

Building an Industry-Leading Revenue Cycle

HOW AN ACADEMIC MEDICAL CENTER'S NEW PATIENT BILLING OFFICE MODEL ELEVATED FINANCIAL PERFORMANCE

A premier academic health system and Huron forged a relationship designed to better manage the hospital's patient billing office and develop a leading-practice revenue cycle, resulting in \$34 million in cumulative cash improvements and increased staff engagement within the first 12 months.

Challenge

With high leadership turnover, mounting cost pressures, and the opening of new medical center towers, the leadership at an academic medical center sought a comprehensive solution to drive immediate and sustained yield improvement, cost savings, and progress toward a leading-practice revenue cycle.

Approach

The health system's leaders sought Huron's expertise to manage their patient billing office (PBO) and help guide the organization to its goals of achieving top-quartile operating performance, reducing the cost to collect, and maximizing automation and technology utilization.

Huron's work with the organization began with Huron providing interim revenue cycle leadership support. From there, Huron assumed direct oversight of the PBO's 13 leadership positions, more than 150 staff members, and the PBO budget operations for all of the hospitals in the region.

Results

\$34M in **cash improvement**

3.1% **reduction in denial rate**

Automated 33% of late charges to **reduce manual staff effort**

9% increase in **staff engagement scores**

Workforce stabilization through new hires and long-term planning

Sustainable approach to **training and leadership**

The PBO improvement work was driven by several initiatives that included:

Improved revenue cycle performance and yield: Huron worked with the academic medical center to expedite and improve cash collections by implementing a low-dollar insurance

follow-up solution and a self-pay strategy. These additions helped drive reductions in backlogs, specifically targeting unbilled receivables and delinquent account follow-ups.

Increased accounts receivable coverage:

Huron completed an accounts receivable coverage and cost-benefit staffing analysis to realign work distribution among internal billers and collectors and determine the appropriate use of vendors for accelerated results and fewer write-offs. The health system utilized Huron's domestic business office resources to maximize coverage on aged and low-dollar account populations and established other strategic vendor partnerships, allowing on-site staff to focus on the highest reimbursement claims.

Leadership and staff development:

Huron conducted leadership and staff assessments to identify gaps in core revenue cycle knowledge and effective management principles. Findings from the assessment were used to inform and assemble a customized training curriculum to target specific deficiencies, such as understanding payor contracts, electronic health record (EHR) functionality, and leading-practice billing.

In the short term, the team stabilized the workforce by rapidly filling key positions with qualified candidates and streamlining the operating model. The longer-term approach has included incorporating best practices into regular staff refresher trainings and job aids to promote career growth and continued learning.

People engagement strategy: Huron deployed a comprehensive people strategy to increase engagement and retention, including creating a leadership coaching and training series to improve engagement between management and staff. Project leadership also implemented strategic work-from-home and performance-based staff incentive models, quarterly engagement surveys, town halls, and a values recognition program.

Innovation and system enhancements:

Technical experts completed an EHR optimization analysis to identify top opportunities to streamline processes and create staff efficiencies. The project team improved account prioritization through automation and performed a comprehensive overhaul of billing errors and edits across the revenue cycle to create transparency across departments. Future plans for automation in payment posting, the sending of medical records and itemized statements, and claim status checking will continue to position the health system to significantly reduce its cost to collect, improve the consumer experience, and be a leading Epic user.

Streamlined workflows and processes:

Huron and the organization's leaders restructured critical PBO functions to enhance workflows, optimally align the span of control, reduce delays between key departments, and hold payors accountable for resolving claims. Project leaders established a cross-functional denials prevention task force that has led to greater issue identification, action planning, and systemwide collaboration to reduce avoidable write-offs.

This case study features an academic medical center that serves a population of over 4 million in Southern California.



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