


Case Study: Revenue Cycle Optimization



UPMC Susquehanna

Learning Objectives

- Identify obstacles, and understand the aspects of the revenue cycle that you should be focusing on at your organization
- Describe the steps that need to be taken in order to successfully redesign a revenue cycle
- Have a strong understanding of how to improve efficiency, and how to report on key metrics throughout the revenue cycle

Agenda

- Overview of UPMC – Susquehanna
- Revenue Cycle Overview
- Common Obstacles
- Revenue Cycle Redesign
 - Obstacles
 - Redesigned Processes
 - Results

About UPMC Susquehanna

- **Six-hospital health system:**
 - Williamsport Regional Medical Center
 - Divine Providence Hospital
 - Muncy Valley Hospital
 - Soldiers & Sailors Memorial Hospital
 - Lock Haven Hospital
 - Sunbury Hospital
- **Affiliation with UPMC October 1, 2016**

About UPMC Susquehanna

- UPMC
 - A \$14 billion world-renowned health care provider and insurer
 - Largest non-government employer in Pennsylvania
 - 65,000 employees, 25 hospitals, 600 doctors' offices and outpatient sites
 - 3.2 million-member Insurance Services Division
 - Affiliated with University of Pittsburgh Schools of the Health Sciences
 - UPMC International provides hands-on care and management with partners in 12 countries and on four continents

Our Mission

Extend God's healing love by providing outstanding patient care and shaping tomorrow's health care through clinical and technological innovation and education.

Business Units

- **Business Units:**
 - Home Health
 - Hospice
 - The Gatehouse – Inpatient Hospice Unit
 - Supportive & Palliative Care Team
 - Nurse Family Partnership Program
 - Geriatric Team
 - Home Infusion

Stats

- **Home Care & Hospice visits:** 111,241
- **Miles traveled:** 987,000
- **ADC:** 865
- **Number of referrals:** 5,050
- **Hospice Admissions:** 1,052

Identified Obstacles

- Challenges with the revenue cycle process
- Knowledge deficit within the billing team
- Difficulty with electronic claim submission
- Challenges with keeping up to date on regulatory changes
 - NOE submission process
- EHR challenges

Impact of Obstacles

- Significant increase in DAR for home health and hospice
- Financial outcomes above industry norms
- Increased staffing to work backlogs due to inefficient processes

How We Addressed the Obstacles

- **Action plan development with goals**
 - Weekly meetings to review progress
 - Improve DAR
 - Address structure and roles of the team, remove “unrelated tasks”
 - Improve communication across the service lines

How We Addressed the Obstacles (cont.)

- Contact BlackTree – Redesign
- We needed a higher level of expertise
 - **Step One** – Assist with A/R that was at risk
 - **Step Two** -Assessment of revenue cycle processes with recommendations for improvement
 - **Step Three** – Development of a workplan to address revenue cycle issues
 - **Step Four** – Interim Billing Management to address critical needs
 - 1. Correct payor setup
 - 2. Establish electronic claim submission
 - 3. Educate staff
 - 4. Establish reports and productivity standards
 - 5. Weekly communication
 - 6. Provide tools and resources – software
 - **Step 5** – Implementing Revenue Cycle Redesign Program (ongoing)

Revenue Cycle Redesign

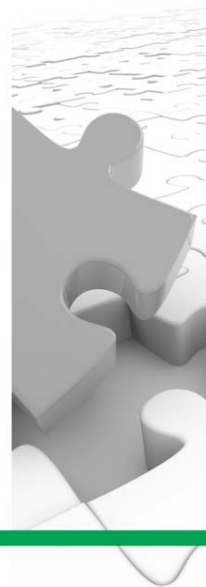
Revenue Cycle Overview



Revenue Cycle Overview

What is the revenue cycle?

The Healthcare Financial Management Association (HFMA) defines **revenue cycle** as "All administrative and clinical functions that contribute to the capture, management, and collection of patient service **revenue**."



Revenue Cycle Overview

- Intake
- Insurance Verification
- Authorization
- Scheduling
- Patient Management
- OASIS Completion
- Document Management
- Supply/Drug/DME
- Billing and Collections
- Reporting



Revenue Cycle Overview

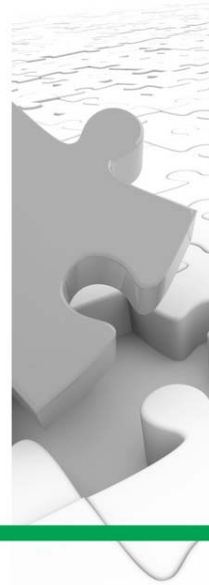
How does the revenue cycle work?



