

# Academic Health Center Rebounds from Budget Crisis to Achieve Financial Transformation and Improved Patient Care

Facing a budget crisis and pressure from the state legislature to improve performance, an academic health center (AHC) deployed an integrated plan that significantly improved its operational efficiency and financial stability.

## Challenge

When financial instability threatened an AHC's ability to continue its mission as the state's premier teaching facility for healthcare providers and as a provider of high-quality healthcare for the region, the organization sought a partner to help improve revenue performance and position the organization for success amid shifting industry dynamics. Like other AHCs across the U.S., unprecedented change in reimbursement models, medical advancements and regulatory compliance had challenged the organization in recent years.

To make significant improvements, the 450-bed Level I trauma center would have to go beyond targeted process improvement and focus on integrated transformation of several critical areas.

## Approach

The Huron and AHC teams deployed an integrated plan that prioritized care access, care coordination, revenue cycle and clinical documentation improvement (CDI) in an effort to:

## Results

**\$40M** in recurring financial benefit

**30%** increase in scheduled utilization

**20%** reduction in length of stay

**\$350K** per month in financial benefit due to clinical documentation improvements

Improved physician agreement rate with CDI queries from **56% to 99%**

**Increase access to care and optimize care coordination.** Huron and the AHC designed and implemented a new care access framework that provided additional capacity and greater ability to see patients. Schedule utilization increased by 30%, new patient scheduling lags decreased by over a week and patients seeking care encountered a more positive and consistent experience. Restructured care management teams and the addition of

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interdisciplinary discharge teams improved care team communication, helping ensure patients' holistic needs are supported through their hospital stay and discharge. Length of stay was reduced by 20%, and improved transition planning generated significant financial benefits for the organization.

**Eliminate lost revenue.** To ensure the organization's financial viability, the team focused on increasing yield and accelerating cash through revenue cycle performance improvement. Upfront clearance processes were implemented to ensure the financial security of patient visits prior to admission. Backlogs in accounts receivable (AR) and candidate-for-billing (CFB) days were eliminated. Point-of-service patient collections increased due to new processes, and denials prevention teams were established to support ongoing improvements as the industry continues to face rising denial rates from payors.

**Ensure accurate documentation.** Advancing the organization's clinical documentation improvement (CDI) program was key to accurately documenting and reimbursing clinical care. To take the CDI program to the next level, the teams focused on three critical success factors: people, process and technology. Employee training, new policies, redefined workflow and reporting enhancements led to increased CDI review rates and improved compliance.



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