



# ***OPTIMIZING REVENUE CYCLE THROUGH ACQUISITION***

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# AMERICA ACADEMIC HEALTH SYSTEM (AAHS)



# OVERVIEW

## ACQUISITION

INTEGRATION

## CHALLENGES

HEALTHCARE TODAY

## KEY COMPONENTS

DEVELOPING A PLAN

## STEPS

REVENUE CYCLE OPTIMIZATION



# HEALTHCARE ACQUISITION

- The act or action of acquiring; specifically : the obtaining of controlling interest in a company — compare merger, takeover.
- A thing gained or acquired.

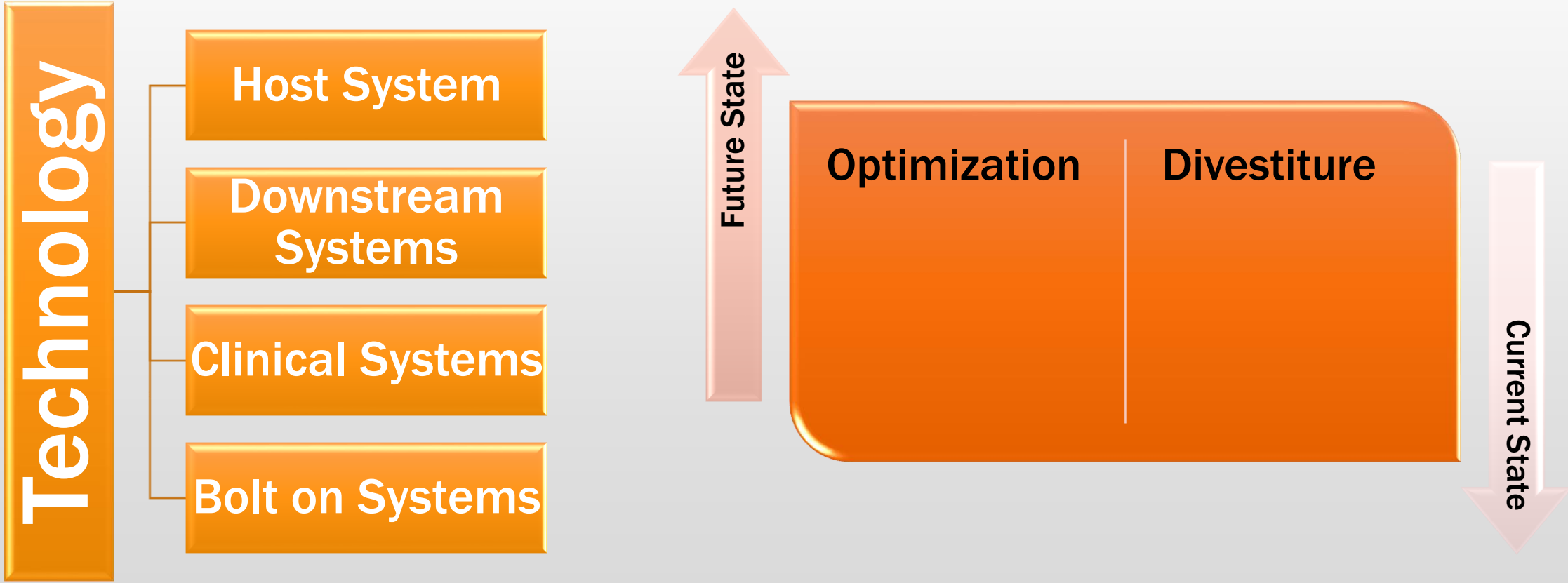
What does this mean  
in Healthcare  
Organizations?



