The pink MAP to optimizing revenue cycle success.

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Agenda

• Saint Francis Health System by the Numbers

• Challenges

• Culture and Accountability

• Approach to Process Improvement

• Outcomes and Measures
Saint Francis Health System Operations

- 1,081 Beds
- 307 employed physicians
- 8,300 employees
- $1.2 billion in net patient revenue
- 60,000 admissions
- 130,000 emergency room visits
- 370,000 outpatient visits
- 1,100,000 physician office visits
Saint Francis Health System
Epic Journey

• Went live with Epic ambulatory May 6, 2014
  - Big bang all physician offices

• Went live with Epic inpatient June 29, 2014
  - All three inpatient facilities at once
Challenges

- Industry shift
- Need for change
- What we are up against
Changing a Culture

Goal.....

Create a structure to drive accountability in order to improve financial metrics

Post EPIC implementation revenue cycle key performance metrics back to baseline
Chief Financial Officer

Managed Care/Contracting
Hospital Billing
Physician Billing
Health Information Management
Admitting/Registration
Centralized Scheduling
Pre-Arrival
Keys to Performance Improvement

Management

1. Identify opportunities for improvement
2. Set effective performance targets
3. Implement process improvement
4. Measure effect of change
5. Monitor and sustain the improvement
Identify Opportunities to Improve

• Analyze data
  - Candidate for bill
  - Coding days
  - Discharge not final billed errors
  - Days in accounts receivable
  - Aging trending
  - Aging by financial class
  - **Payment variances from contract**
  - Denials

• Prioritize improvement opportunities
  - Quick wins
  - High-impact improvement opportunities
  - Long-term strategic
Net Contract Under Performance Realization to Expected

Variance in projected value of contract and actual

Payer 1: 5%
Payer 2: 5%
Payer 3: 8%
Payer 4: 7%
Payer 5: 2%
Payer 6: 5%
Payer 7: 6%
Reasons for Claim Denials

- **Eligibility**
  - Invalid payer info
  - Other insurance primary
  - Subscriber not on file/invalid member #
  - Patient Information needed
  - Insurance not in effect at TOS

- **Pended**
  - In Review
  - Information Requested

- **Clinical**
  - Authorization conflict
  - Inpt/Outpt overlap
  - Line level service denials

- **Payment**
  - Capitated/Case Rate
  - Site of Service
  - Payment Variance
  - Partial Payment

- **Claim Submission**
  - Duplicate claim filing
  - Passed timely filing deadline
  - Incomplete billing attachments
  - Coding error

- **Other Insurance**
  - Primary

- **Subscription Information**
  - Need

- **Insurance Not in Effect**
  - At TOS

- **Pended**
  - In Review
  - Information Requested
Set Effective Performance Targets

- Set KPI based goals
  - Reduction in accounts receivable over 90 days
  - Denial prevention
  - Increase realization on managed care contracts
  - Coding days two days or fewer
  - Candidate for bill fewer than five days
  - AR days less than 35
- Develop standardized and predictable processes for denial resolution
- Instill a sense of ownership for denial management across the entire revenue cycle (prevention)
Implement Process Improvement

- Identify key stakeholders (director level and above)
  - Patient accounting
  - Case management
  - Pre-arrival
  - Managed Care/Contracting
  - Coding
  - Clinic Managers
  - Information Services

- Establish regular weekly work sessions
- Develop payer expectations
- Develop action steps
  - Denials assigned to key stakeholders
  - Denial resolution expected
  - Create payer dashboards
Create a structure to drive accountability

- Dashboards for each of your key stakeholders in the revenue cycle
- Goals with performance expectations
- Weekly meetings with each of the key stakeholders of the revenue cycle
- Instill a sense of ownership across the entire revenue cycle
- Weekly monitoring of assigned tasks
- Regular scheduled meetings with managed care payers
Accountability: The ability to measure and report on a routine basis in a predictable manner with set expectations.
Measure Effect of Change

• Report results
  - Reduction in accounts receivable
  - Insight into payment delays and denials
  - Hold payers accountable
  - Better contract language
SAINT FRANCIS HOSPITAL
PPO Products - Volume by Payor
Variance Between Negotiation and Actual Performance

Variance in projected value of contract and actual

Today this is 0%
The Revenue Cycle Journey …..

