



Optimization

Yes? No? Maybe? . . . Now what?



About the Presenter



EDUCATION

- Associates Degree in Accounting
- BA in Healthcare Management
- MBA in Healthcare Management
- Certified Revenue Cycle Executive (AAHAM)



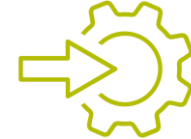
POSITIONS

- Staff Accountant
- Chief Financial Officer
- Financial Systems Analyst
- Patient Access Director
- Patient Financial Services Director
- Revenue Cycle Administrator
- Senior Consultant



FACILITY TYPES

- Hospice
- Skilled Nursing Facilities
- Critical Access Hospitals
- Inpatient Psychiatric Facilities
- Inpatient Rehabilitation Facilities
- Primary Care and Specialty Clinics
- Sole Community Hospitals



SYSTEMS

- CPSI
- Meditech
- Passport
- SSI
- ePremis

? Why optimize?



Definition:

Making the best use of a situation or resource

What does it mean for healthcare:

Making the best use of resources including staff and automation to ensure an **EFFICIENT** and **EFFECTIVE** Revenue Cycle that will:

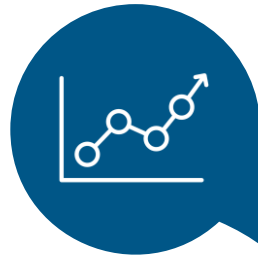
- reduce cost/effort
- maximize revenue
- increase volumes
- Improve patient satisfaction
- boost cash



Why optimize?

Evaluation

Check performance against national trends, comparable organizations



New Focus

Day to day operations interfere with perspective



Growth/Sustainability

Revenue Cycle effectiveness drives both operating and capital budget



Staff Turnover

Revenue Cycle efficiency—staff job satisfaction—feeling of worth and accomplishment





When to optimize?

<h2>System enhancements:</h2> <p>Upgrades (functional testing vs evaluation of changes)</p>	<h2>Regulatory change</h2>	<h2>Specific known issues:</h2> <p>Identified problem → New process</p>
<ul style="list-style-type: none">• Outsource upgrade testing for enhancement recommendations• EHR System experts to review set up for automation maximization	<ul style="list-style-type: none">• New OPPS and IPPS rules each year• CPT annual updates	<ul style="list-style-type: none">• Denial review, root cause analysis• (ie. Eligibility, Medical Necessity, Authorization, Modifiers, Coding, Missing Claim Data, etc)



When to optimize?



Post new system implementation

- Build, design, process plans **without full understanding** of system



Long-term staff

- Staff training; **perpetuates** antiquated processes
- We don't accept **“cause that's how we've always done it”** but who's asking?



Metrics not comparable to national average



Staff complaints; they know their pain points





What to optimize?

DEFINED TARGETED AREAS OR FULL REVIEW



Contracts

- Evaluate payments and contracts; calculate adjustments
- Compare payers and renegotiate

Chargemaster

- Charge capture analysis
- CPT/HCPCS review

Denials

- (payment denials, vendor errors, claim status rejections)
- Root cause with corrective plan of action
 - Vendor bridge and change routines, # of edits, changes manually by staff



What to optimize?

DEFINED TARGETED AREAS OR FULL REVIEW



Scheduling capacity/volumes

Maximize use of resources

Wait lists

Proactive approach
(reach out for AWV,
Medicare New Patient,
Chronic Illness)



Custom reports

Set up scheduled
work lists for targeted
approach to account
resolution



Procedure review

Written policies
for daily processes,
staff consistency

Are staff following
processes



What to optimize?

DEFINED TARGETED AREAS OR FULL REVIEW

Full Revenue Cycle Assessment vs. Targeted Area for Improvement

Identified problem **may not have ROI** of other process improvement

Integration; changing a single problem **may affect other areas/department/processes** in the revenue cycle