# ***BUSINESS INTEGRATION PLAN***



# BUSINESS INTEGRATION PLAN



# REVENUE CYCLE INTEGRATION



## SYSTEM INTEGRATION

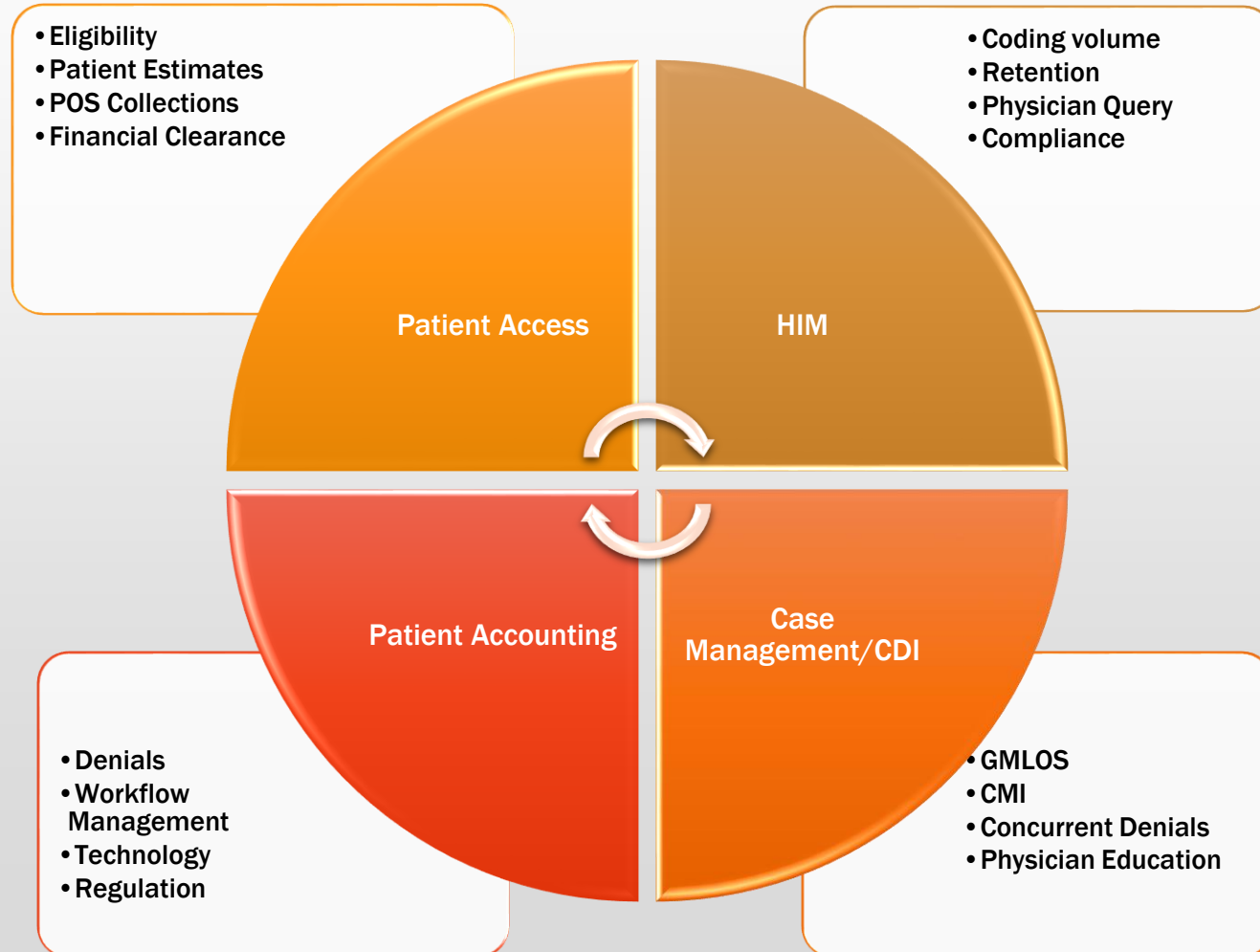
- The passing information between the two systems over a bridge, the systems share the same code and database.
- Changing Technology
- Antiquated Technology
- Managing the change of Technology

