

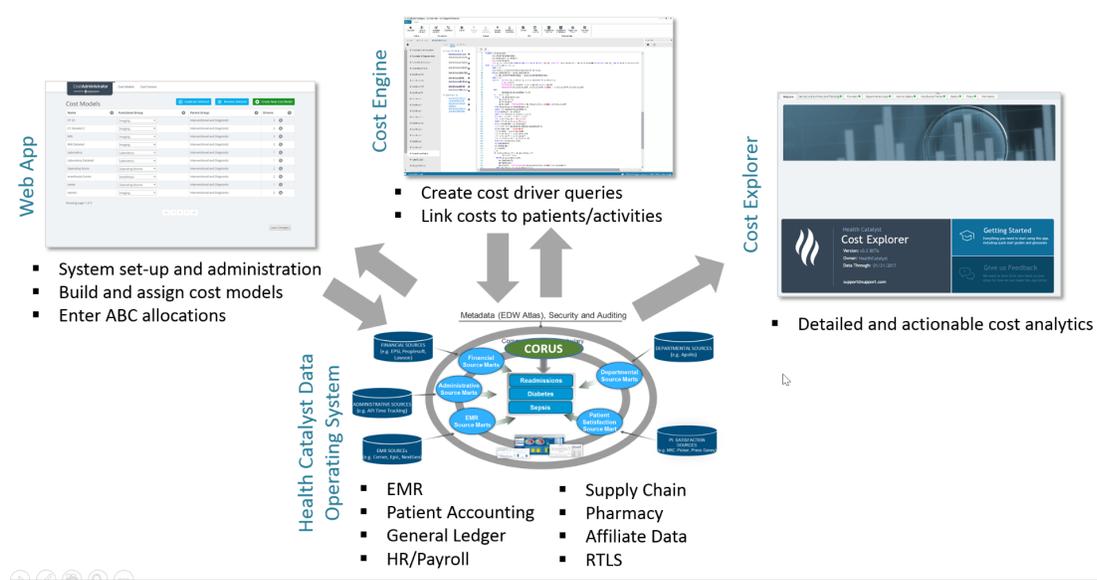
# CORUS™: Activity-Based Costing

TYPE  
Application

STATUS  
Available

REVISED  
2017-June-09

Manage true cost of care with manufacturing-style, activity-based costing that is scalable and maintainable



The **CORUS: Activity-Based Costing** application leverages Health Catalyst’s analytics platform and best-of-breed, activity-based costing models to deliver accurate and actionable data. Activity-Based Costing helps users manage the true cost of care across the continuum—information critical to succeeding in the new reimbursement world. Health Catalyst’s first of its kind data quality, validation, and automation makes this type of costing a reality in healthcare.

## Data Sources

- Electronic medical record (EMR)
- General ledger (GL)
- Billing system data
- Human resources and payroll data
- Supply chain sources (optional)
- Department-specific sources (optional)

## Features and Benefits

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- Ability to **leverage actual patient resource utilization data** from the EMR and other departmental sources—not just charge codes—provides actionable insights into the real drivers of cost variation.
- Ability to **integrate and aggregate multiple data sources**—including EMR clinical, financial (e.g., claims, GL, payroll, supply chain), patient satisfaction, operational, and other data sources—is the building block for the most robust costing data set in the market.
- Support of **multiple cost accounting methodologies** provides flexibility and continually enhances the methodology based on business needs and available data. Manufacturing-style cost engine allows you to allocate to numerous processes per department type.
- **Embedded costing content** (drivers, algorithms, rules and best practices) provide transparency on how patient costs are generated.
- Automated and embedded data quality and cost validation algorithms save time and reduce errors.

## Background and Problem Summary

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Old approaches to healthcare cost management are wholly inadequate for competing in the new reimbursement landscape. Relying on outdated technology and antiquated costing methodologies, traditional systems don't provide the insight leaders need to manage costs or improve quality. To fill this gap, Health Catalyst® has partnered with industry-leading health systems to develop a next-generation costing system, CORUS: Activity-Based Costing (ABC). ABC delivers accurate and actionable data that allows leaders to understand the true cost of care across the continuum and to relate those costs to patient outcomes. Providing manufacturing-style activity-based costing, ABC is scalable and maintainable tool to deliver the financial transparency organizations need to execute on their mission of care in an increasingly challenging marketplace.

## Intended Users

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- Cost accountants
- Department managers
- Service-line leaders
- Clinical & financial analysts

## Use Cases

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- A health system has acquired a new hospital and the **cost accounting team** has been asked to generate cost data for this new facility. The team can quickly configure and validate the data for the new team and run the analysis to have this facility included in the costing process in a matter of days instead of months. This gives the health system early and actionable insights into the operations of their acquisition.
- A health system had been using charges as the basis of costing for the operating room. Knowing the organization now has the CORUS Suite, the **operating room (OR) director** wants to find out her true costs; she asks **Finance** to look at the integrated clinical and cost data to find the specific times and all personnel resources used in the OR during surgeries. **Finance** is able to use precise times and resources from the CORUS data to easily identify the true labor costs, and look at costs for supplies by linking directly to Supply Chain data sources in the CORUS Suite. Finance compares costs for each surgeon, and displays the data showing labor and supplies. One discovery is that the physician with the shortest time was using additional staff. Finance shares this information with clinical teams, who can then compare time, resource costs, and clinical outcomes to determine best practice and reduce clinical variation.

## Opportunity Insights

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- Produce timely, actionable and understandable cost data to empower end-users to reduce cost while improving the quality of care.

## Potential Improvements

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### Process improvements:

- Reduce time to develop costing reports.
- Improve the ability to identify activity-based costs.
- Decrease the time to resolve general ledger, data, and other report discrepancies.
- Reduce data quality errors.
- Improve transparency to end users.