Root cause **may be result of another area** of cycle

Full Review to **prioritize and prepare** long-term plan



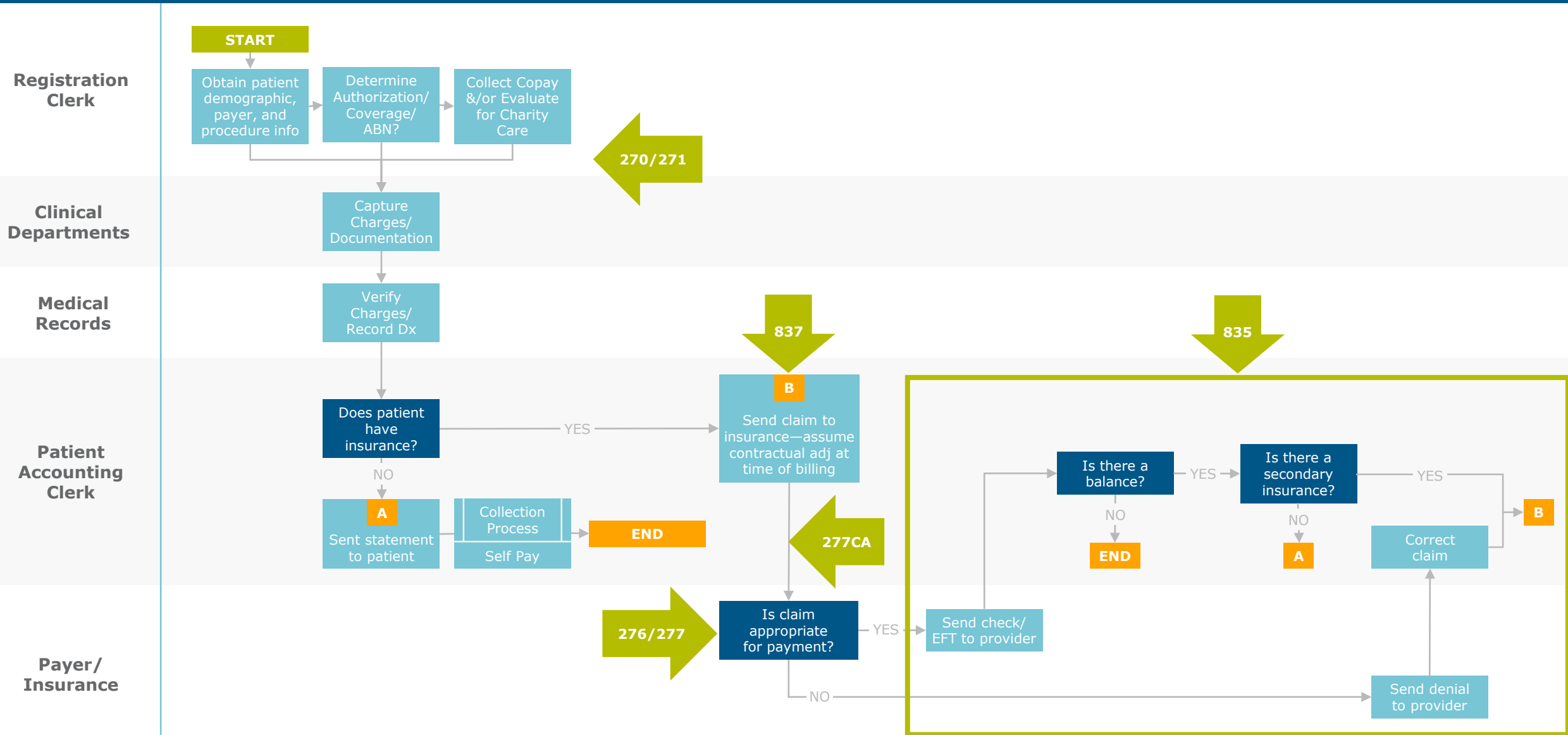
If you only focus on the problem you might miss the easy solution



What to optimize?