# REVENUE CYCLE INTEGRATION





# TODAYS CHALLENGES

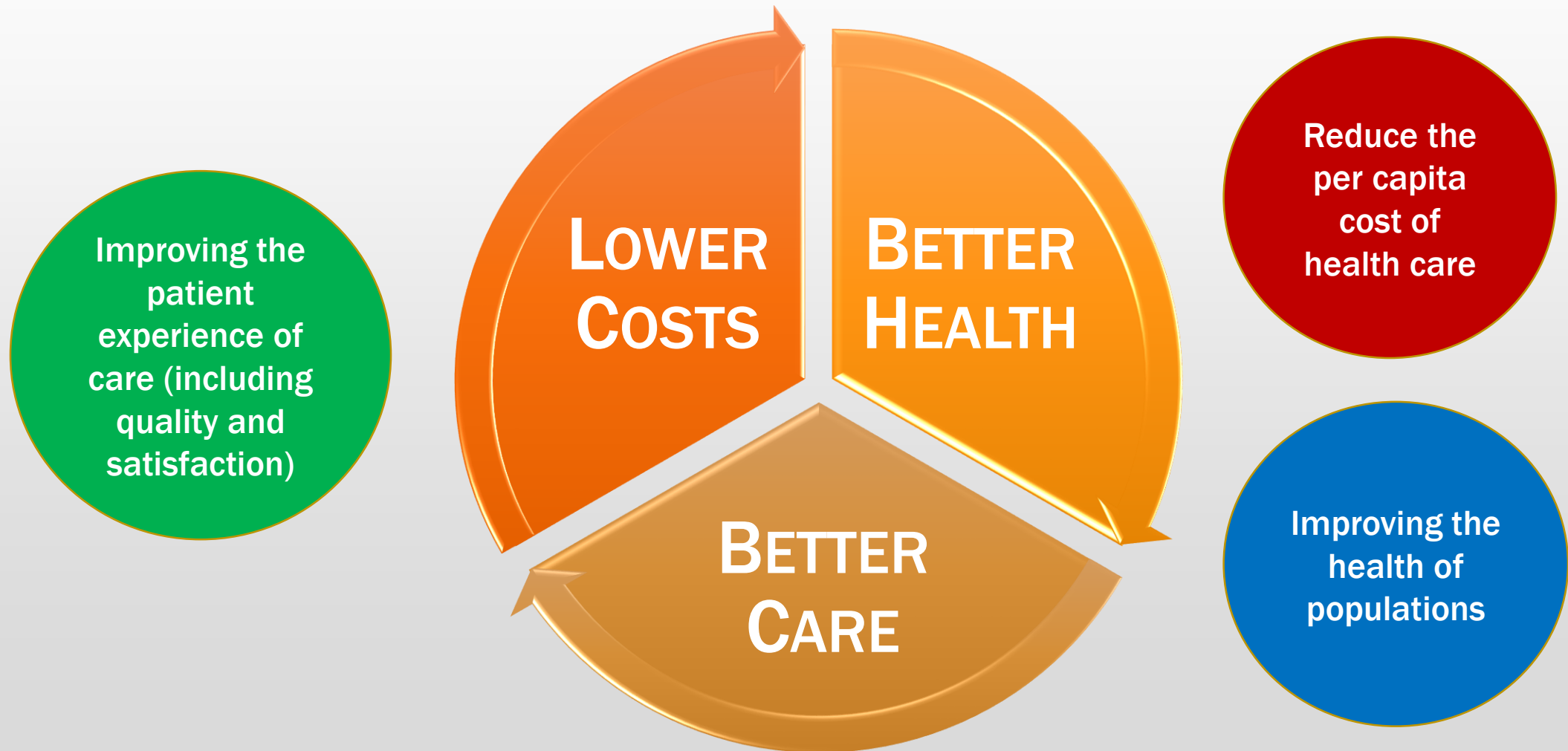


# ***FUNDAMENTAL COMPONENTS OF OPTIMIZING REVENUE CYCLE MANAGEMENT***

- Investment in appropriate Time & Resources.
- Highly disciplined Pilot Project.
- Commitment to consistent metrics.
- Avoid productivity slow down.
- Creating environment for process improvement.
- Establish common goals, targets and initiatives.
- Understanding of Core Competencies of target areas of improvement.



# ORGANIZATIONAL FOCUS



# KEYS TO SUCCESS



- ***“The achievements of an organization are the results of a combined effort of each individual”  
– Vince Lombardi***



