

# **BUSINESS INTELLIGENCE FOR HOSPITAL SERVICE UTILIZATION AND COST ANALYSIS**

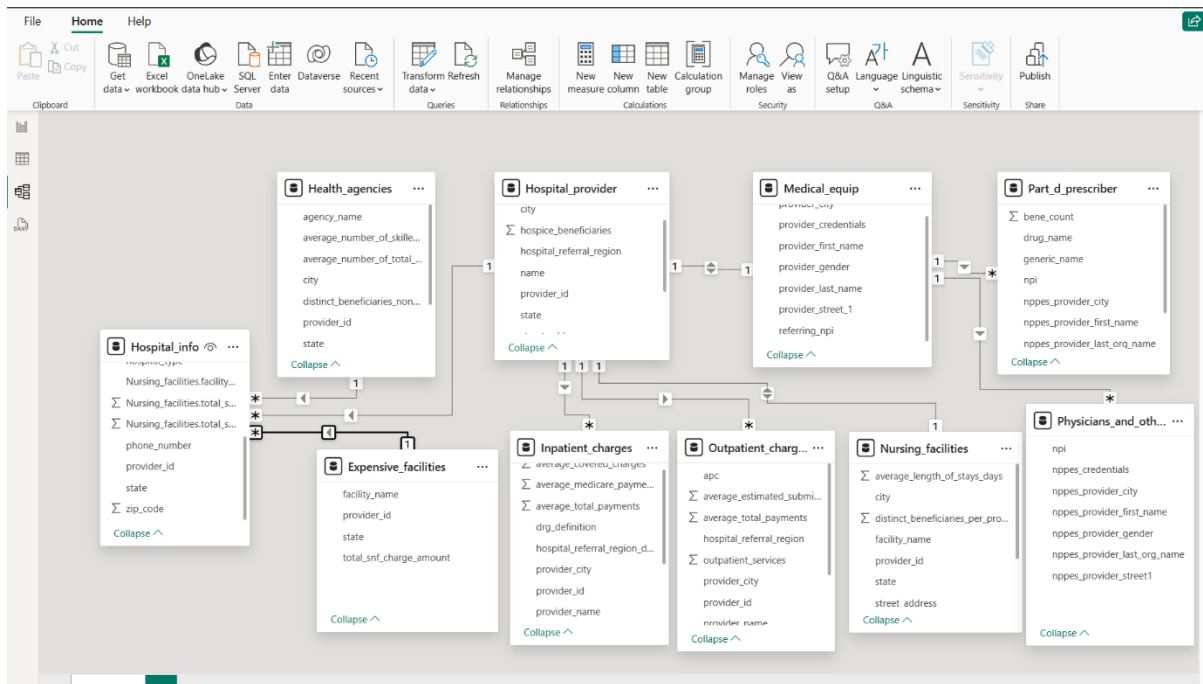
## **Executive Summary**

### **Abstract**

The background of this report is to conduct a comprehensive healthcare data analysis using the medicare dataset(2014) from the Centers for Medicare & Medicaid Services(CMS) as a public dataset. This secondary research focused on visualization patterns in service utilization, financial charges, and patient management across different states and healthcare facilities in the United States. This research aims to transform complex healthcare data into actionable insights by leveraging Power BI's data modelling and visualization capabilities. This analysis will support data-driven decision by identifying trends in inpatient and outpatient costs, regional disparities, medication behaviors and performance for hospitals and nursing facilities. This report serves to enhance transparency, efficiency and financial planning in healthcare management and service through interactive visualisation and evidence-based business intelligence.

### **Data Model**

The data model of this report adopts a snowflake schema structure to manage complex healthcare systems. This schema structure provides analytical queries by separating fact tables from dimensions tables. We organize nine related tables into normalized and interlinked entities as primary built relationship. This model promotes data consistency, reduces redundancy, support detailed and scalable analysis.

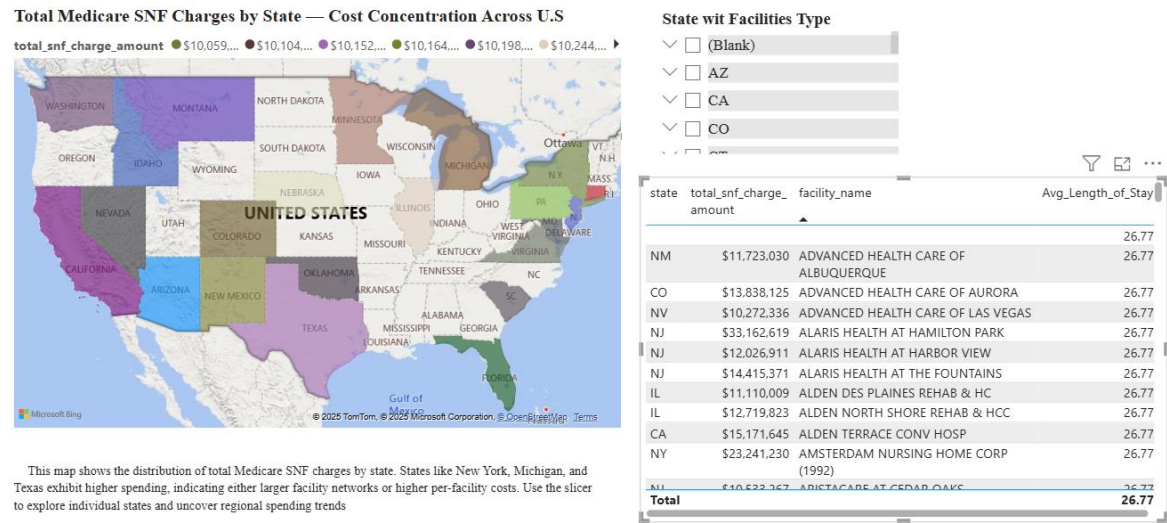


Data Model - Snowflake Schema

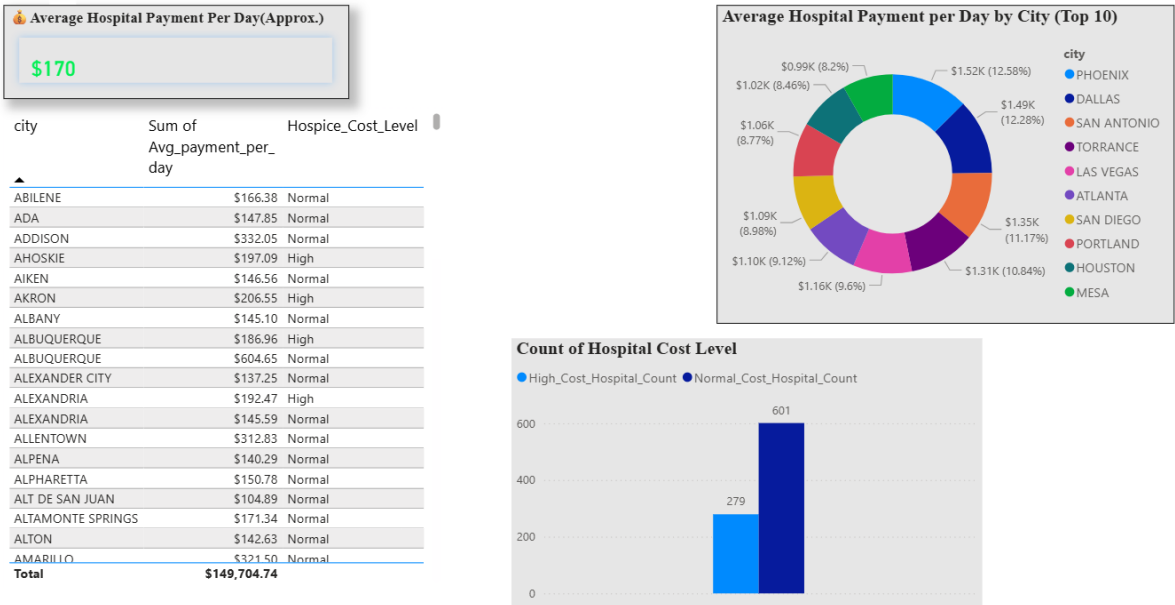
## Key Finding

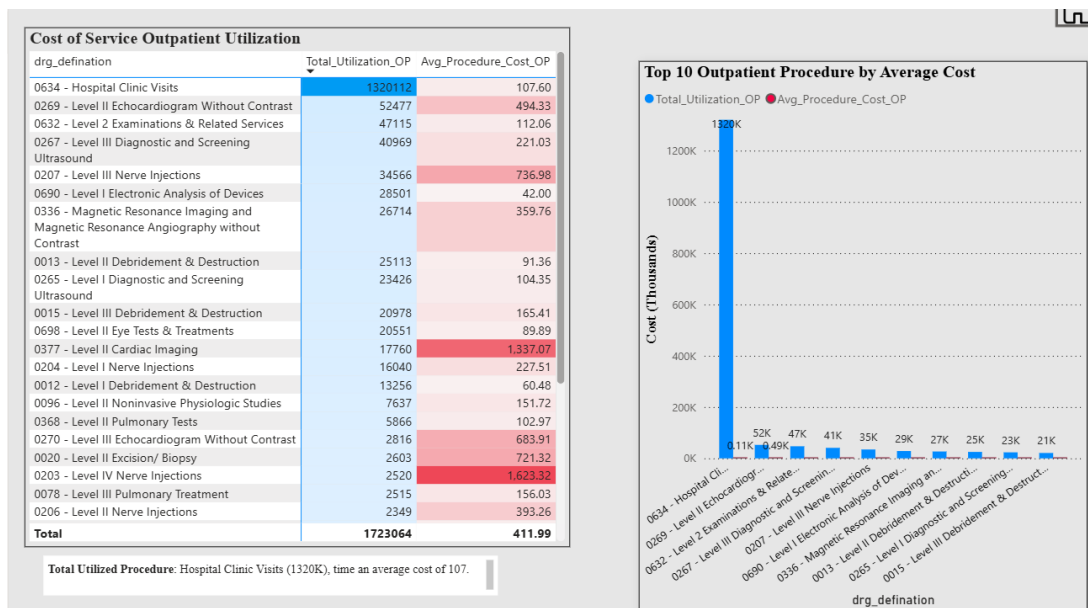
- Medicare SNF charges are higher in states like California, Michigan, and New York, suggesting that costs are concentrated in high-billing facilities or larger healthcare systems.
- The average hospital bill is about \$170 per day, with the highest daily rates reported in Phoenix (\$1.52K) and Dallas (\$1.49K).
- Out of all the hospitals analyzed, 279 are classified as high-cost, and 601 are classified as normal-cost.
- The top three SNFs with total charges over \$10 million are Albuquerque, Aurora, and Las Vegas, even though their average duration of stay (~26.77 days) is comparable.
- At an average cost of \$107.60, hospital clinic visits (DRG 0634) account for approximately 1.32 million visits, making them the most often used outpatient service.
- Cardiac Imaging (DRG 0377) and Nerve Injections (DRG 0203) are the most costly outpatient procedures, with average prices above \$1,600, even though their use is lower.
- High-utilization services may not always correspond with high-cost services, indicating possible areas for cost control. This discrepancy in outpatient cost efficiency is substantial.

