

## CASE STUDY

# UNIVERSITY OF ALABAMA AT BIRMINGHAM HEALTH SYSTEM Healthcare

### **UAB HEALTH SYSTEM**

Knowledge that will change your world

UAB is one of the nation's top five largest academic medical centers, with 11,000 employees, including 900 physicians, offering leading-edge inpatient and outpatient care. The Center's Financial Planning & Analysis (FP&A) department manages this sprawling health center's critical financial processes: forecasting, budgeting, financial management, and data analysis.

### Client's needs

While UAB's research and patient care were notably cutting edge, FP&A's budgeting and reporting capabilities were outdated and inefficient. UAB's existing platform was based on numerous Excel spreadsheets. Since revenue and expenses were booked under separate departments, the financial team was unable to link those critical data points. Each cost center operated individually with no fixed account types or centralized control over forecasting and budgeting. FP&A couldn't generate reports based on the critical volume metrics that drove UAB's business, such as salaries, patient days, or procedures. The reports the finance team could produce took hours of spreadsheet manipulation, the data was often inaccurate, and the output was available to customer only as PDFs, causing FP&A to print out huge binders for every cost center in the Health System.

To elevate its financial planning operation to the same level of excellence as its healthcare services, UAB selected Hyperion as its Budgeting and Reporting & Analysis platform and Alithya as its partner to design and implement a consolidated web-based solution.

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### Benefits Realized

The consolidated, enterprise-wide planning process brings both centralized control and individual flexibility to UAB's financial planning process. Senior executives can set fixed account types for each department, establishing preliminary databases based on previous-year actuals and assumptions for the coming year. Working from a reliable starting point, individual managers have the latitude to adjust budgets as needed, confident in the integrity of the supplied data.

Alithya's web-based analysis platform has opened up a world of opportunity for the FP&A team. Customizable online dashboards provide quick access to data relevant to their internal customers, such as business drivers, geography, services over time, and actual budget variance. And with 75-80% of its expenses devoted to salaries, UAB can now manage its workforce based on current data, such as a floor-by-floor overtime comparison or sick-time utilization.

## Alithya's Solution

Alithya's initial solution for UAB included two applications in a phased implementation—Essbase and Hyperion Planning. UAB has since implemented additional applications to support business process and organizational changes within the Hyperion suite with ongoing guidance from Alithya.

### PHASE 1A

The financial reporting Essbase-only database combines UAB volumes (daily statistics with financials and facilitated trend analysis of per unit dollar amounts. Implementing UAB's financial reporting application was a "quick win" that allowed the Health System to upload actual and current budget data and report off that information quickly. Beginning with reporting let users see the value of Hyperion while preparing for the budgeting application using Hyperion Planning.

### PHASE 1B

Planning application using Hyperion business rules and run time prompts.

- P&L database: The hybrid P&L model supports driver- and non-driver-based reporting and analysis, allowing finance managers to input volumes and immediately see the impact to revenue and expenses. Budget managers can view aggregated information quickly without relying on the consolidation of Excel spreadsheets. All users can build supporting schedules and cell text within Planning for sharing and printing.
- Salary database: To facilitate annual planning, Alithya's solution pulls employee salary statistics from two payroll systems and integrates the data into Hyperion. For real-time analysis of employee work hours and associated salaries, UAB can run detailed weekly or bi-weekly payroll analysis by person or department.

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