# ***OPTIMIZATION STEPS***

*REVENUE CYCLE ENHANCEMENT*

# STEP ONE: SELF ASSESSMENT

Data  
Analytics

Managed  
Care  
Performance

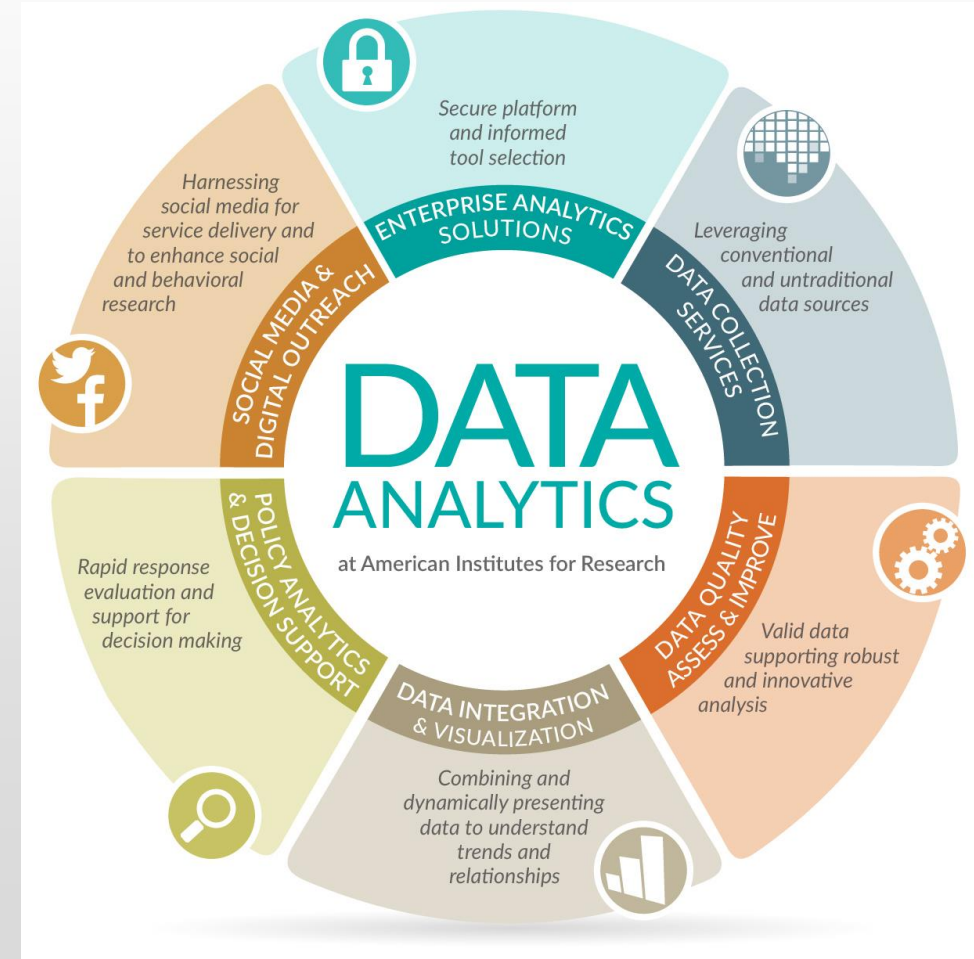
Revenue  
Integrity

Account  
Stagnation

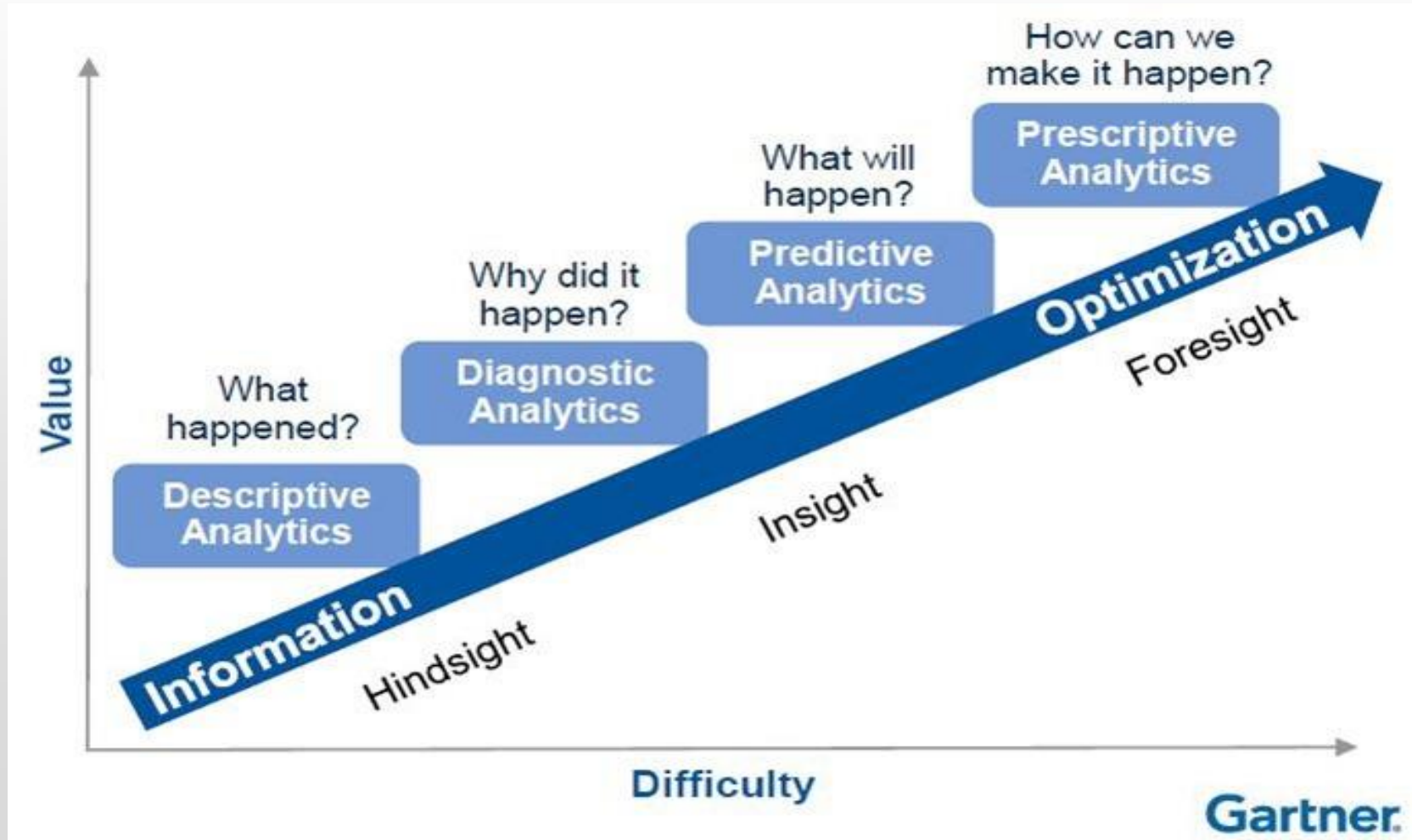
Human  
Capital

# DATA ANALYTICS

- Quality
- Comprehensive Reporting
- Decision Making Ability
- React to Facts
- Integration



