Optimizing Revenue Cycle Performance Before, During, and After an EHR Implementation

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Agenda

- Introduction
- Statement of Scope
- Revenue Cycle Environmental and Conversion Risks
- Summary of Approach
  - Pre-live Planning
  - Revenue Cycle Risk Mitigation
  - Sustainability Plan
- High Priority Risk Focus Areas
  - Pre-live Planning
  - Revenue Cycle Risk Mitigation
- Results
- Path Forward Optimization Planning
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Margaret Schuler: Vice President - Revenue Cycle, OhioHealth

- Location: Columbus, Ohio
- Number of Hospitals - 11 Member Hospitals, 4 Affiliated Hospitals
- Number of Physicians - 3,600
- Net Patient Revenue - $2.5B
- System Conversion - conversion underway
Introduction – MCS

Amanda Vallozzi: Consulting Manager, McKinnis Consulting Services

- Dedicated Revenue Cycle consulting firm based in Chicago and office in Denver
- Industry expertise from leading healthcare systems, consulting firms, and technology service providers
- Leverage technology and operational expertise to improve overall provider yield
- Services include:
  - Performance assessments
  - EHR support services
  - Process improvement
  - Integrated learning
  - Organizational design
  - Interim management
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Landscape Overview

Go-Live Schedule

- Date:
  - June 2014 – September 2015

- Scope:
  - Physician Practices: 343
  - Hospitals: 7
  - Medical Centers: 3
  - Urgent Care Centers: 8
Statement of Scope

- OhioHealth made the decision to implement a state-of-the-art, next-generation Electronic Health Record (EHR) system.

- OhioHealth invested significant capital in their EHR system, with the understanding that over time, a significant return on investment would be realized.

- Along with the potential upside, OhioHealth recognized that there was significant financial risk associated with the Revenue Cycle implementation.
Statement of Scope

- Employ a defined methodology to identify key stakeholder group, create a collaborative communication structure, and determine key performance metric(s) prior to implementation

- Ensure success in the following:
  - Project set up / Collaborative environment
  - Charge generation
  - Revenue reconciliation
  - Edit Management
  - Claim / Remittance processing
  - Clinical revenue cycle integration
  - Account follow-up, payment posting, and denial management
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Inherent Revenue Cycle Risks

Revenue cycle will always require daily management of key organizational areas independent of an HIS conversion.
Conversion-Specific Revenue Cycle Risks

A large-scale HIS conversion will require continued focus on inherent revenue cycle risks as well as additional financial and operational risks associated with the conversion. A sole focus on work plan milestone achievement will not lead to a successful conversion.

- Two environments to manage
- Organizational structure can be siloed
- Maximize legacy performance
- New revenue cycle stakeholder group
- Metric risk / AR performance
- Recreation of bad workflow
- Cultural barrier to change
- End user acceptance/adoption
Conversion-Specific Revenue Cycle Risks

System cutover and a significant change in charging processes will leave revenue gap regardless of how well organization is operating.
Conversion-Specific Revenue Cycle Risks

The timeframe for exposing your hospital to revenue cycle risks is dependent on the organization’s risk mitigation plan.

- Efficient Strategy Development
- Strategic Focus on High Risk Conversion Risks
- Drive Immediate and Sustained Financial Success
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Summary of Approach

PRE-LIVE ADVISEMENT
- Organizational design
- System design / validation
- Conversion testing

GO-LIVE RISK MITIGATION
- Revenue capture
- Prebill edit management
- Claims submission
- Cash reconciliation

POST-LIVE OPTIMIZATION
- Issue resolution
- Optimization management
- Reporting tools

Results Delivered. Bottom Line.
The Revenue Cycle Stakeholder group will interface between Operations and IT to ensure that sound business decisions are being made during system design, through go-live, and into optimization.
Risk Mitigation Key Stakeholder Group

Revenue Integrity Executive Leaders
System Vice President, Revenue Cycle
System Vice President, Chief Nursing Executive

Revenue Integrity Co-Chairs
Executive Director, Revenue Cycle
Director Critical Care and Emergency Services

Revenue Integrity Core Team
Charge Analysis
Information Services
OPG Operations
Physicians
OHNC
Finance
Laboratory
Radiology
Reimbursement
Health Information Mgmt
Nursing
Pharmacy
Revenue Cycle
Cardiology

Core Team – provide global revenue integrity oversight

Department Revenue Readiness Teams (DRRT)
will focus on specific components that support maintenance of revenue integrity

Professional DRRT team
Hospital DRRT team

McKinnis Consulting support throughout implementation
Hospital DRRT Accountability Chart

Revenue Cycle
- Billing Director
  - Billing Manager
  - Coding Manager
- HIM Director
- Revenue Integrity Manager

Finance
- ED Director
  - Manager & Charge Lead
  - Manager & Charge Lead
  - Manager & Charge Lead
  - Manager & Charge Lead
  - Manager & Charge Lead
  - Manager & Charge Lead

Executive Leadership
- Hospital Executive
  - Revenue Integrity Team
  - HIS Team

Pharmacy Director
- NPO Manager
  - ED Manager
  - Manager & Charge Lead
  - Manager & Charge Lead

Lab Director
- Imaging Director
  - Manager & Charge Lead
  - Manager & Charge Lead