Revenue Cycle Overview

Questions to ask when evaluating revenue cycle functions

- What?** What is the task?
- Who?** Who is responsible for completing?
- Where?** Where is it completed?
- When?** When does the task get completed?
- Why?** Why is the task being completed?
- How?** How does it get completed?
- How Many?** How many people are needed?



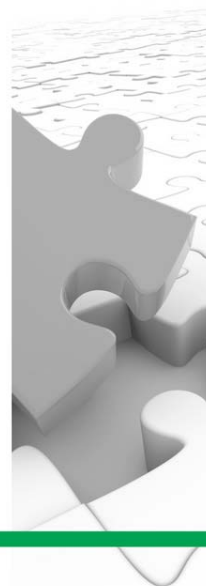
Revenue Cycle Redesign

Common Obstacles



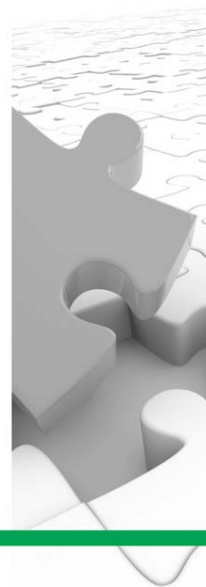
Common Obstacles

1. Staffing



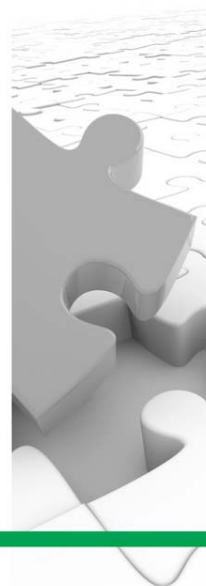
Common Obstacles

2. Structure



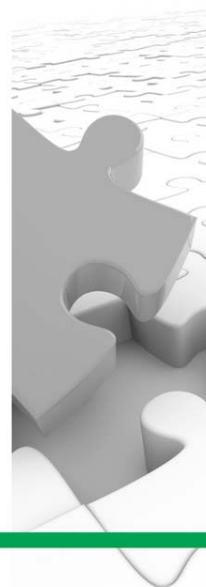
Common Obstacles

3. Duplication



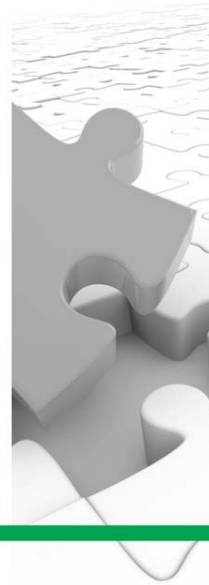
Common Obstacles

4. Technology



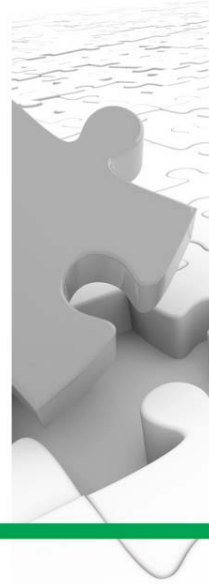
Common Obstacles

5. Communication



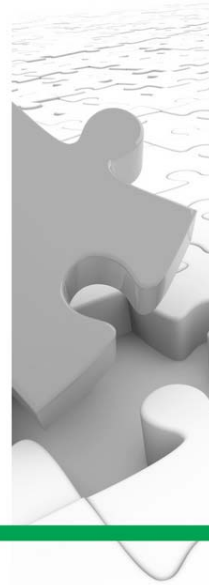
Common Obstacles

6. Productivity



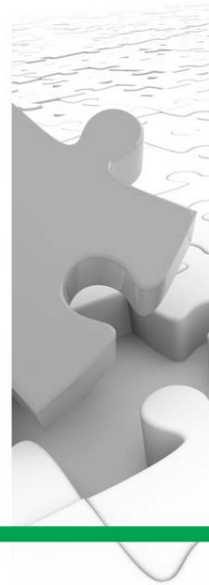
Common Obstacles

7. Accountability



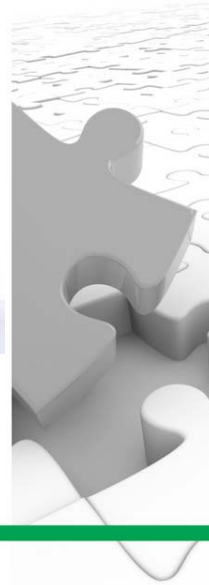
Common Obstacles

8. Paper!!



Common Obstacles

9. Management



Revenue Cycle Redesign

Specific Issues and Solutions



Specific Issues and Solutions

Intake

➤ Issues

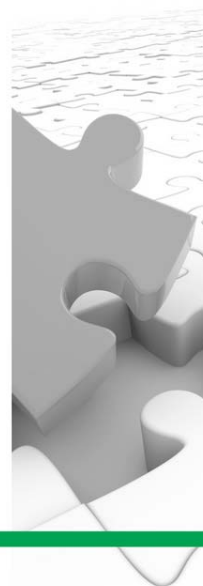
- Low Conversion Percentage
- Incomplete/Incorrect Documentation
- Paper Processes – Referral packets
- Delayed Admissions
- Low Productivity



➤ Solutions

- Intake and Marketing collaboration
- Minimize handoffs
- Timely entry of info in to EMR
- Flex and extend Intake hours for coverage
- Blended staffing model (clinical and clerical)
- Track productivity

	Staff	Referrals/Day
Clinical		8-10
Clerical		15-20



Specific Issues and Solutions

Insurance Verification

➤ Issues

- Denials for incorrect insurance
 - Authorization is not gathered
- High patient pay A/R
