

BUILDING THE FINANCIAL ENGINE OF THE FUTURE:

A New Managed Services Model

Huron and a regional health system designed a collaboration that would provide the healthcare system with the infrastructure to achieve its business goals while remaining aligned to its mission, vision and culture.

CHALLENGE

As part of a broader effort to achieve its strategic vision, address future healthcare challenges and prepare for growth, leaders at a regional health system needed a comprehensive, sustainable approach to cost reductions and revenue improvements. This included a plan to standardize, modernize and consolidate revenue cycle operations across the enterprise.

Additionally, leaders were looking for a delivery model that could utilize the organization's existing technology and be flexible enough to support their broader transformation goals while maintaining business continuity through unpredictable events such as the COVID-19 pandemic.

Based on past experiences, the leadership team knew traditional outsourcing of revenue cycle functions would not meet the health system's dynamic needs. Leaders needed an organization with the depth and breadth of expertise to help them not only tailor an industry-leading revenue cycle team but also maximize their current technology and maintain a strong culture focused on their mission.

APPROACH

After evaluating various business models, Huron and the health system designed a multiyear collaboration for Huron to manage the organization's revenue cycle operations. The relationship between Huron and the organization was grounded in a shared vision and commitment

RESULTS

\$75M of year-one cash improvement, including **\$67M** of recurring yield improvement

Approximately **\$240M** or **25%** year-to-date reduction in aged accounts receivable

25% increase in financial clearance rates for elective procedures

Projected **\$88M** reduction in annual denials and **\$19M** in avoidable write-offs

10% increase of staff skills assessment scores

that prioritized cultivating loyalty with patients, providers and communities; engaging and aligning associates; building a trusting and scalable relationship; and achieving industry-leading revenue performance.

The initial phase of the journey began with the following efforts:

Focus on fundamentals, cost reduction and yield improvement. The team immediately began optimizing revenue cycle work drivers and reporting to elevate operational transparency and identify breakdowns that impact yield. Key cost-reduction measures were accelerated, including vendor spend reductions, utilizing automation to create operational efficiencies,

and moving teams to virtual offices, which proved critical to the team's agility amid the COVID-19 pandemic. The team saw an increase in productivity and performance as it transitioned more than 700 staff members across five states to a virtual work environment.

Hardwire a consumer-centric revenue cycle.

Viewing the consumer as the center of the future-state revenue cycle, the team focused early efforts on areas to create a consistent financial experience by developing systemwide training, scripting and expectations for patient interactions. To hardwire leading consumer care practices, technology is used to customize patient communications, provide self-service payment options and facilitate online chat with financial customer service experts.

Create a road map for transformation. The organizations collaborated on a transformation road map, planning key milestones over time to guide how the revenue cycle continues to innovate to drive improvement. The road map outlines key strategies, such as integration of advanced analytics and automation, delivery model evolution, and integrations with payors to change the model of how revenue cycle is done today.

Build an infrastructure to drive innovation.

The team implemented a leading revenue cycle delivery model that included the development of a centralized services team responsible for executing the ongoing transformation road map, but also training leaders and staff, supporting denial prevention initiatives and reducing avoidable write-offs. Centralizing and scaling these functions reduced cost by over \$1 million and created an ongoing performance improvement engine that allows the functional department leaders to focus on managing day-to-day operations.

Empower people to elevate performance.

Fostering a culture of learning and personalized professional development was critical to driving the continual performance improvement needed to succeed in the system's future state. An adaptive learning foundation was built that triangulated data from denial trends, a customized skills assessment and feedback on areas of need from employees. A virtual learning platform was used to create a customized individual training and leadership curriculum, establish desired behaviors and lay the foundation for a culture of excellence.



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