# ANALYTICS MATURITY CURVE





# MANAGED CARE PERFORMANCE

- **Payment Accuracy**

- Underpayments
- Overpayments
- Adjudication Time

- **Denials**

- Clinical
- Technical
- Audits



# REVENUE INTEGRITY

## CHARGE ACCOUNTABILITY



- Facility Charging
- Daily Charge Reconciliation
- Suspense Report
- Charge Description Master

## CONTINGENCY PLAN



- Hospital Administration
- Facility Departments
- Central Business Office
- Process Re-alignment

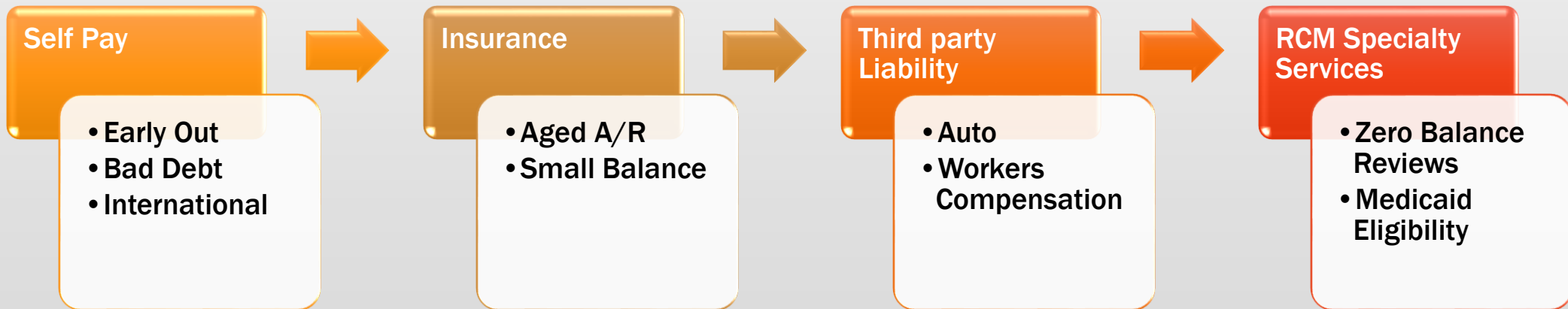
## TRAINING



- Patient Access
- Facility Departments
- Central Business Office
- Charging Process

# ACCOUNT STAGNATION

**ACCOUNTS ARE IN STATE OF NOT FLOWING OR MOVING WHICH PREVENTS LACK OF ACTIVITY GROWTH AND/OR ADJUDICATION.**



- **Human Capital** - the skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organization
- **Employee Retention** - refers to the ability of an organization to retain its employees
- **Professional development** - is learning to earn or maintain professional credentials such as academic degrees to formal coursework, conferences and informal learning opportunities situated in practice. It has been described as intensive and collaborative, ideally incorporating an evaluative stage.



# ***HUMAN CAPITAL***

# GAMIFICATION



- The application of typical elements of game playing (e.g., point scoring, competition with others, rules of play) to other areas of activity

"gamification is exciting because it promises to make the hard stuff in life fun"