- Phone calls instead of portals
- Monthly re-verification of benefits



➤ Solutions

- Designated staff for insurance verification
- Educate staff on which payors your agency accepts
- Access payor portals
- Determine patient co-pays and deductibles up front
- Standardize documentation in EMR for verification
- Automate re-verification

Payor	Initial	On-going
Medicare	100s	Batch
Non-Medicare	20/Day	Batch



Specific Issues and Solutions

Authorization

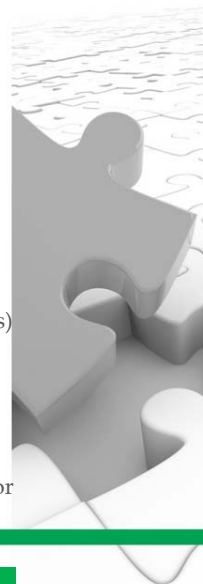
➤ Issues

- Denials for lack of authorization
- Backlog in authorization requests
- Payor timeliness to auth requests
- Delays in start of care
- Inefficient tracking processes
- Field staff visit completion delays



➤ Solutions

- Designated staff for authorization (move away from clinical teams)
- Access payor portals
- Track authorizations in EMR and identify expiring authorization reports
- Communicate with clinicians in advance of expiring authorizations
- Hold clinicians accountable for visits not transmitted timely and/or made without authorization



Specific Issues and Solutions

Scheduling

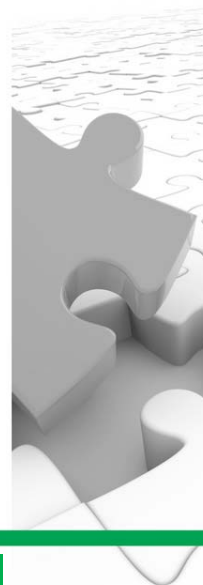
➤ Issues

- High number of missed visits
- High SOC to evaluation lag time
- High staff overtime
- Field staff assigning must see patients
 - Avoid time consuming visits
 - Easy visits selected especially on Friday's



➤ Solutions

- Systematic approach to utilizing EMR for scheduling
- Approve frequency of visits
- Utilize "Pending" report to prioritize SOC
- Schedule SOC visit within 24-48 hours
- Limit field staff self assignment of must see visits



Specific Issues and Solutions

Patient Management

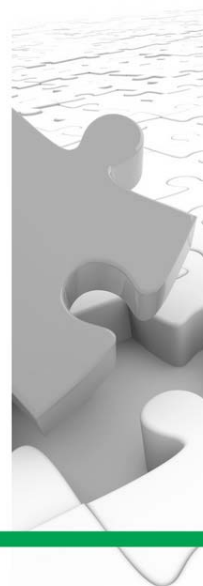
➤ Issues

- Payor setup for visits
- Transparency/accountability
- Inconsistent staff processes