Medicare SNF Reimbursement Patterns: Uncovering State-Level Cost Trends and Facility Outliers



Hospital Facility Cost Overview Report





## Recommendations

This research provides a comprehensive view of service utilization, inpatient and outpatient charges, prescription patterns, and provider performance across U.S. states. The findings offer a data-driven foundation for evaluating the financial sustainability and operational efficiency of Medicare services. The project's business intelligence dashboards show how useful visual analytics can be in the healthcare industry. They make it possible for administrators, legislators, and healthcare professionals to keep an eye on important metrics, allocate resources more effectively, and make well-informed strategic choices that may improve patient outcomes and lower expenses.

## Section 2: Business Report

### 1. Introduction

Data analysis in the healthcare sector is critical for improving patient outcomes, optimizing resource allocation, and supporting evidence-based policy development. The Centers for Medicare & Medicaid Services (CMS) provide comprehensive public datasets that offer valuable insights into healthcare service utilization, treatment costs, and provider performance across the United States. The analysis of the 2014 CMS Medicare dataset, which contains comprehensive data on nursing homes, prescription medication use, inpatient and outpatient treatments, and provider fees, is the main objective of this paper. This report also demonstrates essential BI skills such as data preparation, DAX calculation, Power Query transformations, and dashboard design, culminating in a scalable, data-driven approach to healthcare management. Using Power BI as the core business intelligence tool, this report aims to

transform complex Medicare data into interactive visualizations that support informed decision-making for patient management, financial planning, and policy development.

## 2. Dataset

For this business intelligence report section , we used these dataset <https://www.kaggle.com/code/shivamb/deep-healthcare-analysis-using-bigquery/notebook> from Kaggle . This detail description of these datasets are explained in section 1.

## 3. Data Model

Using Power BI's Data View and Model View features, the unstructured Medicare dataset was converted into a scalable and organized data model, as described in the preceding sections(Bakhshi and Wade, 2023). Core fact tables (such inpatient\_charges and outpatient\_charges) were separated from supporting dimension tables (hospital\_provider, medical Equip, nursing\_facilities, etc.) after the original flat file was standardized into a snowflake schema.

This relational structure facilitates effective cross-reporting and filtering, as well as a thorough understanding of Medicare cost trends across different areas and healthcare organizations.

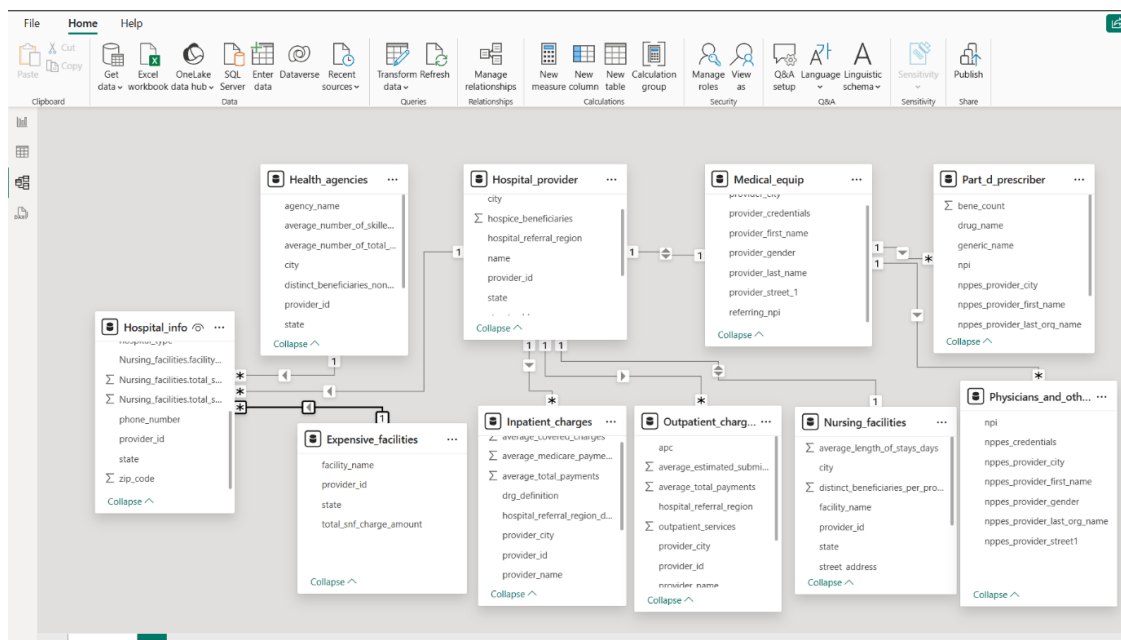


Figure 1: Data Modelling

## 4. Finding based on Business Intelligent Analysis and Evaluation

Business Intelligence Report was created to visualize and analyse with various Business Intelligence questions. Variety of graphs and tables were created using Power BI Visualization tools.

This report addresses following questions.

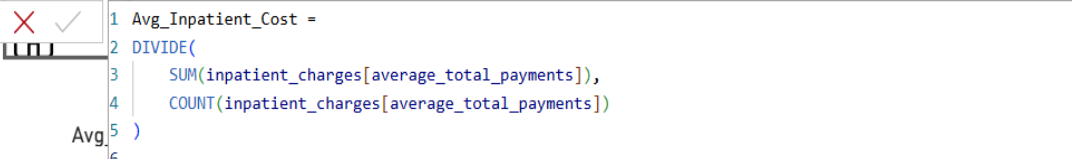
- What is the average cost for inpatient and outpatient treatment in each city?
- What are the trends in average Medicare payments for hospitals in each city?
- How has the average Medicare payment per provider changed over time across hospitals within a specific state or referral region?
- Which healthcare facilities perform best based on cost efficiency, average length of stay, and total Medicare charges?
- Which cities receive the highest Medicare reimbursements for major inpatient procedures, and which DRGs contribute most to those costs?
- How does average Medicare payment vary across hospital types (public, private, nonprofit)?
- Which hospices have the highest per-day Medicare payments, and how does that compare to national averages?
- What is the count of patients for hospitals at different city?
- Are outpatient services more cost-efficient than inpatient services across hospital referral regions?
- Which hospitals consistently show high average payment per day for hospice or inpatient care.
- What is the average cost for inpatient and outpatient treatment in each city?

### Medicare Payment Performance Visual Report Analysis

This analysis aims to evaluate the average cost of Medicare inpatient and outpatient treatments across different cities, identifying the most and least expensive regions and understanding overall spending patterns in the healthcare system.

What is the average cost for inpatient and outpatient treatment in each city?

If we visualise this question, we need to measure the average cost for inpatient services by dividing the total payments by the count of service. We used DAX for measurement estimates as show in below figure.



```
1 Avg_Inpatient_Cost =  
2 DIVIDE(  
3     SUM(inpatient_charges[average_total_payments]),  
4     COUNT(inpatient_charges[average_total_payments])  
5 )  
6
```

✖

✔

1 Avg\_Medicare\_Payment\_Per\_City =

2 CALCULATE(

3     AVERAGE(inpatient\_charges[average\_medicare\_payments]),

4     ALLEXCEPT(inpatient\_charges, inpatient\_charges[provider\_city])

5 )

6

✖

✔

1 Avg\_Inpatient\_Payment =

2 AVERAGE(Inpatient\_charges[average\_medicare\_payments])

3

These three figures show the measure of Avg\_Inpatient\_Cost, Avg\_Medicare\_Payment\_Per\_City and Avg\_Inpatient\_Payment using DAX formula.

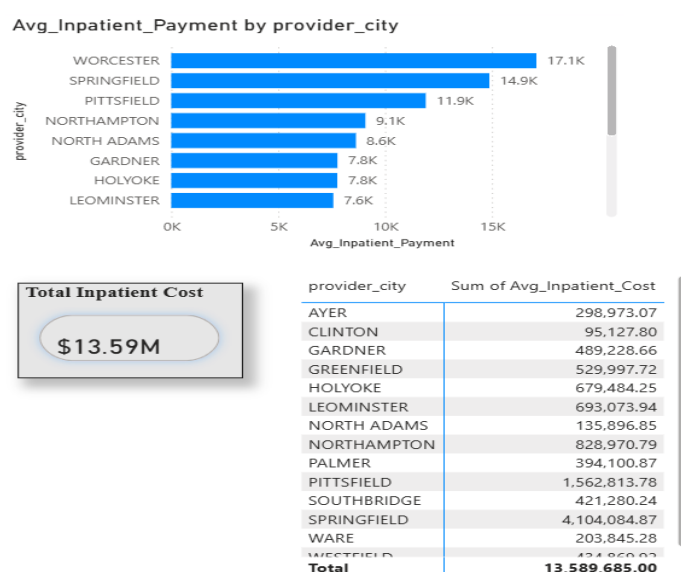


Figure 2: This visual present for the amount of inpatient Medicare cost.

In this visual report, we analysis for inpatient medicare cost , which city have the highest payment amount that this analysis describes the above figure. This visual report show that *Worcester* leads with an average payment of **\$17.1K**, followed by *Springfield* (**\$14.9K**) and *Pittsfield* (**\$11.9K**) from bar chart visual.

✖

✔

1 Avg\_Outpatient\_Cost =

2 DIVIDE(

3     SUM(outpatient\_charges[average\_total\_payments]),

4     COUNT(outpatient\_charges[average\_total\_payments])

5 )

6

✖

✔

1 Avg\_Outpatient\_Cost =

2 DIVIDE(

3     SUM(outpatient\_charges[average\_total\_payments]),

4     COUNT(outpatient\_charges[average\_total\_payments])

5 )

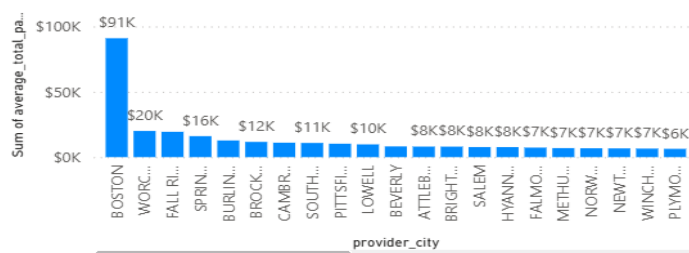
6

```

1 Avg_Procedure_Cost_OP =
2 DIVIDE(
3     SUM(Outpatient_charges[average_total_payments]),
4     COUNT(Outpatient_charges[drg_definition])
5 )

```

We take new measures for outpatient analysis that Avg\_Outpatient\_Cost and Avg\_Procedure\_Cost\_OP using DAX formula. This measurement is important for analysis visual report.