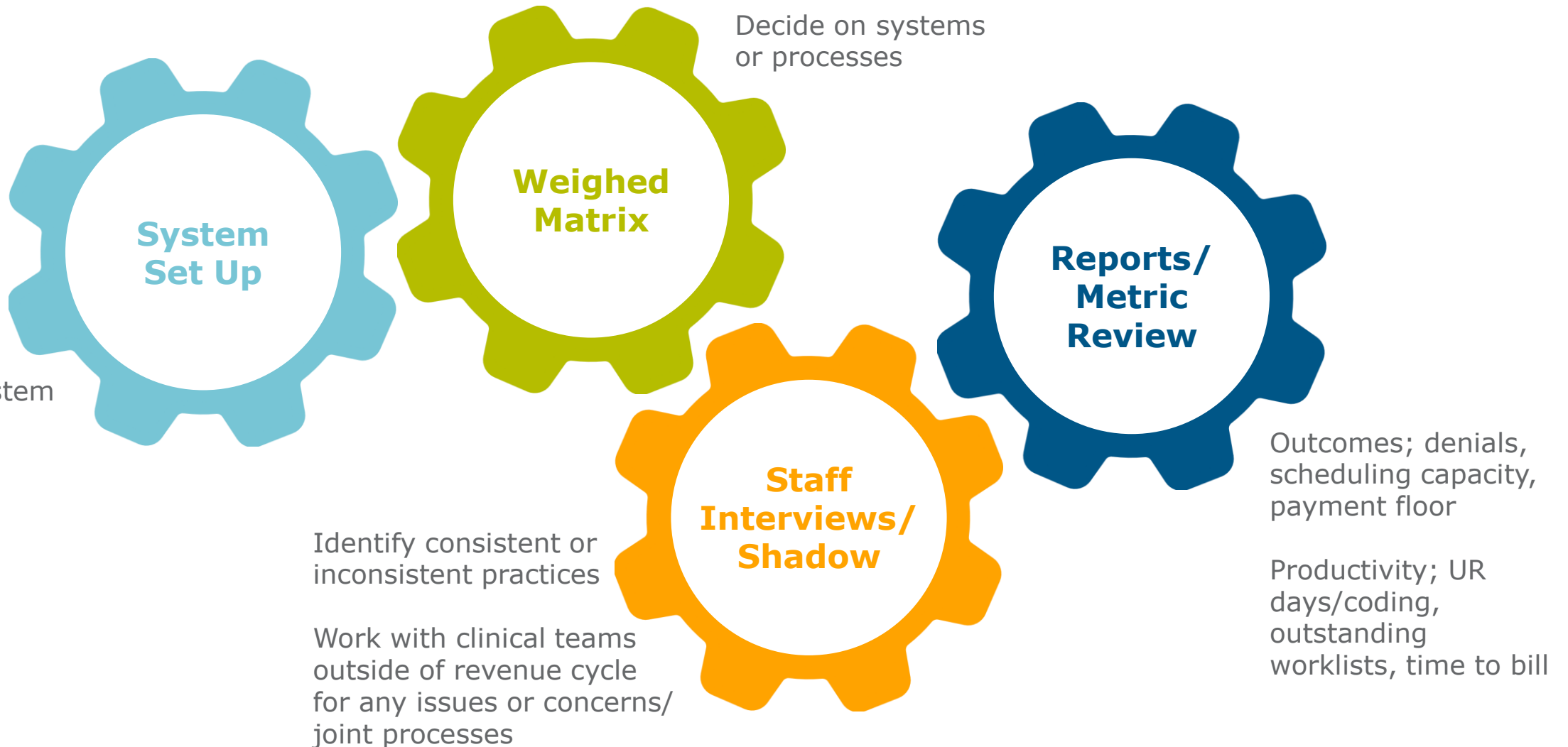
FULL REVENUE CYCLE ASSESSMENT

Basic Process





How to optimize?





How to optimize?

Weighed Matrix: Decide between systems or processes

Column A

List all the criteria for a successful solution. This should be a complete list of must-haves and nice-to-haves.

Column B

Weight the criteria from 5 (absolutely need to have) to 1 (not important at all). Some criteria will have the same weight because there may be multiple criteria that are absolute must-haves for the solution to be effective.

Column C, E, G, I (Rate)

Rate how well each criteria is accomplished by each option from 5 (does very well) to 1 (doesn't do well) or 0 (doesn't do this at all).

Column D, F, H, J (Impact)

Multiply the weight in column B by the rate for each option (column D would be BxC to show the impact of option 1).

Add the impact column for each option and the option with the highest total indicates the potentially best option.

	A	B	C	D	E	F	G	H	I	J
	PROJECT NAME/DESCRIPTION									
			Option A		Option B		Option C		Option D	
	Expected outcome/goal/result	Weight	Rate	Impact	Rate	Impact	Rate	Impact	Rate	Impact
1				0		0		0		0
2				0		0		0		0
3				0		0		0		0
4				0		0		0		0
5				0		0		0		0
6				0		0		0		0
7				0		0		0		0



How to optimize?

