

**GA HIMSS**

**The Predictive Bull's-eye:  
Defining and Measuring  
Predictive Analytic ROI**

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# Learning Objectives

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Describe the role that predictive analytics play in the emerging value-based landscape

Define the “predictive analytic paradox”

Apply a framework for understanding and determining predictive analytic ROI

# Why all the hype around predictive analytics?

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# What makes predictive analytics better than what we have today?

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Accuracy

Applicability

Optimization

Efficiency

Usability

# The Predictive Analytic Paradox

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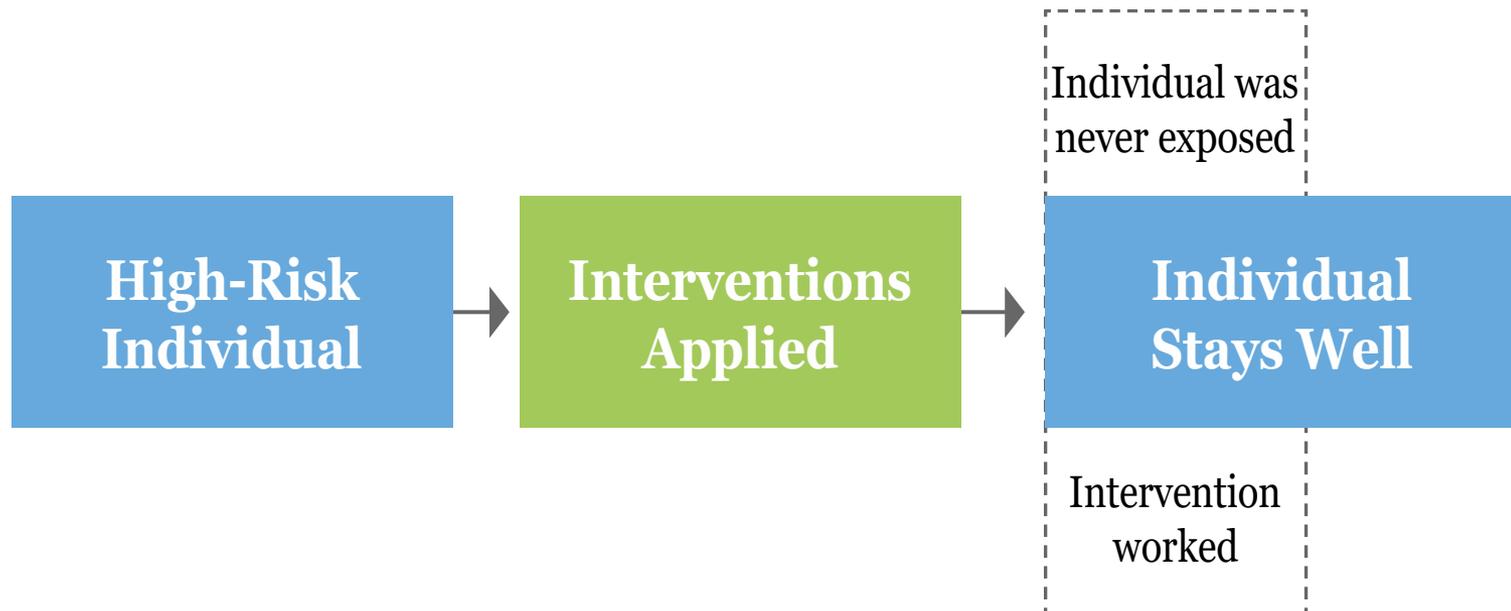
**The process of applying an intervention obscures the value of the prediction.**



# The Predictive Analytic Paradox

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By intervening based on predicted risk, you fundamentally change the outcome and what you are able to observe.



# How To Determine Predictive Analytic ROI



# Understanding Accuracy



What is the accuracy of the predictive engine when applied to your own data?