Total Outpatient Cost	
\$411.991K	

provider_city	Sum of Avg_Outpatient_Cost
ATTLEBORO	7,415.84
AYER	4,531.90
BEVERLY	7,827.83
BOSTON	81,574.22
BRIGHTON	8,239.82
BROCKTON	10,299.78
BURLINGTON	11,947.74
CAMBRIDGE	13,595.70
CLINTON	3,295.93
FALL RIVER	16,067.65
FALMOUTH	5,355.88
FRAMINGHAM	7,003.85
GARDNFR	5,767.87
<b>Total</b>	<b>411,991.00</b>

Figure 3: This visual present for the amount of outpatient Medicare cost.

In this visual report, we analysis for outpatient Medicare cost , which city have the highest payment amount that this analysis describes the above figure. The **total outpatient cost** is **\$411.99K** across all cities. This cost disparity highlights regional differences in service complexity, pricing, or patient needs. These insights can support targeted reviews of high-cost areas and help identify models of cost-efficient care in lower-cost regions.

```

1 Total_Reimbursement =
2 SUMX(
3     Inpatient_charges,
4     Inpatient_charges[average_medicare_payments] * Inpatient_charges[total_discharges]
5 )
6

```



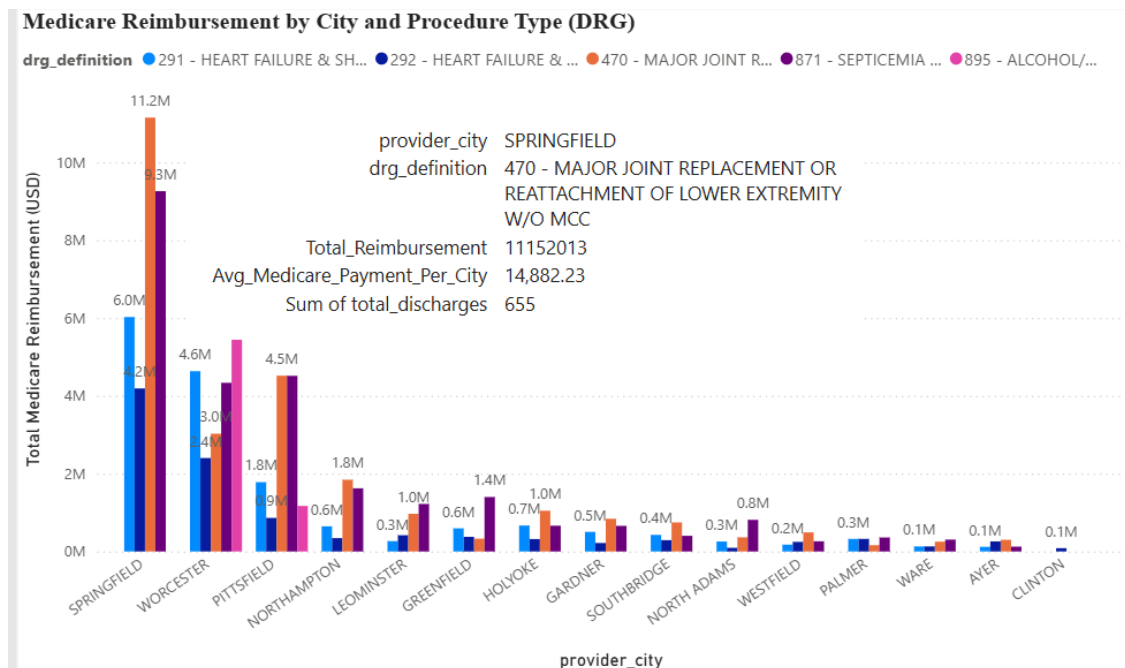
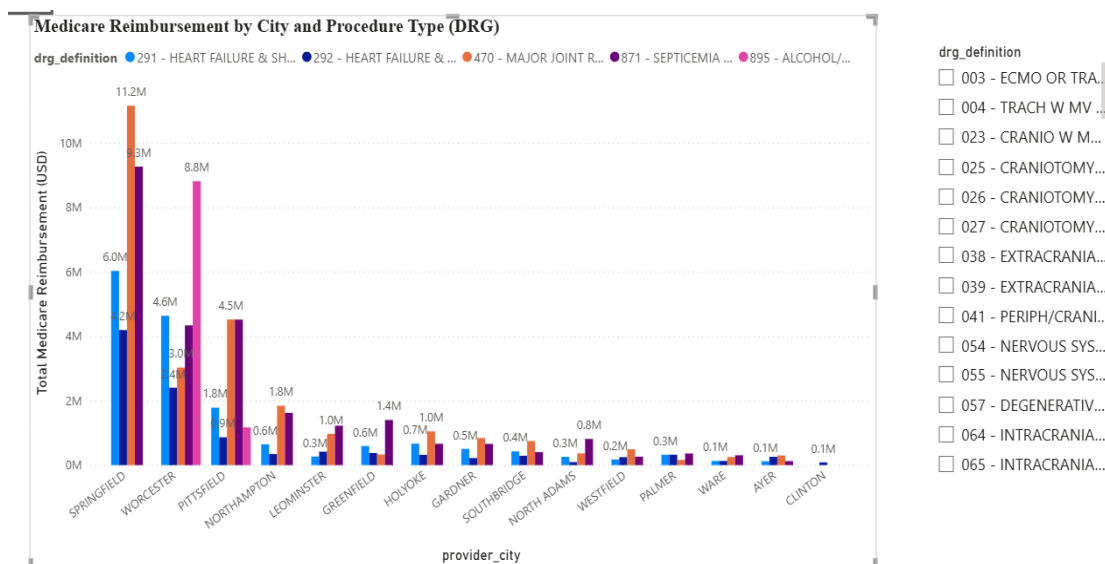


Figure 4: Medicare total amount with city

This chart presents Medicare reimbursement across cities for major inpatient procedure categories (DRGs). Springfield ranks highest, primarily driven by joint replacements (DRG 470), while Worcester and Pittsfield also show substantial spending across heart failure and septicemia cases. Use the interactive DRG filter to explore which procedures dominate cost per city, enabling more informed resource planning and cost oversight.



This chart presents Medicare reimbursement across cities for major inpatient procedure categories (DRGs). Springfield ranks highest, primarily driven by joint replacements (DRG 470), while Worcester and Pittsfield also show substantial spending across heart failure and septicemia cases. Use the interactive DRG filter to explore which procedures dominate cost per city, enabling more informed resource planning and cost oversight.

Figure 5: Medicare cost visual report

This chart displays total Medicare reimbursements across cities and procedure types, categorized by Diagnosis-Related Groups (DRGs).

## Hospital Payment amount Visual report

This analysis explores inpatient hospital activity by calculating the total number of discharges per city, which serves as a proxy for hospital service volume and patient throughput.

We used the following DAX formula to create the measure:

```
1 Total_Patients =  
2 CALCULATE(  
3     SUM(Inpatient_charges[total_discharges])  
4 )  
5
```

The chart below displays total inpatient discharge volume per city and provides an aggregated total for hospital payment analysis.

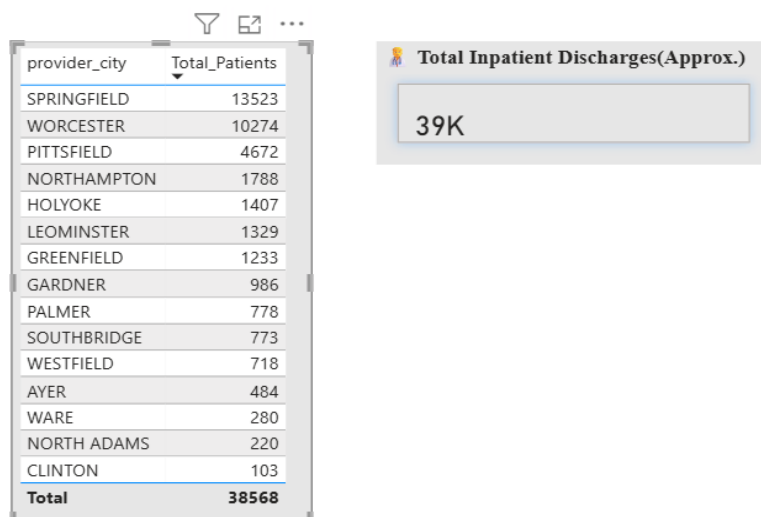


Figure 6: Total inpatient discharges

## Discharge Volume Visual Report Analysis

This section presents a geospatial and tabular analysis of hospital discharge volume—both **inpatient** and **outpatient**—across provider cities. The goal is to identify regional care distribution patterns, evaluate facility utilization rates, and support strategic planning for health service delivery.