➤ Solutions

- Identification of reports to monitor staff/issues
- Timely synching of visits data
- Standardize processes across staff to not manage the exceptions



Specific Issues and Solutions

OASIS Completion

➤ Issues

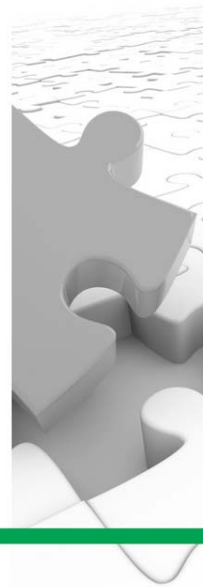
- High days to RAP
- Low case mix



➤ Solutions

- Finance and Clinical Collaboration
- Weekly Revenue Cycle meeting
- Five Day Rule - OASIS, 485, SOC visit, recert visit
- Accountability for clinician response time to QA
- QA staff have both coding and OASIS certification
- Monthly score card review
- Implement performance improvement plan (PIP)
- Trend key indicators

Indicator	Standard
Days to RAP	5-7
Case Mix*	RAP -1.06, FC-1.09



*source: Strategic Healthcare Programs

Specific Issues and Solutions

Documentation Management

➤ Issues

- High number of unsigned orders/F2F
- Increased unbilled A/R
- Inconsistent follow up processes
- Paper processes

➤ Solutions

- Obtain as much information at intake as possible
- Establish follow-up protocols
 1. Fax order
 2. Place phone call 7 days after initial submission
 3. Place second call 14 days after initial submission
 4. Place third call 21 days after initial submission
 5. Utilize liaisons to help retrieve after 28 days
- Follow-up by physician rather than patient
- Establish incentives for teams
- Utilize electronic physician signature portal
- Explore the use of third party vendors



Specific Issues and Solutions

Supply/Drug/DME Management

➤ Issues

- High supply/drug/DME costs
- Timely access of needed supplies, drugs, DME for patients
- Slow supply ordering process

➤ Solutions

- Know your cost per patient per day
- Drop ship supplies
- Re-education of the supply ordering process



Specific Issues and Solutions

Billing and Collections

➤ Issues

- High Accounts Receivable
- Low collectability
- Inconsistent cash flow
- High denials
- Low clean claim percentage
- Payor set-up issues
- Paper billing processes



	Medicare	Non-Medicare
HH	\$15-\$25M Rev/FTE	600 invoices month/FTE
HO	\$25-\$35M Rev/FTE	600 invoices month/FTE ₃₇

Specific Issues and Solutions

Billing and Collections

➤ Solutions

- Develop a clear collections strategy
- A/R database to track A/R outside EMR
 - Statuses
 - Reasons for Non-Payment
 - Collections Notes
- Weekly QA process and re-education
- Electronically submit claims and receive remits through clearinghouse
- Trend denials by reason for more insight into revenue cycle issues
- Payor setup issues identified and resolved
- Set productivity and cash goals for staff
- Communicate and breakdown silos with other departments
- Removing tasks that should be performed in other departments



	Medicare	Non-Medicare
HH	\$15-\$25M Rev/FTE	600 invoices month/FTE
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Specific Issues and Solutions

Reporting

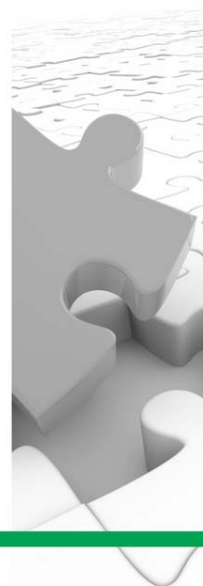
➤ Issues

- Not enough reporting
- Too much reporting
- Not looking at the right data
- Time consuming reporting process



➤ Solutions

- Develop dashboards
- Determine source of information
 - If not able to get information from EMR, invest in ancillary software
- Present data differently for appropriate audience
 - High level for executive team
 - Drill down for management team
- Accrue, Analyze, Act



Accomplishments

Success Achieved

➤ Operational Improvements

- Total DSO decrease of 39%
 - Hospice DSO decrease of 58%
- Cash collections increased 33%
- A/R over 120 days decreased by 33%
- 75% increase in clean claim percentage
 - Medicare RTP decreased by 57%
- Collections productivity increased by an estimated 50%
- Processes continue to be streamlined across departments



Questions?

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