Weighed Matrix: Example

A	B	C	D	E	F	G	H	I	J
SAMPLE PROJECT - AR SOFTWARE									
		Option A		Option B					
Expected outcome/goal/result	Weight	Rate	Impact	Rate	Impact	Rate	Impact	Rate	Impact
Interface with G/L - upload charges and payments	5	2	10	4	20		0		0
Interface with DDS for RTP claims	1	1	1	5	5		0		0
Custom rules by claim to hold from batches	4	5	20	1	4		0		0
Custom build by payer or service	4	3	12	1	4		0		0
Standard CCI Edits	3	5	15	5	15		0		0
Electronic submission with payers	5	5	25	5	25		0		0
Print paper claims and send from clearinghouse	2	5	10	1	2		0		0
A/R reporting	4	2	8	5	20		0		0
Worklists by biller	3	1	3	5	15		0		0
Custom defined billers by payer, alpha, service	3	1	3	5	15		0		0
Electronic remits (number of payers)	4	5	20	5	20		0		0
Denial reports-include hold, RTP, 835, 277	5	2	10	5	25		0		0
Denial worklists	3	2	6	5	15		0		0
277 Reports	5	5	25	5	25		0		0
Eligibility prior to claim submission	2	5	10	1	2		0		0
Ease of use and additional user set up	4	3	12	5	20		0		0
Cost	2	5	10	2	4		0		0
Testing environment available	4	5	20	0	0		0		0
			220		236		0		0



How to optimize?



Decision Document

List **pros** & **cons**

Decision Document – [enter decision/process name]

Current Process:	Expected Outcomes/Current Challenges:
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Additional Pain Points, Concerns, Considerations:

Applications/Departments Involved/Affected:

Date review started: _____ Date Review completed: _____
 Status: Final Decision Decision with future review required Maintain current process, no change

Options for Decision	Benefits/Advantages	Challenges/Disadvantages
Option A: [enter brief name/description] [Enter steps/process/details]		
Option B: [enter brief name/description] [Enter steps/process/details]		
Option C: [enter brief name/description] [Enter steps/process/details]		

DECISION

Option selected is _____ because [fill in general reason, major challenge of other options, major advantage of selected option]

Revisit decision for review of success and potential reconsideration:
 Not necessary Future review required by ____/____/____ if so, already scheduled **Yes / No** (circle one)

Signature: _____ Title: _____ Date: _____

Signature: _____ Title: _____ Date: _____



Who should optimize? INTERNAL VS OUTSOURCE



Consideration

Internal vs Outsource

- Time commitment
- System knowledge
- Regulatory knowledge
- Best Practice
- Tools
- Cost

Which Outsource Firm

- System expertise; vendor partnerships
- Collaboration with other firms, expertise for each stage
- Communication, Cost, Staff Profiles
- Weighted Matrix



Time commitment



Internal

- Daily operations
- Duration of project with part-time commitment
- Clinical team availability for shared processes



Outsource

- Staff availability
- Collaboration with other firms for expertise at each phase/stage

Evaluate system, processes, metrics

Conduct job shadow and interviews

Develop resolution plan

Implement and document changes



Who should optimize? INTERNAL VS OUTSOURCE

System Knowledge



Internal

- Training outside of system implementation/development
- Knowledge silo; integration



Outsource

- Vendor partnerships (work directly with EHR development)
- Several system implementations; upgrades

Technical understanding of system

Technical understanding of interfacing systems

Automation dependent upon system capabilities



Who should optimize? INTERNAL VS OUTSOURCE

Regulatory Knowledge



Internal

- State-specific knowledge advantage



Outsource

- Focus on continued education
- Communications from several organizations (directors at hundreds of facilities all monitoring regulatory changes)

Annual Updates

Daily list-serve notices

Conference attendance

Revenue Cycle certifications



Who should optimize? INTERNAL VS OUTSOURCE

Best Practice



Internal

- Research
- Regional contacts



Outsource

- Combine best processes from several facilities

Evidence-based practice

Learn from post-action reviews



Who should optimize? INTERNAL VS OUTSOURCE

Tools



Internal

- Associations, network contacts



Outsource

- Proprietary software (examples: RevSpring =Remit Web, ROI=CDM analysis, Coding teams =audit)
- Purchased databases

Reporting tools
(Excel, SQL, etc)

Scripting tools
(facilitate system changes)

Evaluation tools; access
to comparative data



Who should optimize? INTERNAL VS OUTSOURCE

Cost



Internal

- Staff impact



Outsource

- Project contract estimate

**Not just internal vs outsource,
but expected gain**

ROI-hard and
soft cost benefit

Time + Effort
= Result



Where should you optimize?

**In keeping with Who, What,
Why, When, How, and ...
Where ...**

- **Consider remote work**
to save cost if outsourcing
- **Consider remote schedule**
to focus and separate optimization
from daily operations if internal





For inspiration follow us on **LinkedIn**

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