# STEP TWO: DEVELOPING A STRATEGIC PLAN



# S.T.E.E.P.



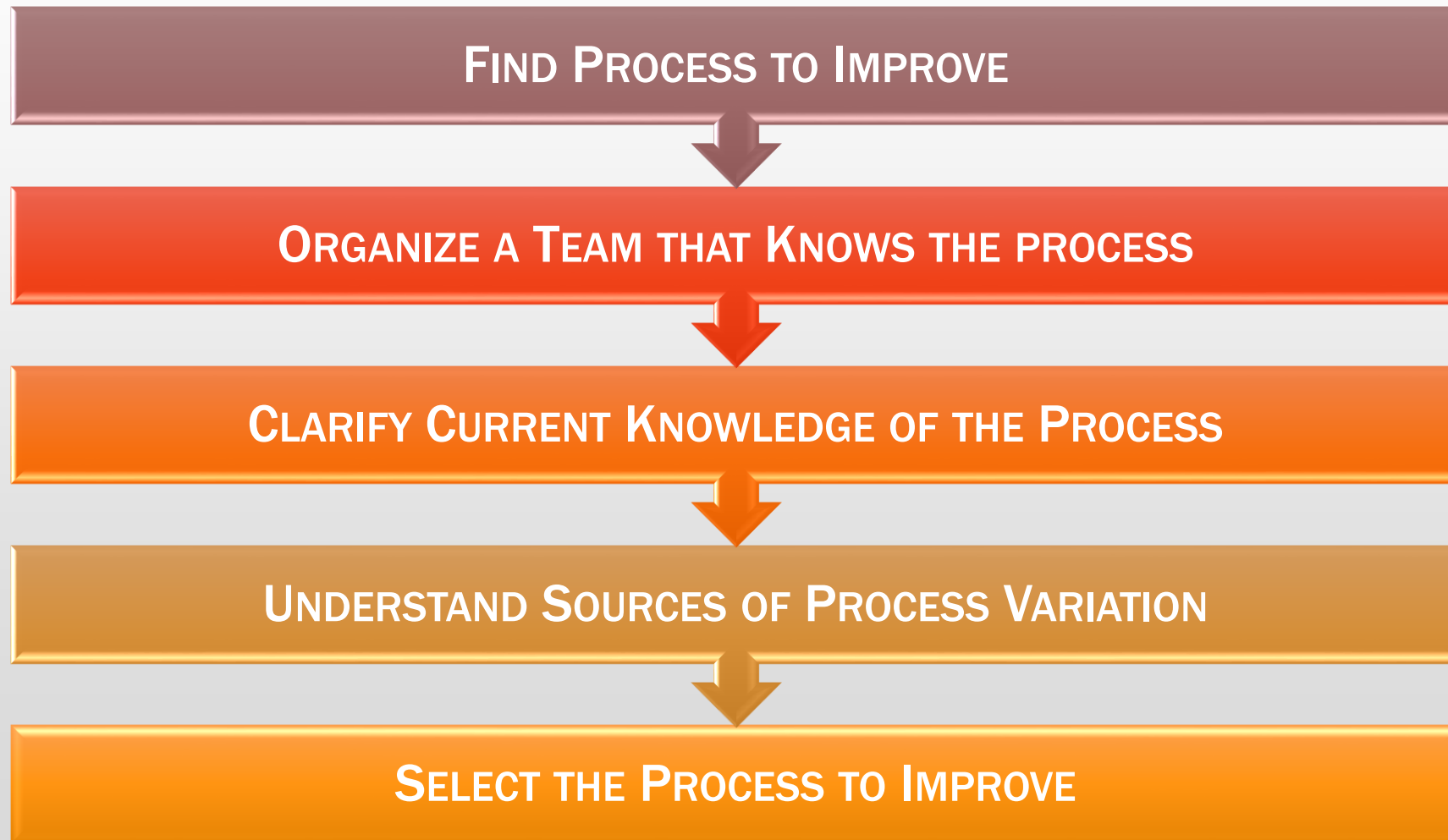
**TIMELY**



- **EFFECTIVE**
- **EFFICIENT**

**EQUITABLE**

# PROCESS IMPROVEMENT





# ORGANIZATIONAL DEXTERITY



- Ability for an organization to make whatever internal changes necessary to respond effectively to the changing environment, as quickly as possible.