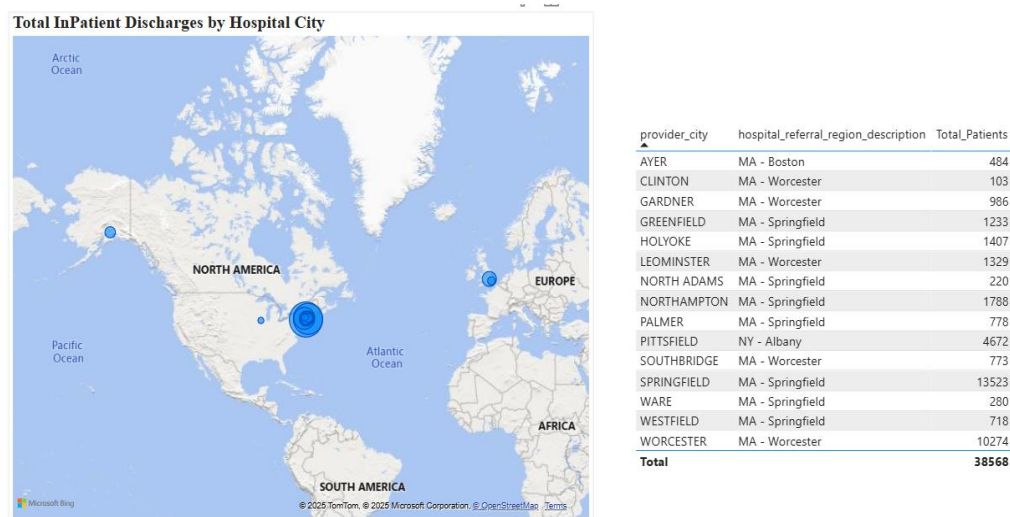


Figure 7: Show map graph for the discharge number of inpatients

This map graph was plotted to visualize the discharge number of inpatients across the city. The size of bubbles over map represents the count of patients for that city. We calculate the count of patient for that city using DAX formula as show in below. Furthermore, a table on right was plotted to visualize the exact count of patients per country.

```
1 Total_Patients =  
2 CALCULATE(  
3     SUM(Inpatient_charges[total_discharges])  
4 )  
5
```

The total inpatient discharges are **38,568** across all cities. Activity is regionally concentrated in central and western Massachusetts. These insights highlight areas of high hospital utilization and support planning for facility capacity and clinical resource distribution.



Figure 8: Show map graph for the discharge number of outpatients

This map graph was plotted to visualize the discharge number of outpatients across the city. The size of bubbles over map represents the count of patients for that city. We calculate the count of patient for that city using DAX formula as show in below. Furthermore, a table on right was plotted to visualize the exact count of patients per country.

```

1 Total_OutPatients =
2 SUM(Outpatient_charges[outpatient_services])
3

```

The total of **1,723,064** outpatient visits across all cities. Outpatient care is urban-centric, driven by higher service accessibility and centralized health systems. This reflects a broader shift toward outpatient care models and indicates where operational efficiency and patient throughput are highest.

## Hospital Facility Cost Visual Report

This report examines hospital facility costs by measuring the **average payment per day** across U.S. cities and categorizing hospitals into **high-cost** and **normal-cost** tiers based on payment levels. The analysis helps stakeholders identify cost-intensive areas and evaluate resource efficiency. Avg\_payment\_per\_day and Hospice\_cost\_Level are measure for this following visual chart.

```
1 Avg_payment_per_day = Hospital_provider[total_medicare_payment_amount]/Hospital_provider[total_days]
```

```
1 Hospice_Cost_Level =
2 IF(Hospital_provider[Avg_payment_per_day] > 180, "High", "Normal")
3
```

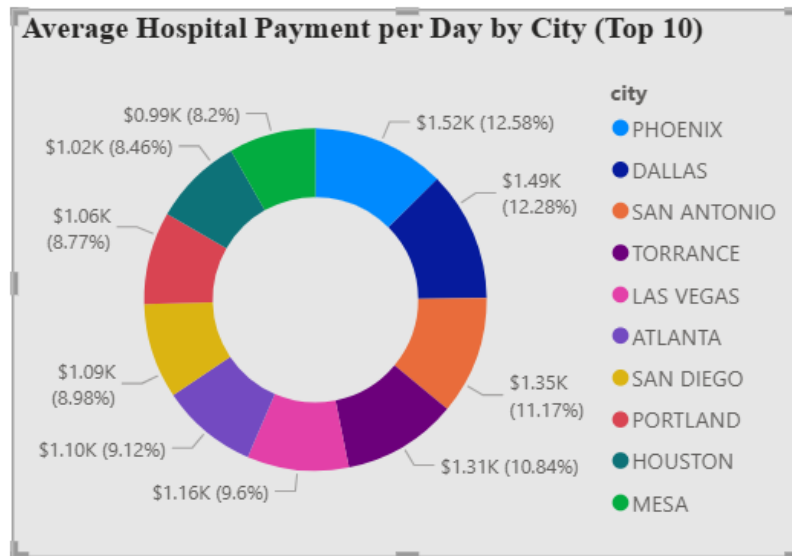


Figure 9: Average hospital payment chart

This visual chart provides Top 10 cities based on the average hospital payment a day. PHOENIX city has the highest payment amount than other cities that it has 12.58%. MESA city is described with the lowest amount of payment in this chart.

We created new column as Hospice\_Cost\_Level. Hospital Level is defined as High and Normal level that measure using DAX language.

```
1 Hospice_Cost_Level =
2 IF(Hospital_provider[Avg_payment_per_day] > 180, "High", "Normal")
3
```

After create Hospital Cost Level, we can start measuring for High\_Cost\_Hospital\_Count and Normal\_Cost\_Hospital\_Count.

```
1 High_Cost_Hospital_Count =
2 CALCULATE(
3     COUNTROWS(Hospital_provider),
4     Hospital_provider[Hospice_Cost_Level] = "High"
5 )
6
```

```

1 Normal_Cost_Hospital_Count =
2 CALCULATE(
3     COUNTROWS(Hospital_provider),
4     Hospital_provider[Hospice_Cost_Level] = "Normal"
5 )

```

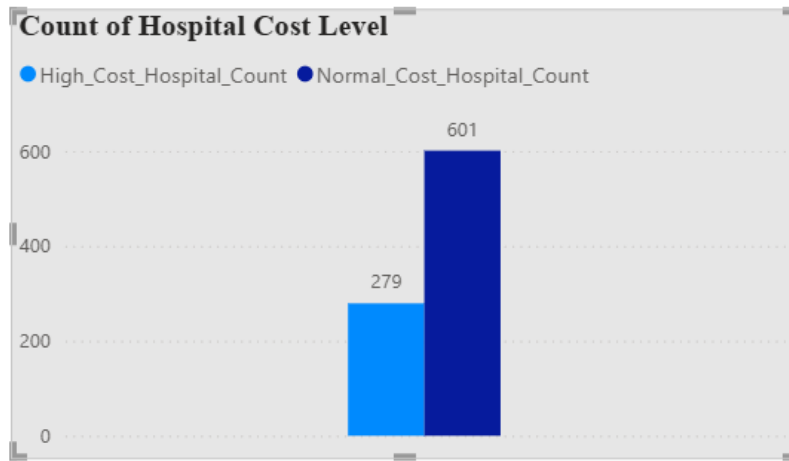


Figure 10: Count of hospital cost level

This visual report describes the count of high and normal costs associated with Hospital Cost Level.

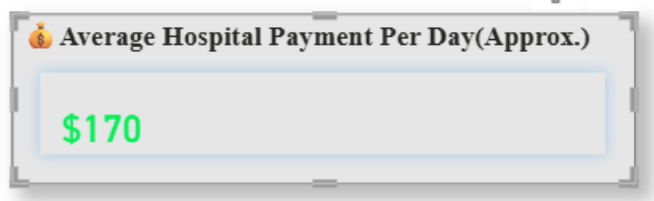


Figure 11: show approximately average hospital payment per day

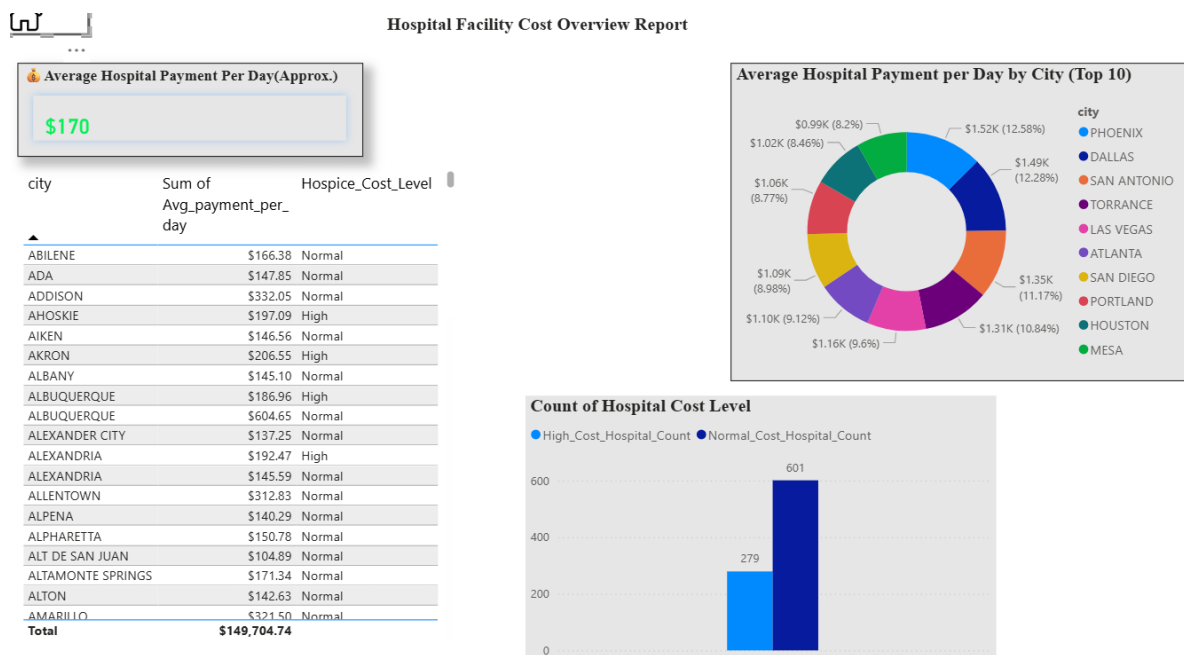


Figure 12: Hospital facility cost overview visual report

This visual report presents for Hospital Facility Cost with average amount of payment. There is two type of hospital cost that divide with high value and normal value. The Cost of normal hospital is cheaper than the high hospital cost. The total of normal hospital is greater than the high-cost hospital.

## Inpatient Service Utilization

Firstly, we measure the total utilization and average cost with DAX for visualising this report.