OhioHealth

McKinnis Consulting Services

BELIEVE IN WE
Summary of Approach

Current State Assessment and Advisement

- Current state awareness / Gap Analysis of P&P’s when compared to best practice
- Organizational Structure Gap Analysis to align with the integrated nature of a new system
- Key Performance Indicator Capture / Baseline Exercise
- Review of 3rd party vendor / technology need, function and cost
- Legacy AR Planning for Rundown and Runout
- Identification of key stakeholder group
Summary of Approach

Best Practice Implementation

Current State Assessment  Workflow Design  Strategic Content Decisions  Risk Mitigation & Change Management  Metric Management

Design and Operationalize New Workflow(s)

- Pre-validation preparation (anticipation of key decisions)
- Operationalize future state workflow(s)
- Charge Entry Design
- CDM Consolidation
- Task Force identification and formation
Drive Strategic Content Decisions

- Independent system build review
  - Consistency in build to validated system design
  - Operational alignment to system design
- Decision Document Creation
- Prioritization of high risk conversion build activity needed for testing
  - Minimum Data Set Review
  - Charge Testing
  - Work queue Structure
Summary of Approach

Best Practice Implementation

Current State Assessment | Workflow Design | Strategic Content Decisions | Risk Mitigation & Change Management | Metric Management

Risk Mitigation / Change Management

- Patient Access 100% QA in registrations during go-live and ongoing
- Charge Testing Strategy and Project Management
- Integrated Claims / Remittance Testing
- Revenue Management Planning
- DNFB Pre-Planning
- Cash Reconciliation Planning & Remittance Testing
- Reporting Configuration and Testing
Summary of Approach

Go-Live Support, Metric Stabilization, and Optimization

- Revenue Management
- DNFB Management & Stabilization
- Professional Pre-AR and Unbilled Management
- Cash Management and Reconciliation
- Create effective transition plan for long term sustainable success
## Hospital 2 Month-to-Date Revenue for Post Date 07/15/15-08/15/15

### Correlative Gross Revenue for Post Date of 07/15/15 - 08/15/15

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<th>Director Name</th>
<th>Manager Name</th>
<th>CareConnect Actual Volume</th>
<th>CareConnect Actual Revenue</th>
<th>Target Revenue (values extracted)</th>
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<th>Total Change $</th>
<th>% Change $</th>
<th>Days from Hit Corresponded to Month</th>
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**Daily Post- Live DRRT Dashboard**
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Pre-Live Planning

Pre-live planning should focus on the following key high priority risk areas:

- Drive education and change management processes across all revenue-generating departments

- Bridge the gap between legacy and new systems, allowing staff to better understand toolkit available within the HIS environment

- Developed materials that cover charge generation, workqueue management, and revenue reconciliation to support hospital leadership and staff with the system transition
Risk Mitigation

Risk mitigation should focus on the following key high priority risk areas:

- Develop and implement a charge testing strategy to ensure all applicable charges were tested prior to go-live.
- Implement a formal charge testing and validation policy
- Monitor revenue at go-live ensuring that baseline revenue is obtained as soon as possible
- Manage revenue reconciliation process that includes financial, operational, and clinical leadership
- Develop accountability structure to resolve edits and track revenue post conversion
- Facilitate daily revenue monitoring and charge edits in the post-conversion environment
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OhioHealth Results – Professional Revenue

Professional Percent Total Gross Revenue to Target *(Volume Adjusted)* Revenue by Day

- **Wave 1: Primary Care**
  - Go-Live Day: 34, 100.0%

- **Wave 2: Specialists**
  - Go-Live Day: 15, 103.6%

- **Wave 3: Specialists**
  - Go-Live Day: 22, 120.3%

- **Wave 4: Urgent Care**
  - Go-Live Day: 42, 100.4%

- **Wave 5: Specialists**
  - Go-Live Day: 33, 102.3%

- **Wave 6: Cardiology**
  - Go-Live Day: 22, 110.7%
OhioHealth Results – Hospital Claims

Hospital Weekly Claims Acceptance Rate and Volume

Week 1: 6,000
Week 2: 5,000
Week 3: 4,000
Week 4: 3,000
Week 5: 2,000
Week 6: 1,000
Week 7: 0
Week 8: 0
Week 9: 0

Claim Volume
Claims Acceptance Hospital 1
Claims Acceptance Hospital 2
Goal
OhioHealth Results – Professional Claims

Professional Weekly Claims Acceptance Rate and Volume

- Claim Volume
- Claims Acceptance Wave 1
- Claims Acceptance Wave 2
- Goal
OhioHealth Results - DNFB

Average DNFB Days

- Week 1
- Week 2
- Week 3
- Week 4
- Week 5
- Week 6
- Week 7
- Week 8

- Hospital 1 DNFB Days
- Hospital 2 DNFB Days
- Goal
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Path Forward Optimization Planning

Optimization is an ongoing, iterative cycle, and should be completed every year.

- Coding and Charge Capture
- Hospital Billing
- Patient Access
- Professional Billing

- Redesign Rollout
- Technical Diagnostic Review
- Operational Diagnostic Review
- Benchmarking / Goal Setting
- Stabilization
- Optimization Planning
Key Take Away Section – The Differentiator!

- OhioHealth had a very successful implementation

- Here are the keys to success from their lens:
  - Appropriate planning is necessary - partner diligently
  - Accountability and ownership are key throughout the process
  - Integrate clinical department leadership early and often
  - Important to understand baseline information prior to go-live and focus on the key metric(s) throughout the go-live process
  - Must have executive support
Questions?