**If 100 people are predicted to be readmitted**



**and 35 are readmitted**

**then the model has a 35% accuracy rate**

# Translating Accuracy



Intervention  
Effectiveness

20%

40%

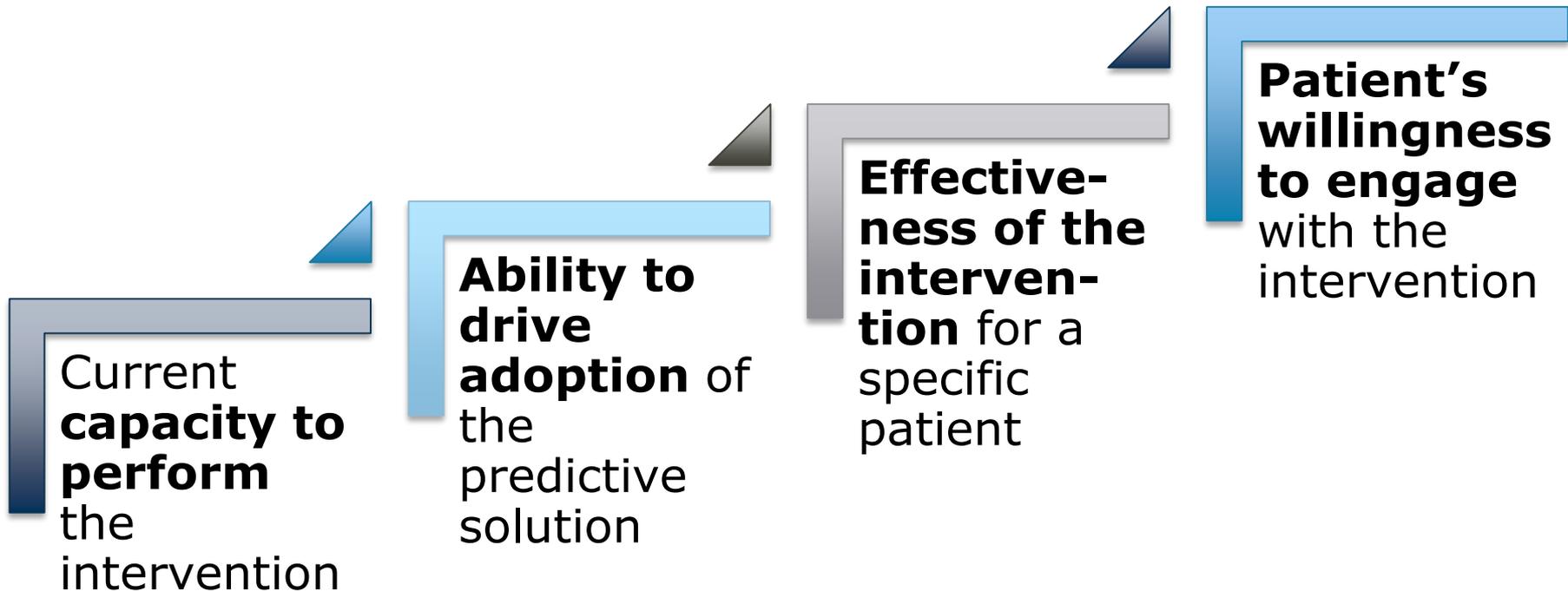
60%

Pure  
Potential  
(100%)

Pure  
potential  
represents  
the accuracy  
of the  
solution

In our example, if you were able to stop all 35 readmissions, we would achieve the **“pure potential”** of the solution.