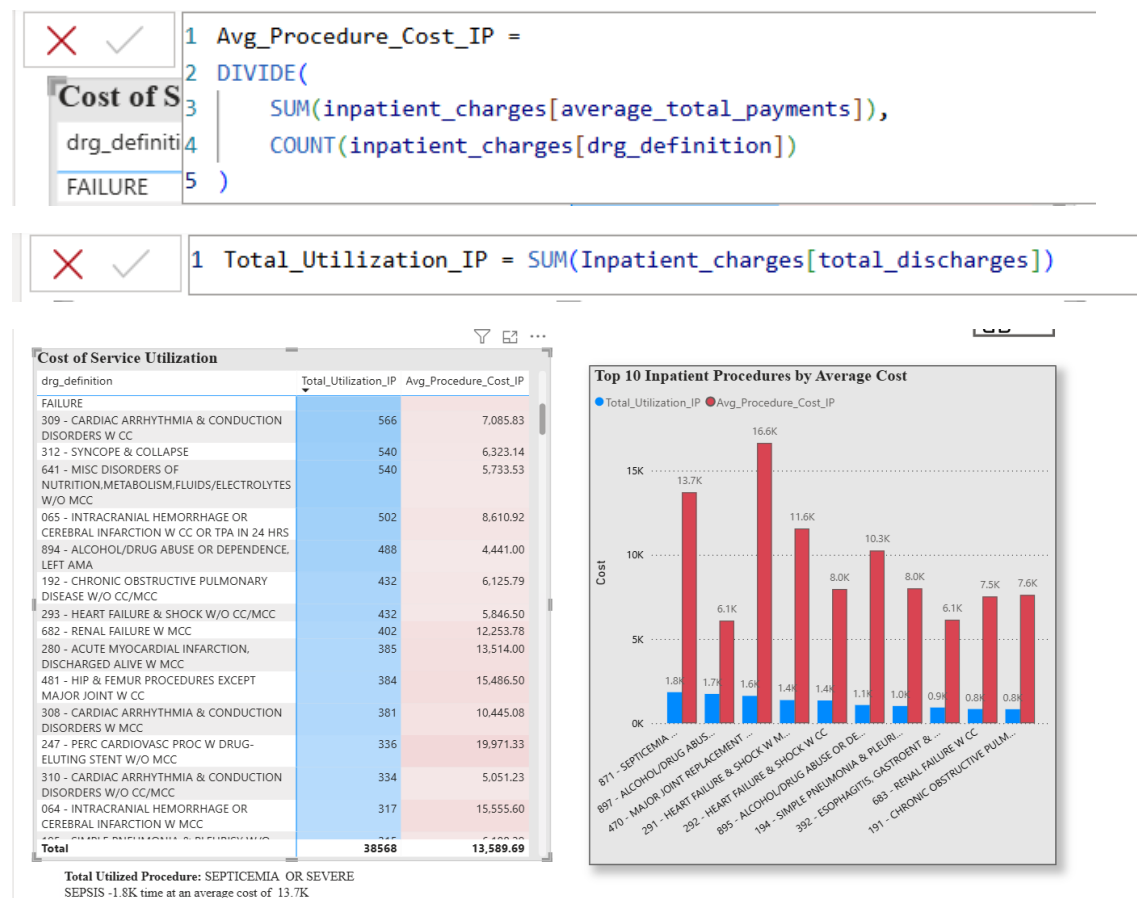
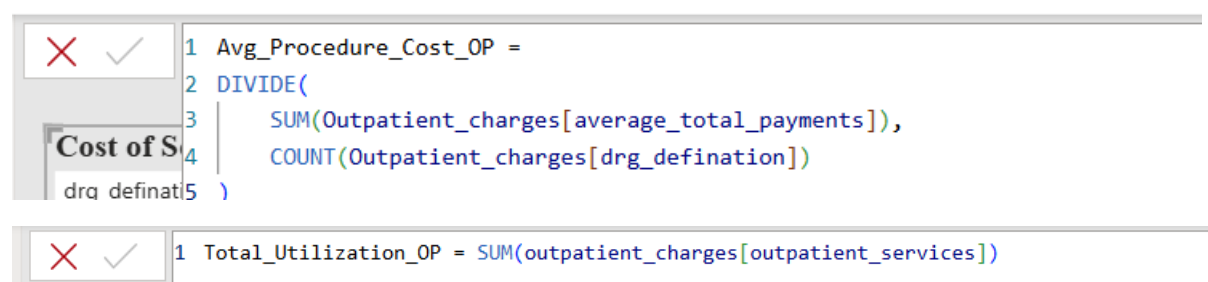


Figure 13: Inpatient service utilization report

## Outpatient Service Utilization



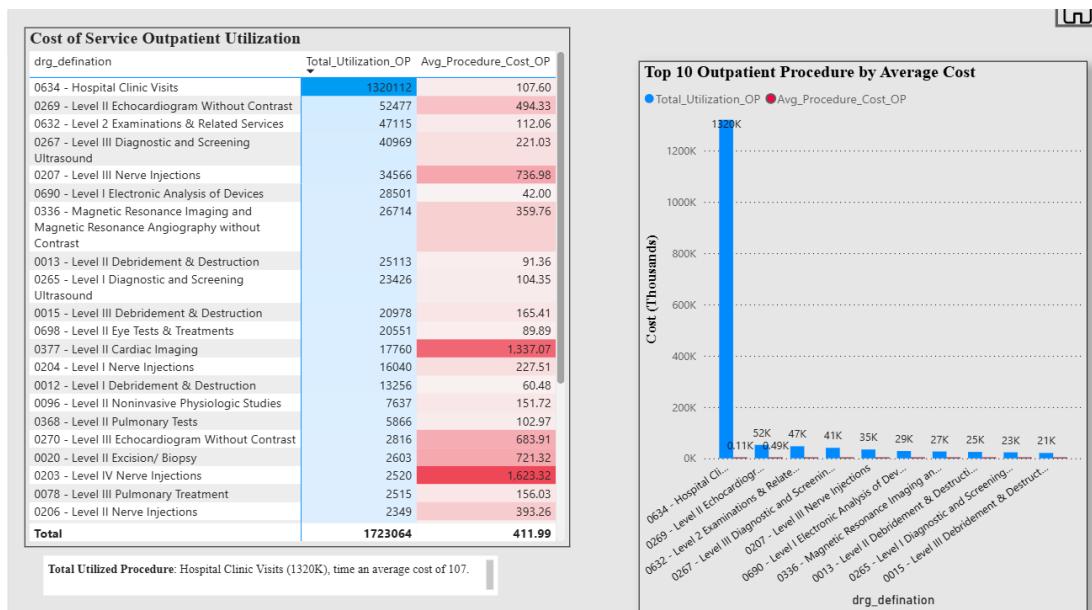


Figure 14: Outpatient service utilization

This above table presents the cost of each facilities, define the blue color for highest cost of total utilizaiton and red color for highest amount of average cost. The right visual chart presents for top 10 outpatient procedures based on average cost.

## Facilities Outlier

1	Avg_Charge_Per_Facility =
2	DIVIDE(SUM(Expensive_facilities[total_snf_charge_amount]), COUNT(Expensive_facilities[facility_name]))
1	Top_State =
2	CALCULATE(MAX(Expensive_facilities[state]),
3	TOPN(1, ALL(Expensive_facilities), Expensive_facilities[total_snf_charge_amount], DESC))
1	Total_US_SNF_Charge = SUM(Expensive_facilities[total_snf_charge_amount])

This measures was created by taking new measures as above figure. This visual seeks that Medicare charges vary significantly by state and facility. Despite similar lengths of stay, cost discrepancies highlight differences in billing rates, patient acuity, or facility efficiency. These insights are essential for Medicare administrators and policymakers to evaluate cost drivers.



...

Medicare SNF Reimbursement Patterns: Uncovering State-Level Cost Trends and Facility Outliers

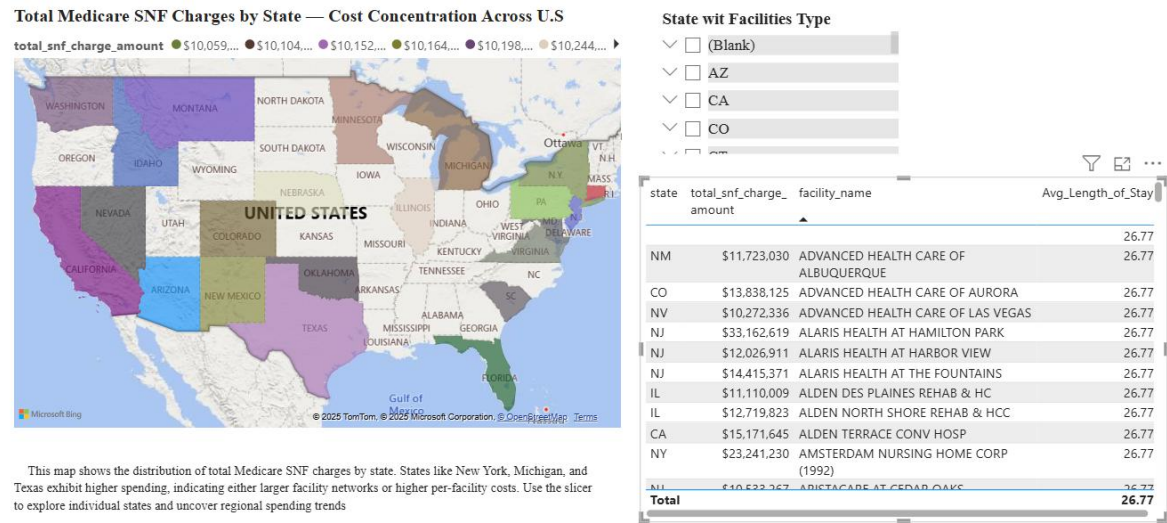


Figure 15: Medicate payment with trends and facility outliers

Ranking Hospital Cost

This measure is very importance for this visual because of the main of whole visual. We divided four parts for hospital ownership group with DAX language.



After group dividing, We can start measuring for average medicare by ownership. Furthermore, the average hospital payment per day was determined using DAX language like that below figure.

