

PATIENT FINANCIAL CARE: REDESIGNING THE REVENUE CYCLE OPERATING MODEL

A large multistate health system transformed and integrated its operating model to create a people-centered revenue cycle organization.

CHALLENGE

Following a merger and consolidation, a large health system was operating multiple hospital revenue cycle teams and physician business offices located across several states.

As a result of the decentralized model, revenue cycle leaders were operating almost entirely independent of one another, causing inconsistent processes and culture across the enterprise. Enterprise leader oversight of revenue cycle functions did not extend beyond the hospital level, as physician office integration had not yet begun.

Leaders at the organization recognized that to remain competitive, significant changes were needed to integrate and standardize its revenue cycle functions. The revenue cycle team faced organizational obstacles, yet their primary focus was to create a better financial experience for patients and their families. Among other priorities, the team aimed to ease patient frustration and confusion by moving to a single patient bill.

APPROACH

The health system leaders engaged Huron to refine its vision for long-term revenue cycle operations and support their transformation to a high-performing integrated function across the hospital and physicians' practices.

Together, Huron and the health system teams worked to redefine its revenue cycle operating model. Core elements of the approach included:

RESULTS

\$138M financial benefit from readiness model

Enterprisewide revenue cycle process standardization increased from **18%** to more than **90%**

Accountability and **alignment** increased between regional and system leaders

Shift to **patient-centered** revenue cycle

Alignment on strategy: From the beginning of their transformation journey, health system leaders prioritized the collaboration and inclusion of key stakeholders. The team's approach began with a multiday collaborative design session that included corporate, clinical and other cross-functional representatives.

Stakeholders from inside and outside the revenue cycle function, including patients and community members, provided input into the future state of the organization's revenue cycle, helping drive innovation and buy-in for the organization's transformation.

This case study features a large multistate health system with hospitals, care locations and facilities employing more than 100,000 people.

Defining and designing for high performance:

Given the variation of performance, processes and technology, a critical first step was to define systemwide best practices and performance standards for all revenue cycle functions.

The team created a progressive model of readiness that prioritized three core elements — a definition and commitment to best practices; common metrics; and standard workflow tools to bridge their disparate electronic health record (EHR) platforms. Analytics capabilities were put in place to monitor key metrics for cost and revenue performance throughout the transformation journey.

Achieving readiness: The team's readiness model provided the rigor needed to elevate standards and performance in the initial phases of the project, driving immediate return on investment for the organization. At the same time, it established a structure for the continuous improvement necessary for transformation.

From the outset of the project, investing in people was central to success. Significant effort was placed on educating leaders and modeling best practices, which served to address performance gaps across teams and develop talent for continued success.

As the organization improved performance and increased standardization across the system, they built upon that success to prepare their teams for eventual consolidation.

Leadership alignment: A strong governance structure was established that included an advisory council of chief financial officers across the system, ensuring their perspectives were included in the revenue cycle design. The council members reviewed key elements of the future-state plans and were instrumental to the overall success of the transformation as they helped build buy-in from their peers and teams.

Organizational structure and support services:

With consolidation as the ultimate goal, the organization's revenue cycle team and Huron were holistic in their approach to revising the overall revenue cycle structure. Back-office functions were centralized first, with the goal of eventually bringing in non-patient-facing front-end functions.

Through each step of change, the teams committed to maintaining a local, personal connection to each revenue cycle office to ensure the various cultures across the enterprise were engaged and integrated into new ways of working.

The teams understood that to be successful and continue innovating for the future, they needed support outside of core revenue cycle operations. A critical part of the project's design was the development of support services in areas such as performance management, data analytics, and training and development.

Talent, training and development: Roles and job descriptions were updated to put the right talent in place while elevating patient access positions that interact with consumers. The changes helped recruit and retain the talent needed to shift focus to a patient-centered revenue cycle. As the organizational structure and operating model evolved, governance structures were revised to account for new and changing roles in decision-making processes.

Building a training and development program was a top priority. The program focused not only on improving current skills, but also supporting leaders with dedicated time to evaluate their own skills and think about how their teams could adapt for the future.

Change leadership and culture: The organization invested in communicating the "why" of their transformation beyond the financial benefit. Cross-functional teams collaborated to keep the patient-centered message at the forefront of their communications and actions. Extensive

communication planning focused on developing the right messages at the right time for employees while prioritizing respect for people impacted by the changes.

Consumer satisfaction: The health system was intentional in establishing a patient-centric financial experience powered by their revenue cycle function.

Through their design and standardization work, the focus remained on what was best for the patient. The teams continue to prioritize consumers by improving metrics such as first call resolution rates and implementing scorecards to reveal areas of opportunity for improved customer service.



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