You cannot manage a process unless you can measure your progress…..
Hospital Billing

Days in Accounts Receivable

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>41</td>
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<tr>
<td>2008</td>
<td>39</td>
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<td>2009</td>
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<td>29</td>
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<tr>
<td>2012</td>
<td>31</td>
</tr>
<tr>
<td>2013</td>
<td>30</td>
</tr>
<tr>
<td>2014</td>
<td>30</td>
</tr>
</tbody>
</table>
Hospital Billing

Commercial Accounts Receivable Greater than 90 Days Old

- 2008: 18.7%
- 2009: 9.7%
- 2010: 6.5%
- 2011: 4.3%
- 2012: 2.3%
- 2013: 0.98%
- 2014: 1.02%
Denials as a Percentage of Gross Accounts Receivable

- 2008: 1.24%
- 2009: 0.93%
- 2010: 0.83%
- 2011: 0.82%
- 2012: 0.72%
- 2013: 0.62%
- 2014: 0.59%
Professional Billing

Days in Accounts Receivable

- 2009: 38.4
- 2010: 41.1
- 2011: 42.0
- 2012: 31.8
- 2013: 31.8
- 2014: 38.2
- 2015: 33.0
Professional Billing

Commercial Accounts Receivable Greater than 90 Days Old

- 2009: 23.4%
- 2010: 23.6%
- 2011: 12.6%
- 2012: 15.6%
- 2013: 15.1%
- 2014: 7.7%
- 2015: 12.0%
Professional Billing

5. $2,963,927
$3,271,134
$2,684,991
$3,226,799
$3,386,494
$1,444,392
$3,195,409


Epic Conversion

$1,444,392
Monitor and Sustain

- Proactive daily management
- Maintain the engagement of the key stakeholder
- Realize not a focused project but ongoing process
- Look to identify trends in denials earlier
- Evaluate performance targets and set stretch goals

Celebrate Successes
Your Challenge

- Organizations must continue to do more with less
- Culture must elevate the importance of process improvement
- Greatest opportunity is engaging key stakeholders
- The way to achieving financial metrics is through performance tracking and implementing successful practices
Revenue cycle results post go live with EPIC

The true PINK test ...
Hospital Billing

AR Days (of Revenue)

**Blue Line:** Saint Francis Health System

**Tan Line:** Average of all Benchmarking Survey participants

**Green Line:** Average of survey participants in Top Quartile of System
Hospital Billing

DNFB Days (of Revenue)

Blue Line: Saint Francis Health System
Tan Line: Average of all Benchmarking Survey participants
Green Line: Average of survey participants in Top Quartile of System
Hospital Billing

CFB Days (of Revenue)

Blue Line: Saint Francis Health System
Tan Line: Average of all Benchmarking Survey participants
Green Line: Average of survey participants in Top Quartile of System
Hospital Billing

Coding Days (of Revenue)

- **Blue Line**: Saint Francis Health System
- **Tan Line**: Average of all Benchmarking Survey participants
- **Green Line**: Average of survey participants in Top Quartile of System
Hospital Billing

Claim Edit Days (of Revenue)

**Blue Line:** Saint Francis Health System
**Tan Line:** Average of all Benchmarking Survey participants
**Green Line:** Average of survey participants in Top Quartile of System
Billed Lag Days (Calendar Days)

- **Blue Line**: Saint Francis Health System
- **Tan Line**: Average of all Benchmarking Survey participants
- **Green Line**: Average of survey participants in Top Quartile of System
Hospital Billing

Claims with Open Denials Days (of Revenue)

- **Blue Line**: Saint Francis Health System
- **Tan Line**: Average of all Benchmarking Survey participants
- **Green Line**: Average of survey participants in Top Quartile of System

AR Days
Professional Billing Results post go live with EPIC
Professional Billing

AR Days (of Revenue)
Professional Billing

Charge Review Days

![Charge Review Days Graph](image-url)
Professional Billing

Open Denials
Professional Billing

Undistributed Days
Value That is Created

- Improve cash flow
- Create efficiencies and improve workflow processes
- Create ownership of process
- Prepare for future changes
It is not enough to do your best; you must know *what to do, and* then *do your best*.

- W. Edward Demmings