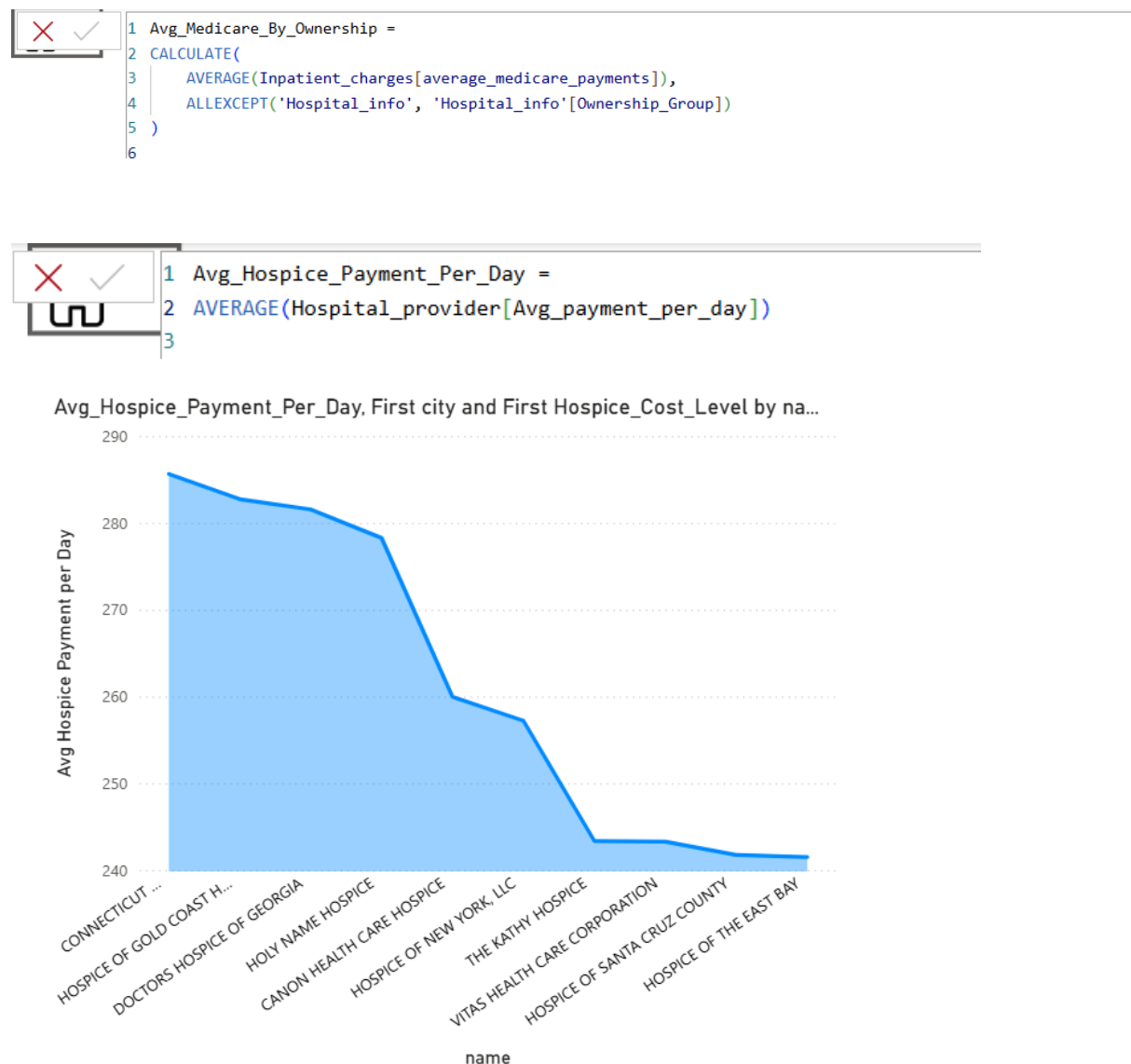
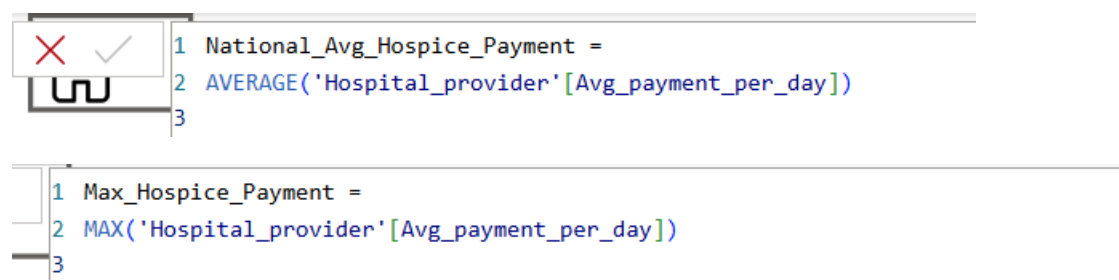


Figure 16: Average hospital payment per day report



```

1 High_Cost_Hospice_Count =
2 CALCULATE(
3     COUNTROWS('Hospital_provider'),
4     'Hospital_provider'[Hospice_Cost_Level] = "High"
5 )
6

```

We take new three measure that national payment, maximum payment and high-cost facilities count for create the following card. This card shows the average amount of payment for each to understand clearly other audiences.

\$170.12	\$285.65	\$279.00
National Average Payment	Maximum Payment	High Cost Facility Count

## Ask Question Exploration (Q&A)

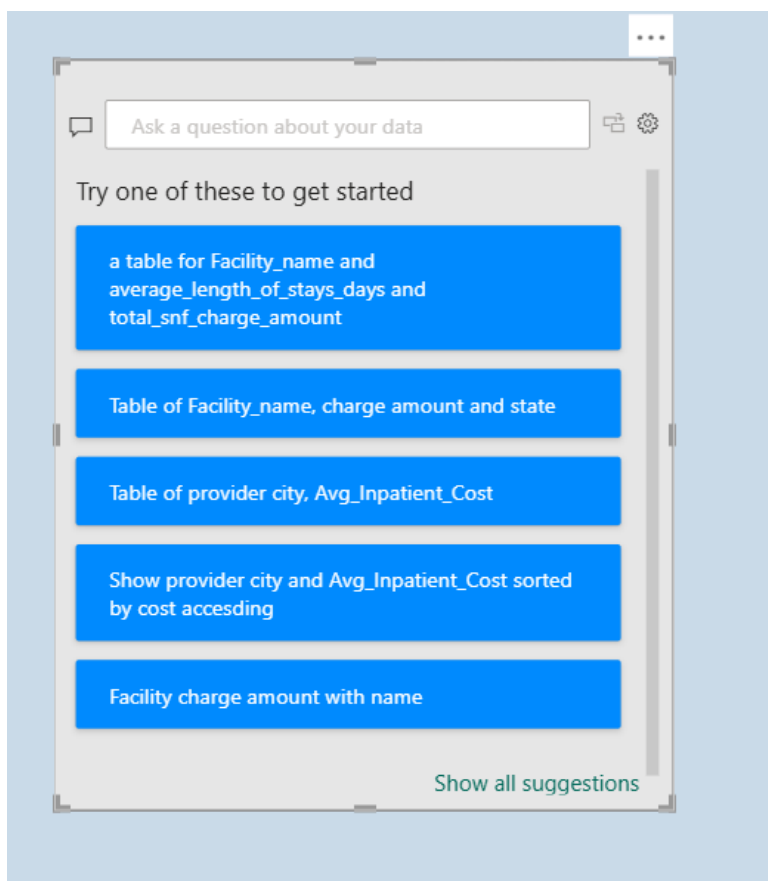


Figure 17: Q&A exploration

We used Q&A feature of Power BI to explore medicare data through natural language queries. We created suggested question in this visual. So, audiences can easily ask questions with suggestions questions. The following graph asked a question that the facility charge

amount with name and show the table of facility name , charge amount and state. This was improvement for data-driven navigation with the report using Q&A explore.

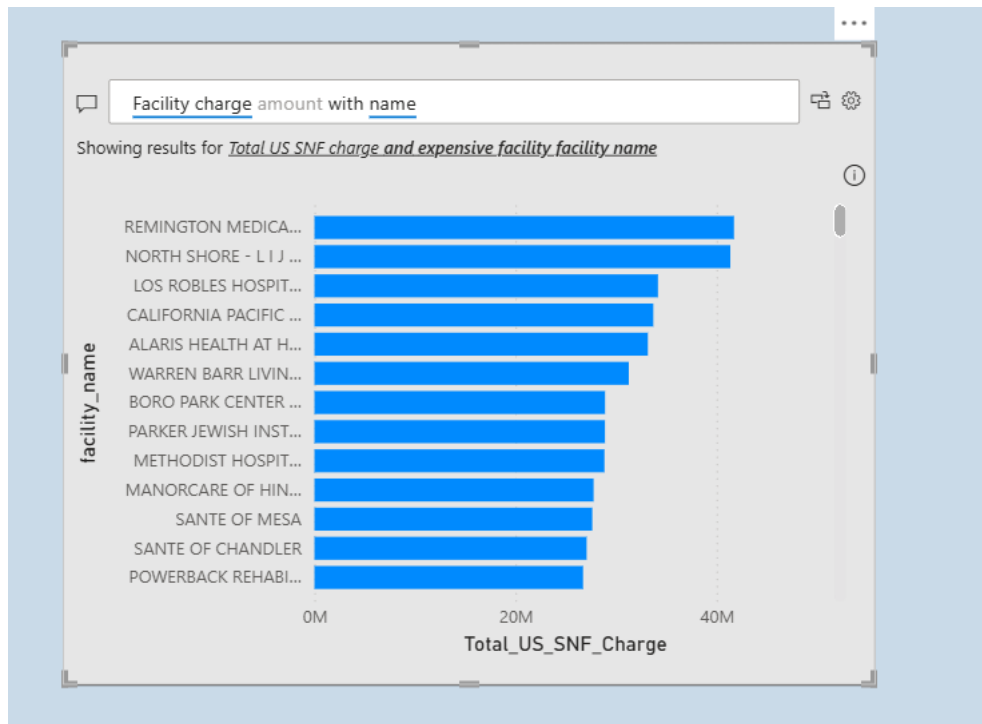


Figure 18: Facility charge with name visual

Table of Facility\_name, charge amount and state

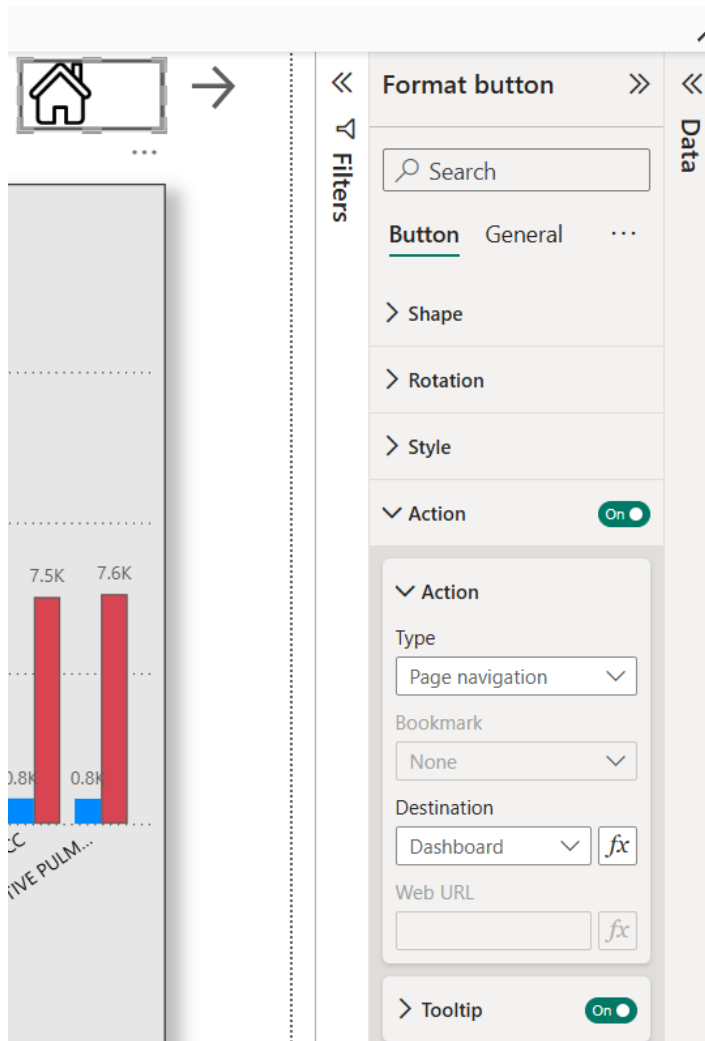
Showing results for *Expensive facility facility name, total US SNF charge, and expensive facility state as table*