# PATIENT ENGAGEMENT



**Price  
Transparency**



**Patient  
Estimates**

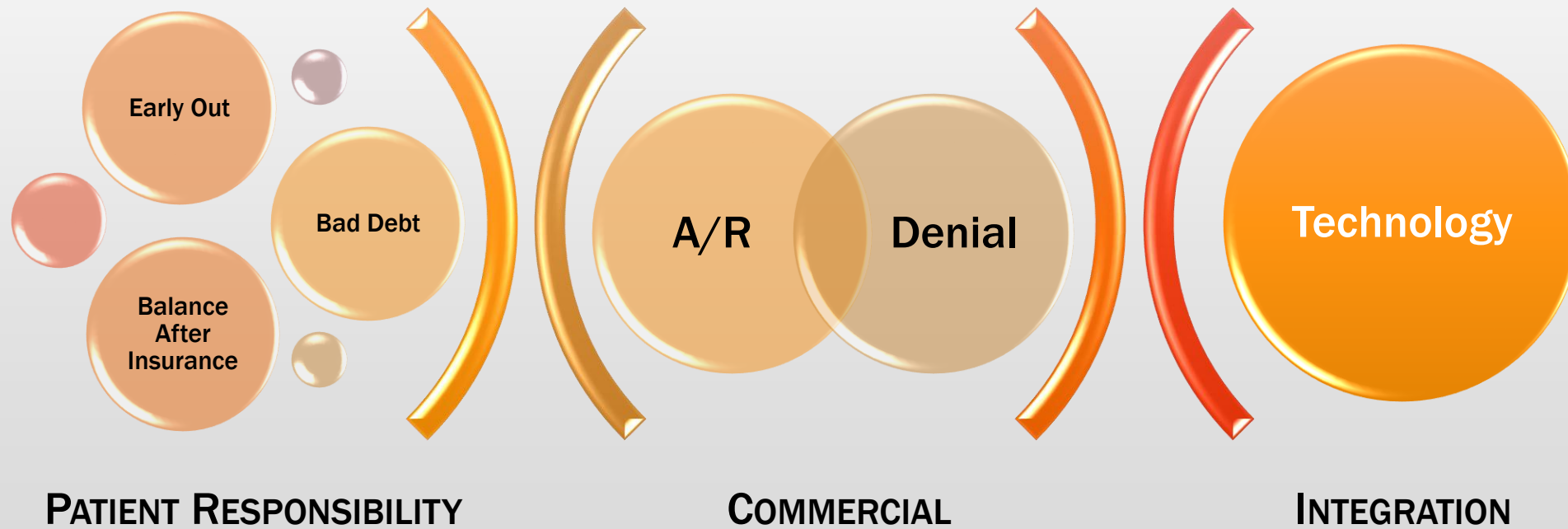


**Online Bill  
Pay**



**Letters &  
Statements**

# VENDOR MANAGEMENT

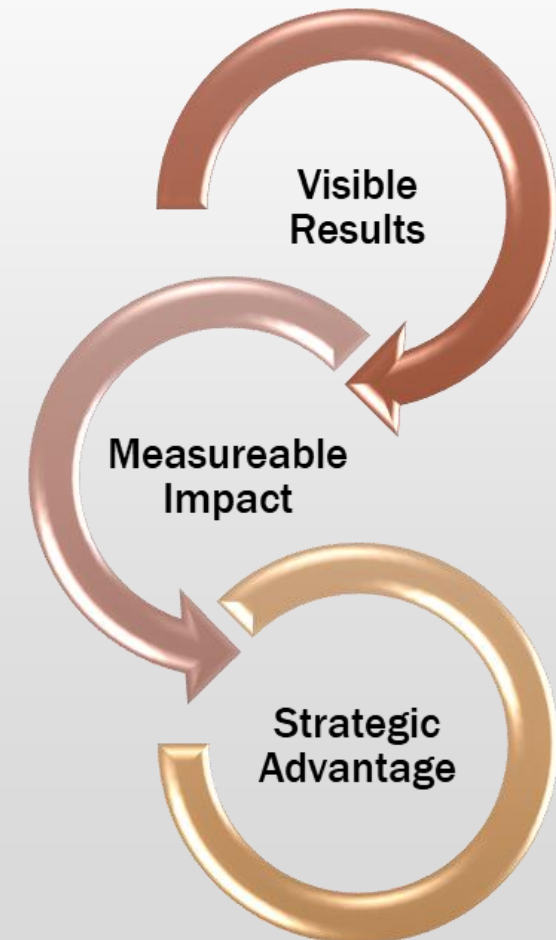


# STEP THREE: COST TO COLLECT

- Cost to collect is one of HFMA's MAP Keys and is one important indicator of the overall efficiency of a hospital's collections management process. According to HFMA, expenses associated with functions like eligibility and insurance verification, transcription and coding, and clinical documentation improvement should be included in the calculation of cost to collect. It should exclude certain other factors, though, like software licensing fees and physical space costs.



**PA + PFS + Vendor Costs**  
**Cash**



# MEASURABLE BENCHMARKS

## Patient Access

- Insurance Verification Rate
- Point of Service Collections
- Average Registrations per Shift

## HIM

- Outpatient Charts Coded per Day
- MPI Duplicates
- Chart Delinquency Greater than 30 Days