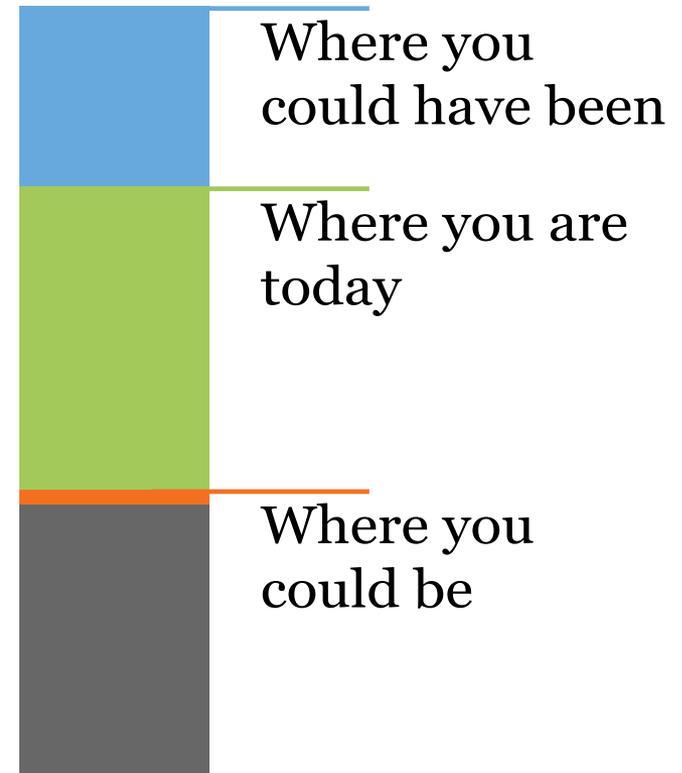
## Driving effective interventions



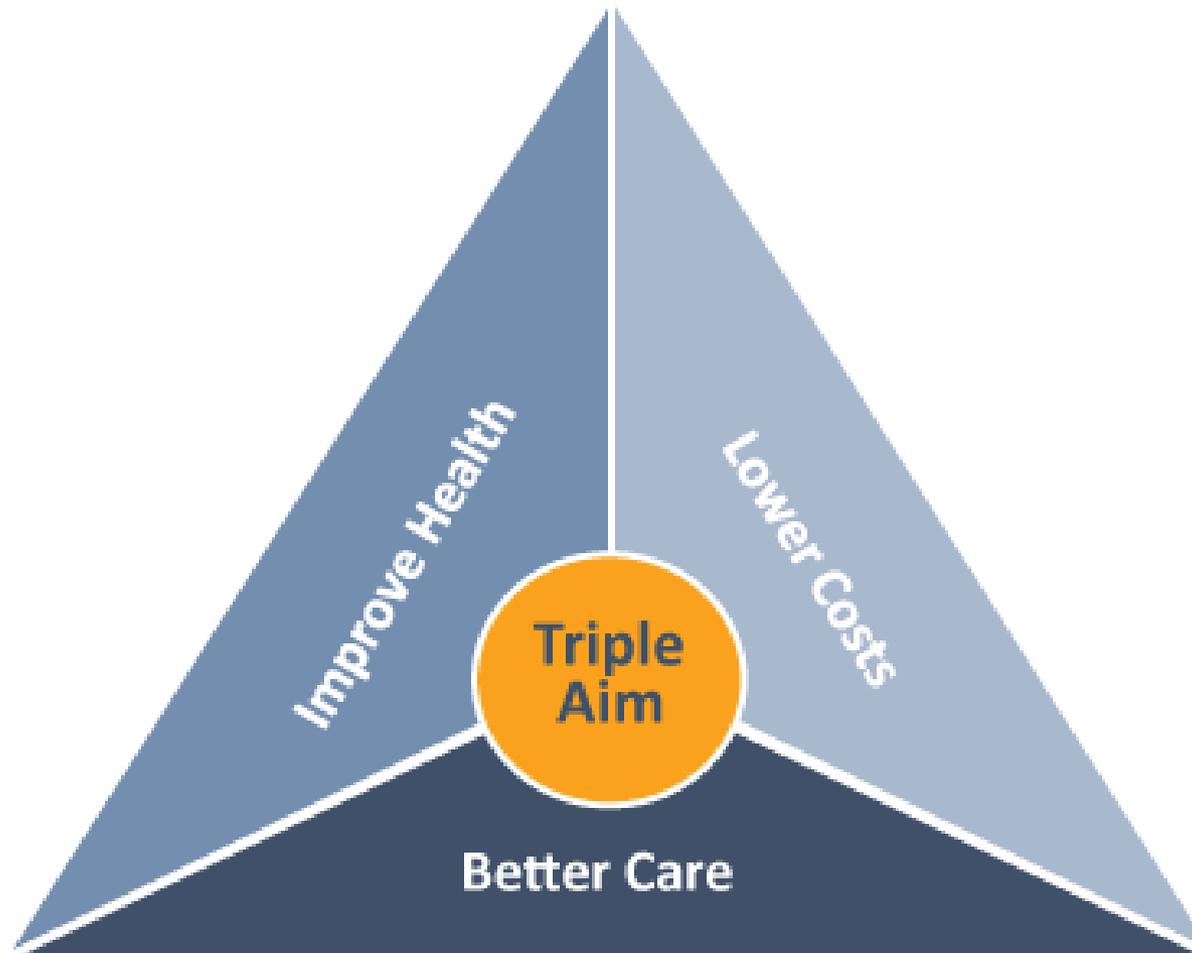
# Setting Goals



- What if you did not have predictive analytics?
- How your organization is doing with applying an intervention
- Potential intervention effectiveness