facility_name	state	Total_US_SNF_Charge
REMINGTON MEDICAL RESORT-RICHARDSON	TX	41728321
NORTH SHORE - L I J STERN FAMILY CTR FOR REHAB	NY	41366092
LOS ROBLES HOSPITAL & MEDICAL CENTER D/P SNF	CA	34165940
CALIFORNIA PACIFIC MEDICAL CTR- DAVIES CAMPUS HOSP	CA	33705334
ALARIS HEALTH AT HAMILTON PARK	NJ	33162619
WARREN BARR LIVING & REHAB CTR	IL	31267479
BORO PARK CENTER FOR NURSING AND REHAB CENTER	NY	28903741
PARKER JEWISH INSTITUTE FOR H C & REHAB	NY	28894692
METHODIST HOSPITAL OF SO. CA	CA	28843079
MANORCARE OF HINSDALE	IL	27765008
SANTE OF MESA	AZ	27633106
SANTE OF CHANDLER	AZ	27071321
POWERBACK REHABILITATION, ROUTE 73	NJ	26715156
REMINGTON MEDICAL RESORT SAN ANTONIO	TX	26570089
DESERVIERIAN INTERCOMM HOSP DD/SNF	CA	25820571
<b>Total</b>		<b>2563925320</b>

Figure 19: Table of facilities amount with name and stat

## Adding Buttons for page navigation

We add the buttons in all visual page for page navigation. We can easily go main dashboard, back visual page and front visual page using this button.



Finally, we created main dashboard for this project using a lot of buttons for page navigation. This main dashboard shows firstly the title of the project and next describe with two panel that Medicare Cost, Hospital Payment Amount, Discharge Volume and Hospital Facility Cost in the left panel and Inpatient service Utilization, Outpatient service Utilization, Facilities Outlier and Ranking Hospital Provider in the right panel. We added Q&A exploration button at the end of main dashboard.

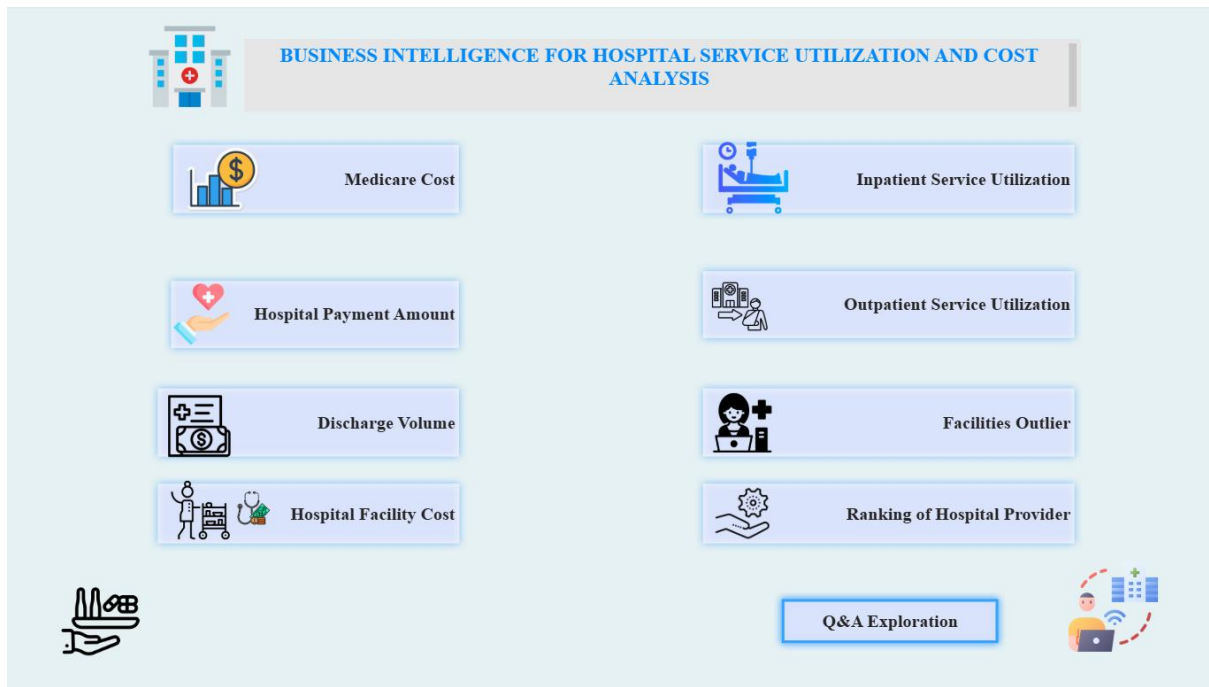


Figure 20: Screenshot of main dashboard

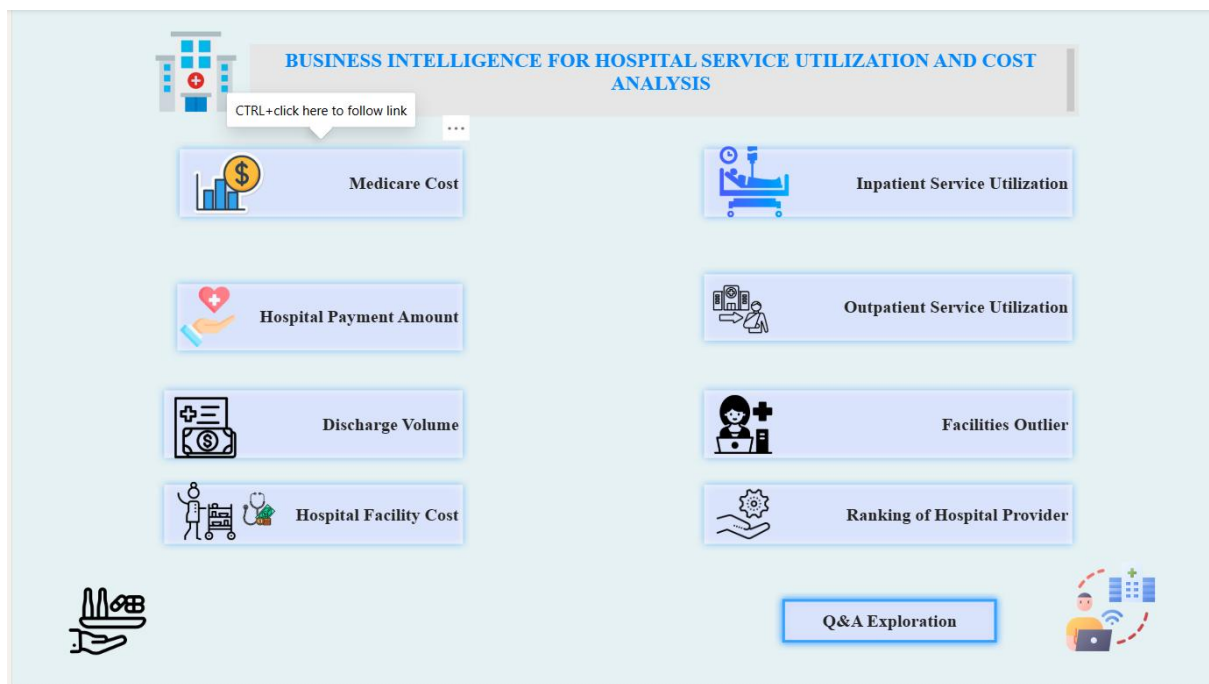


Figure 21: Screenshot of page navigation work

## Publishing to Power BI

After we created dashboards, we can publish our dashboard with publish button from Home ribbon.

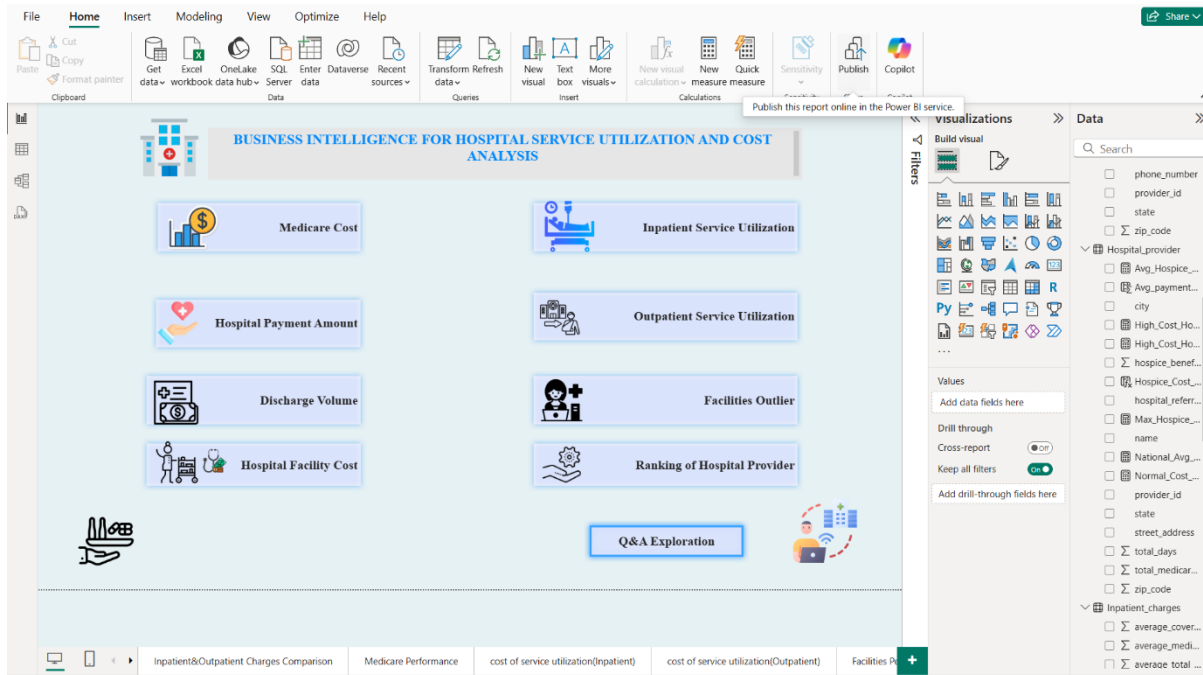


Figure 22: Publishing created dashboard

Our publishing success with E4448893\_Khaing(BI-project).pbix in Power BI.