## Case Management

- Case Mix Index
- Geometric Mean Length of Stay
- Denied Days

## Revenue Integrity

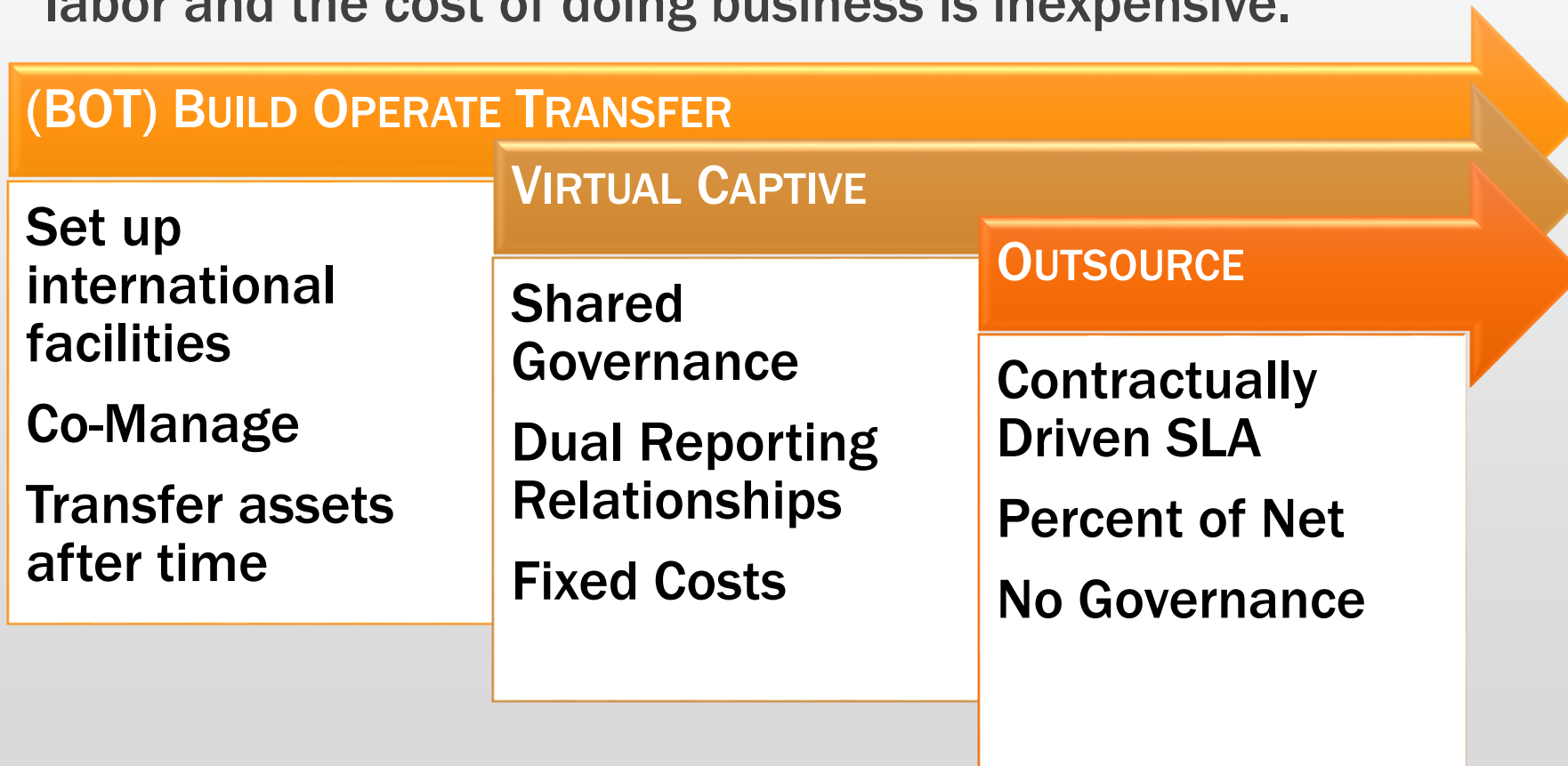
- Discharged Not Final Billed
- Late Charge Hold Period
- CDM Duplicate Items

## Central Business Office

- Cash as a Percent of Net Revenue
- Commercial A/R greater than 90 Days
- Bad Debt Write off as a Percent of Gross Revenue

# GLOBAL LABOR ARBITRAGE

- An economic phenomenon where jobs move to nations where labor and the cost of doing business is inexpensive.



# RETURN ON INVESTMENT

- Return on investment (ROI) measures the gain or loss generated on an investment relative to the amount of money invested. ROI is usually expressed as a percentage and is typically used for personal financial decisions, to compare a company's profitability or to compare the efficiency of different investments.



# NET BACK/ RETURN ON INVESTMENT

| Vendor     | Placements |             |         | "Net" Placements worked       |             |         | % of Original Placements      |         |
|------------|------------|-------------|---------|-------------------------------|-------------|---------|-------------------------------|---------|
|            | Accounts   | Dollars     | Avg Bal | Accounts                      | Dollars     | Avg Bal | Accounts                      | Dollars |
| Vendor "A" | 5,000      | \$5,000,000 | \$1,000 | 5,000                         | \$5,000,000 | \$1,000 | 100%                          | 100%    |
| Vendor "B" | 5,000      | \$5,000,000 | \$1,000 | 1,250                         | \$2,500,000 | \$2,000 | 25%                           | 50%     |
| Vendor "C" | 5,000      | \$5,000,000 | \$1,000 | 1,000                         | \$2,250,000 | \$2,250 | 20%                           | 45%     |
|            |            |             |         |                               |             |         |                               |         |
| Vendor     | Placements |             |         | Gross Collections / Placement |             |         | Collection % of Net Placement |         |
|            | Accounts   | Dollars     | Avg Bal |                               |             | %       |                               | %       |
| Vendor "A" | 5,000      | \$5,000,000 | \$1,000 | \$150,000                     |             | 3.0%    |                               | 3%      |
| Vendor "B" | 5,000      | \$5,000,000 | \$1,000 | \$100,000                     |             | 2.0%    |                               | 4%      |
| Vendor "C" | 5,000      | \$5,000,000 | \$1,000 | \$75,000                      |             | 1.5%    |                               | 3%      |



# QUESTIONS



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