# Aligning to the Triple Aim



# What Predictive Analytic ROI Looks Like

Results for one provider:

- Achieved a **32%** drop in readmissions
- Avoided **\$4,894,400** in cost
- Saved **2,331** LOS days



# Driving Predictive Analytic Success

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## Leadership

- Engage the right stakeholders

## Project Owner

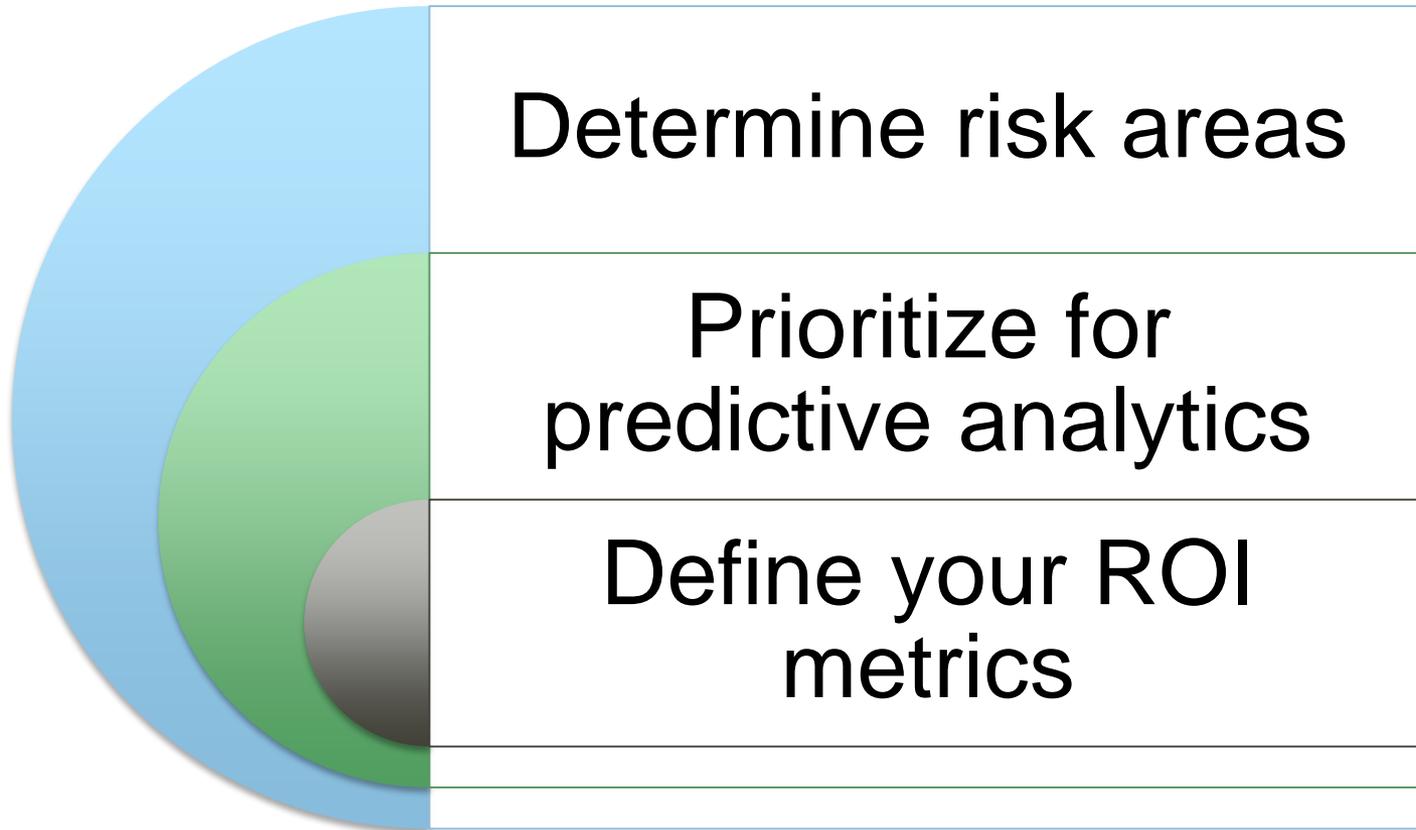
- Select a key member who can drive the project

## End users

- Get users excited and committed

# Next Steps

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