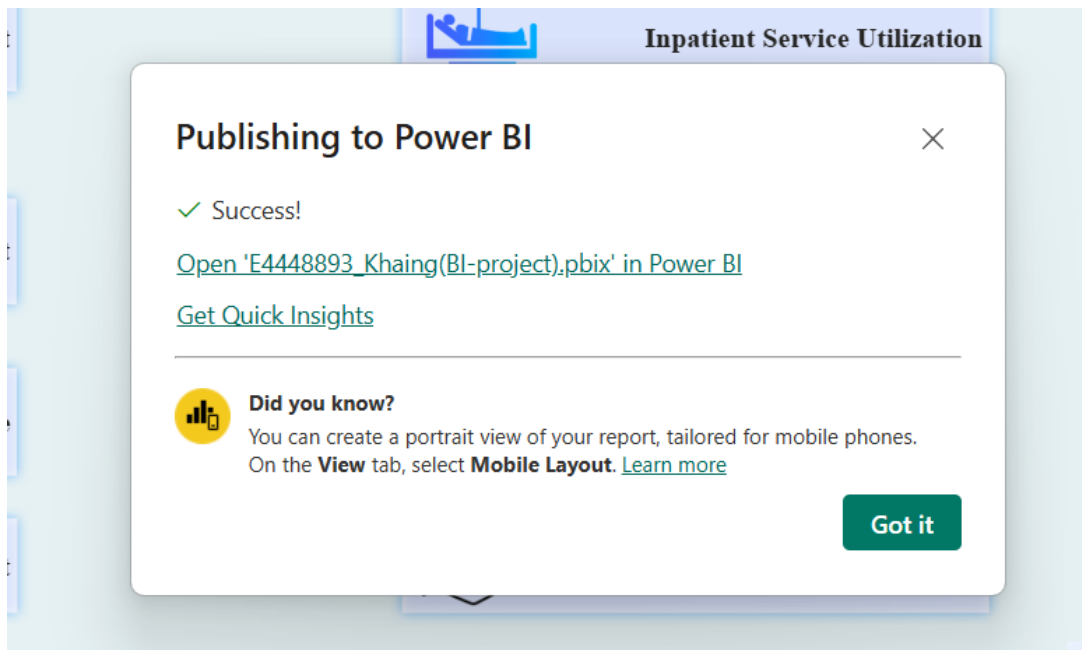


Figure 23: Publishing success

# Power BI Report View

The screenshots below show the published BI report Dashboard.

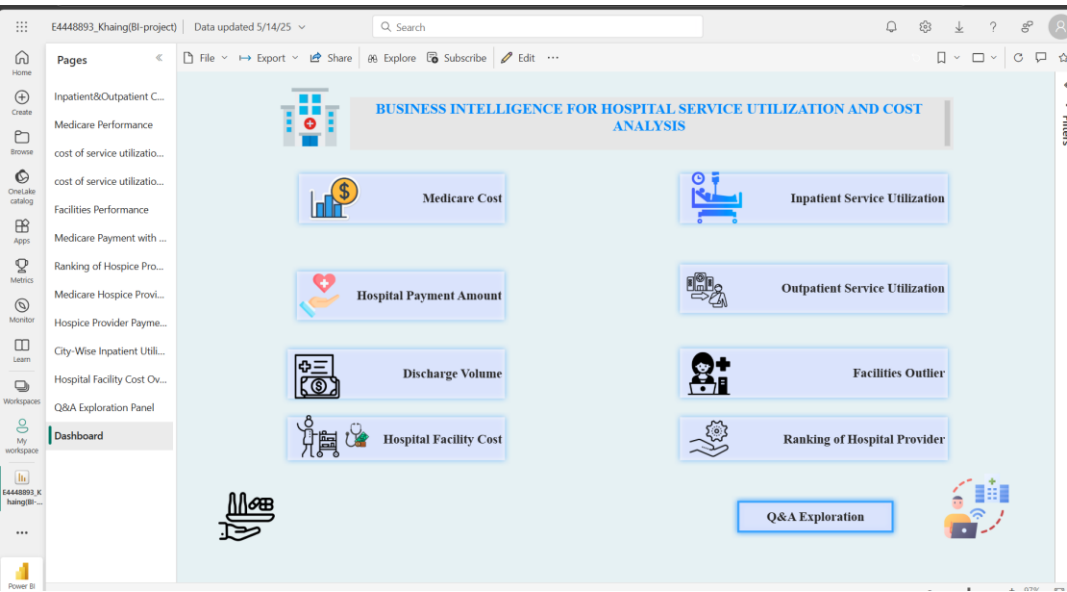


Figure 24: Screenshot of published power BI dashboard

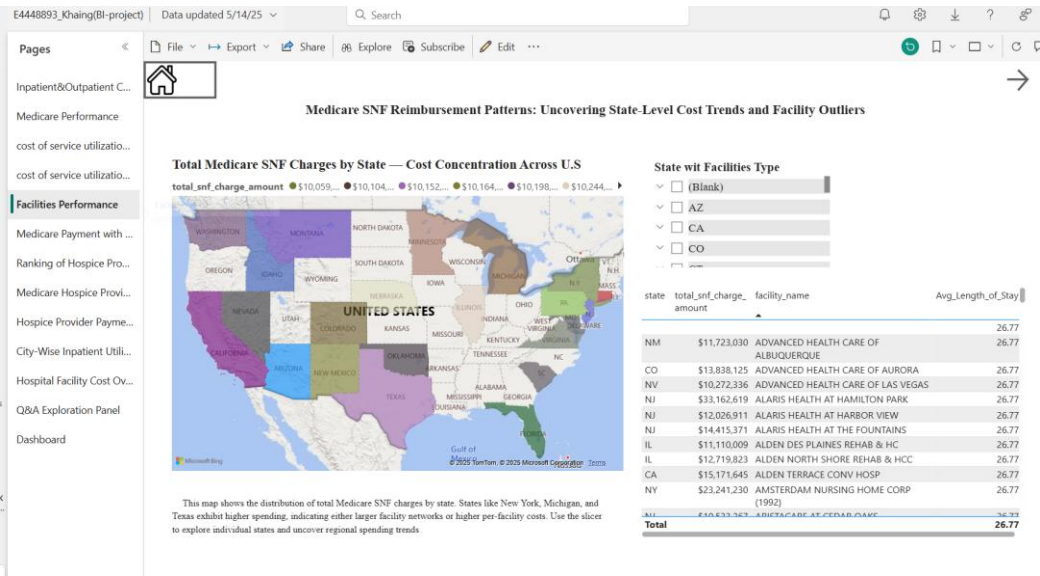


Figure 25: Published power BI report view for facilities performance



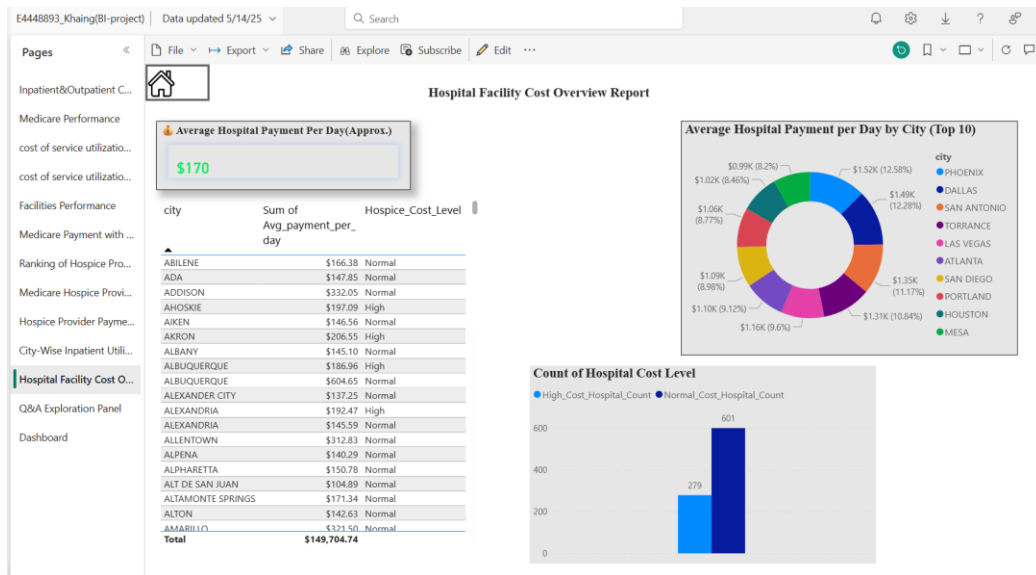


Figure 25: Published power BI report view for hospital facilities cost

Report Link: <https://app.powerbi.com/groups/me/reports/13335f4f-d357-455a-86a6-380cef7b7e9d/8e23b03250b7c22c780a?experience=power-bi>

## 5. Conclusion

The business intelligence report was presented to know the effective application of Power BI in analysing complex healthcare data and particularly focusing on Medicare inpatient and outpatient services across the United States. This visual delivers actionable insights into hospital performance, facility-level costs, discharge trends, and regional disparities in healthcare delivery. In order to manage and distribute their resources and services appropriately, hospital management places a high priority on the length of stay of patients and the total cost at the time of discharge. The length of stay and the overall cost at discharge are directly correlated, as this research demonstrates. These insights have direct implications for hospital resource planning and financial forecasting. DAX calculations, M language scripting, and natural language Q&A were utilized to create useful dynamic visual reports and an interactive dashboard.

Finally, the importance of business intelligence in healthcare analytics is emphasized in this research. It gives healthcare administrators, legislators, and analysts a data-driven basis on which to build better service delivery, increase operational efficiency, and make well-informed strategic choices.