UNM Health Transforms Business Operations and Access to Further Its Mission

University of New Mexico Health System (UNM Health), a Level I trauma center and the state's only academic medical center, launched a multipronged approach to systemwide transformation amid a changing financial landscape.

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Challenge

As the only academic medical center in New Mexico, UNM Health treats many of the state's most complex medical conditions and is also a safety net provider of high-quality care to all New Mexicans, including underserved populations. While the costs of caring for its patient populations were rising, reimbursements and grant funding were shrinking.

Results

Over **$107M** in recurring annual benefit, including:

- **$61M** in revenue cycle enhancements
- **$15M** in workforce management and people governance
- **$15M** in supply chain
- **$5M** in outpatient access to care

Increased outpatient visits by **5.3%** in **12 months**

Decreased average chart review time by **2 minutes in 12 months**

> "[This is] by far the largest and most successful broad-scale engagement we have had at UNM Health in its history."

DR. MIKE RICHARDS,
SENIOR VICE CHANCELLOR OF CLINICAL AFFAIRS

The organization was also challenged by inefficiencies and variation that occur in a large complex organization. Areas of the business were operating on different, often incompatible systems, which negatively impacted communication, collaboration and business functions throughout the organization. A lack of reporting tools and governance structures had increased labor costs while missed opportunities in supply chain management contributed to higher operating expenses. Clinical inefficiencies put a strain on inpatient capacity,

which increased length of stay and overwhelmed the emergency department. This also created multiple barriers for outpatient access to care. Additionally, the absence of a mature approach for collecting, analyzing and sharing data prevented leadership from making informed, strategic business decisions.

Leaders understood that to continue fulfilling its mission in a difficult financial landscape, UNM Health would have to become more efficient and accountable systemwide. Teams needed to reduce costs, increase revenue and improve access to care.

Approach

UNM Health leadership and Huron designed strategy to break down departmental silos, ntegrate business processes, and expand and streamline consumer access to care. Across multiple departments, the teams focused on improving efficiency and productivity, enhancing teamwork, reducing variation and strengthening patient financial services, all of which would ultimately drive revenue and contain costs. Core improvement efforts focused on:

Enhancing revenue. Revenue cycle operations presented multiple opportunities for improvement. UNM Health and Huron developed a reporting program to capture key financial and staff performance metrics, enabling the organization to identify and mitigate breakdowns in the revenue cycle process. The teams also restructured critical revenue cycle functions to eliminate silos, reduce work in progress (WIP) backlogs and increase collaboration between key financial departments.

The teams also designed and built UNM Health's first specialty pharmacy with URAC accreditation. The specialty pharmacy included a payor network access strategy as well as patient care management tools and techniques to drive maximum usage and provide an additional revenue stream.

Improving payor relationships and clinical documentation. UNM Health and Huron redesigned and implemented a fully functional clinical documentation improvement program and staffed it to the qualifications of preferred payors. Both providers and staff received training to ensure documentation was appropriately completed.

Managing expenses by optimizing supply chain. By insourcing certain supply chain functions that were previously outsourced, and re-negotiating existing outsource agreements, UNM Health and Huron were able to generate significant cost savings despite bringing on new staff members. Additionally, UNM Health and Huron formed teams dedicated to developing and implementing cost reduction initiatives for supplies across all service lines and pharmacy operations.

Utilizing technology to align leaders, clinicians and staff on organizational functions. After developing custom governance structures for various departments across the organization, UNM Health and Huron implemented tools to support enterprisewide productivity and workforce management. These tools informed the organization of appropriate staffing and skills needs for both anticipated and actual volumes.

Removing barriers to care. Addressing ambulatory inefficiencies and consumer access to care, UNM Health and Huron were able to increase outpatient visits, decrease cancellation rates, reduce scheduling lag for new patients and improve provider visit completion. Executed initially within neurology, urology, primary care and pediatrics, optimization and standardization across people, processes and technology were then expanded to other specialties and clinics.

Increasing accountability for collecting and utilizing data. UNM Health and Huron identified key sponsors to join a governing committee dedicated to building a high-performing data-driven culture. This committee was tasked with reviewing sources of data, investigating validity and defining key performance metrics to drive decision making. Processes were put into place to support data accountability through weekly metric reviews that included service line leaders and key executives, with a focus on continuous improvement.

UNM Health System is located in Albuquerque, New Mexico, and is the state's only academic medical center and Level I trauma center, employing more than 27,000 people across the state and providing care for more than 200,000 New Mexicans each year. The UNM Health System is the clinical arm of UNM Health Sciences Center, employs 1,321 faculty members, and provides high-quality patient service across its three entities — UNM Hospital (UNMH), Sandoval Regional Medical Center (SRMC), and the UNM Medical Group (UNMMG) — totaling over $1 billion in net patient revenue.

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