) | **Actionable (2)** | Di... | ...ortunities ▾ | ⇅ Newest ▾ | ⓘ Workflow & Next Steps

⚖ Cohort Cost Difference | 📁 Supplies | ✓ Confirmed by: St...

Total Knee Arthroplasty (TKA) Supply Cost Difference – Co...

✓ Risk Adjusted ⓘ

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Goal Progress

Savings to Date

Cost/Case (Components)

Length of Stay (days)

30-day Readmission

...by | ◯ Usage (%) | ⦿ Cost ($)

...ge Start

Projected alignment $4,600 /case

▲ Show Less | 👤 Share

🎯 AI Suggested Next Steps & Timeline Suggestions
⬇ Download Full Opportunity Report

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- Define clear cri... safeguards tie...

...willing ...for sa...

Monitor & Adjust ongoing, quarterly
- Compare pilot results against baseline performance.
- Adjust...eria and workflows b...on out...d clinician feed...

AI Suggested Change Management Process

Supply Cost Variation Analysis: Total Knee Replacement Surgery

A 7-Step Framework for Outcomes Improvement

This analysis examines the $1,800 supply cost variation between providers using bundled procurement approaches ($4,300) and componentized selection strategies ($6,100) in total knee replacement procedures, identifying patterns that suggest standardization opportunities while maintaining clinical effectiveness.

Step 1: Analyze the Domain Opportunity

Guiding Question: Do we understand the problem?

Problem Statement

Two distinct procurement and surgical approaches within our orthopedic service line demonstrate a 42% variance in total knee replacement supply costs ($1,800 difference), representing a potential annual savings opportunity of several hundred thousand dollars if standardized to the lower-cost approach while maintaining quality outcomes.

Key Patterns Identified

Bundled Solution Cohort (Lower Cost - $4,300):
- Predominantly uses System/Bundle naming approach (276 cases with "knee total cemented")
- Heavy reliance on Palacos R bone cement (315+ units across variants)
- Minimal use of individual component categories
- Appears to utilize pre-configured surgical sets

⬡ 5 IMPLEMENT | ◆ 6 MEASURE | ⬡ 7 COMMUNICATE

↘ High Usage Variation | 📁 Supplies | ✓ Confirmed by: Locus L. | 🕐 3/01/25

3 SERVICES: *Experts in analytics, clinical, financial, and operational areas to drive improvement*

Data Foundation & Integration
- Healthcare data management & normalization
- Healthcare-specific data models
- Interoperability & data integration

Insights & Intelligence
- Healthcare analytics
- Advanced data science & AI
- Resource management & decision support

Operations & Change Enablement
- Clinical & operational workflow
- Change management & performance improvement
- Compliance & quality management

Tech-Enabled Managed Services
- AI-enabled chart abstraction
- AI-enabled analytics

2 APPLICATIONS: *Use case technology that generates actionable insights for improvement*

Clinical Quality
- Chronic & acute disease mgmt
- Patient safety
- Surgical quality & efficiency
- Inpatient performance improvement
- Ambulatory operations

Revenue & Cost
- Revenue cycle health & integrity
- Chargemaster management
- Supply chain optimization
- Labor efficiency
- Clinical costing variation

Value-Based Care (VBC)
- Network management
- VBC performance
- Care transformation
- Patient engagement automation
- Population health management

Regulatory & Cybersecurity
- Quality performance & measures
- Registry performance
- Cybersecurity & risk management
- Pricing transparency

1 IGNITE INTELLIGENCE: *AI powered Healthcare Improvement Co-pilot*

0 PLATFORM: *Healthcare-specific data and analytics infrastructure to ignite improvement*

Data Foundation & Integration

Data and analytics integration & democratization | Data availability & reliability | Machine learning & AI
Ignite Data and Analytics for healthcare systems | Ignite Interoperability for HIEs

THANK YOU

HAS 25

Q&A Panel