From AI Hype to ROI

5 Lessons from HonorHealth's $62M Success

During a November 2024 discussion at The Health Management Academy's COO Forum, HonorHealth COO Kim Post shared insights from their partnership with Qventus to transform operational efficiency through AI. With $3.2 billion in net patient revenue and more than 3 million patients served annually, HonorHealth faced key challenges common to many leading health systems: ineffective capacity utilization, unnecessary delays in discharge, and mounting staff burnout.

Their partnership with Qventus focuses on three key areas:

- **Length-of-stay reduction:** AI tools that automate discharge planning and prioritize ancillary services in real-time.
- **Perioperative optimization:** AI systems that identify and market unused OR time to appropriate surgeons.
- **AI-powered operational assistants:** AI-powered tools that handle care coordination tasks, from conducting pre-surgical risk assessments with patients to automatically processing documentation and managing follow-up communication.

Through strong senior leadership and the partnership, HonorHealth secured the margins needed to support their mission of delivering quality care for patients in their communities. They created the equivalent of 84 virtual beds through improved patient flow, without breaking ground or adding staff, while saving $62M through reduced excess days since implementation. Executives also saw a 9.6x ROI on their technology investment due in part to a 4% increase in case volume and more than 2,700 cases added in 2024.

Here are key takeaways from the partnership:

1 Standardize your processes *before* implementing AI

Before implementing AI, HonorHealth invested heavily in standardizing operations, including centralizing its scheduling operations. This created a foundation of consistent practices that AI could then optimize, rather than trying to automate chaos.

The standardization process made clear the extraordinary scale of the system's routine, time-consuming administrative work: 10,000+ faxes and 20,000+ calls monthly per 100 ORs. But once the processes for tackling this work had been standardized, HonorHealth was well positioned to use AI to seamlessly automate these workflows.

2 To drive ROI, AI should intervene at the moment of decision – rather than analyzing missed opportunities after the fact

Many AI systems provide retrospective analytics that identify inefficiencies only after they've occurred. These tools generate insights but can't prevent poor decisions in real-time. HonorHealth instead focused on embedding AI directly into clinical workflows, where it could shape decisions as they happened.

For instance, their AI system automatically prioritizes imaging and therapy requests based on patients' clinical needs and discharge timelines, eliminating the traditional cycle of phone calls and manual escalation. The results led to a 2.5x increase in high-priority MRI completion and 1.5x increase in priority physical therapy delivery, without adding staff or resources.

3 Start with the problem you need to solve, not the AI capabilities vendors are selling

Many health systems approach AI by evaluating vendor capabilities, then searching for ways to apply them. Qventus and HonorHealth took the opposite approach, by starting with specific HonorHealth operational challenges and going deep: siloed operations preventing system-wide visibility, inefficient utilization of existing assets, and delayed discharges leading to unnecessary bed occupancy.

This problem-first approach led to targeted solutions that automated end-to-end workflows. In perioperative, for example, HonorHealth focused specifically on the challenge of surgeons holding onto block time "just in case" they might need it. Qventus' AI solution analyzes surgeon demand patterns and proactively identifies likely unused time. If time ultimately is freed up, their AI then helps market that capacity to the most appropriate practices, based on the specific surgical resources available.

4 The quality of the AI partner is just as important as the quality of the technology

HonorHealth sought a strategic partner willing to counter their assumptions rather than simply doing whatever was asked. They also looked for a partner who could understand their strategic objectives, then deeply understand HonorHealth's workflows, and implement AI automation from there. For instance, when HonorHealth planned to implement an AI-powered mission control center, Qventus pushed back, saying that Epic had just released updates that would solve HonorHealth's needs in that area. Instead, they focused on driving surgical growth for HonorHealth, which promised stronger ROI and is not something their EHR can do.

5 AI is FOR the nurses, not done TO the nurses

HonorHealth focused on using AI to help existing staff work more efficiently and effectively, with a particular focus on automating repetitive tasks that are not top-of-license for human staff. This approach delivered both staff satisfaction and positive financial results. HonorHealth's turnover rates dropped below national benchmarks, and vacancy rates fell under 5% – a particularly notable achievement in their competitive market.

It is crucial to recognize the importance of a strong senior leader who will drive these changes. Change management is a challenge and having a senior leader advocate for these AI initiatives and partnership was critical to HonorHealth's success.