

VHA Builds Centralized, Tech-Enabled Revenue Cycle Operations

HOW INVESTMENTS IN TECHNOLOGY AND CULTURE AND A CENTRALIZED MODEL IMPROVED THE VHA'S REVENUE CAPTURE

With 170 medical centers across the country, the Veterans Health Administration (VHA) embarked on a revenue transformation journey to consolidate and centralize its disparate revenue operations and improve collections.

Challenge

Inefficient and inadequate billing and collection processes identified in an assessment of the VHA's operations were leading to missed revenue opportunities for the Department of Veterans Affairs (VA). To maximize revenue capture to reinvest back into veteran care and other veteran services, the VA needed to improve revenue functions and create a centralized processing model that could be replicated across its 170 medical centers.

With each medical center operating its own revenue cycle — and significant variations in processes and technology — the VHA set out to create a standardized, consolidated model for revenue cycle activities by centralizing operations into seven regional patient account centers. Based on the complexity and scale of the project, the VHA sought help to develop and implement the new model.

Results

170 disparate revenue operations consolidated into seven regional centers

68% increase in standardization in key process areas

36% increase in collections

4.9-day improvement in gross days revenue outstanding (GDRO)

113% increase in inpatient insurance verification and authorization review

Approach

Huron collaborated with the VA to develop a consolidation plan that included site transition, an enterprise workflow design to standardize operations, and a road map for implementation across each regional patient account center.

Following the rollout, the VHA's commitment to sustaining the new model required support to aid with long-term optimization and continual improvement.

The project focused on customizing private-sector leading practices for the VA to achieve the following:

Centralizing operations to enhance performance:

Huron worked closely with the VA to prepare sites within its vast network of medical centers for transition, allocating over 3,500 employees for the seven regional account centers. Defining a template for the centralized operations and engaging stakeholders early in the process to build buy-in was paramount to smoothly transitioning the medical centers' operations to the centralized processing environment.

Implementing process standardization and

setting performance benchmarks: At the start of the engagement, each of the VA's revenue cycle organizations had its own set of processes. Together, Huron and the VA developed a single standardized revenue cycle process that fit the VHA's unique mission and operations and could be replicated across the regional account centers.

Establishing metrics and defining performance standards for all revenue cycle functions was critical given the significant variation across the VA's medical centers. Reporting was customized for the VA and standardized across the organization to assist with financial and operational revenue cycle management and to support compliance regulations.

Aligning leadership and providing training and

education: To promote innovation and maintain consistency across the organization, Huron brought together subject matter experts and revenue operations leadership to establish a governance structure to review, approve, and implement new ideas and process changes.

Workforce training and readiness were essential to develop employee skills, promote consistency, and sustain change. During consolidation, staff members received training on revenue cycle fundamentals, area-specific workflows, and

the key technology solutions supporting their transformation. Standard operating procedures documents were drafted to create a library of easily accessible training material, and a workforce development team was established to provide future onboarding and continuous education.

Transforming revenue through tech-enabled processes:

Prior to consolidation, the VA had workflows that lacked the technology and customization required to manage a healthy revenue cycle. This led to the inefficient use of staff, missed opportunities for billing and collections, and limited reporting to provide operational insights to leaders.

Huron worked with the VA to develop and implement a customized revenue management workflow tool to digitize work processes across the patient account centers. The tool provided real-time guidance for staff to manage and consolidate workloads and communicate status and negotiations with insurance organizations and patients. Through this work, Huron and the VHA improved operational revenue, including decreased avoidable denials, increased insurance verification rates, and increased cash collection.

Establishing organizational structure and building accountability:

As the agency's overall revenue cycle evolved, governance structures were revised to account for new and changing roles. To build accountability and ensure strong, consistent performance across the organization, Huron also worked with the VA's revenue operations leadership to define productivity metrics and goals using industry-leading practices and to implement a robust quality assurance program.

Sustainment and Optimization

To sustain the new centralized revenue cycle and ensure continued success, the VA engaged Huron to provide ongoing support and process enhancements. Core improvement and sustainment efforts have focused on:

Continuous innovation with technology:

Huron has worked closely with the VA to implement innovative, agile technology solutions, enabling the agency to not only improve operations but adopt legislative changes quickly and efficiently. For example, Huron helped the VHA create and implement customized automation to complete repetitive revenue operations tasks. Thus far, seven processes have been automated, saving an average of 4,500 full-time equivalent (FTE) hours each month. The scale of the project and strong performance has prompted the VHA to invest in automation in other areas of the organization to further drive efficiency and free up staff for more value-added work.

Culture and leadership development:

With large-scale transformation occurring, investments in people to build a change-ready culture were needed to support and sustain the new revenue cycle model. This work included leadership development institutes, coaching, and the validation of skill sets to equip leaders with the skills to effectively communicate and influence change.

Developing a framework to align behaviors and processes to organizational goals along with consistent, structured rounding on employees have been essential to engaging staff in change and creating a culture that promotes accountability. Investments in training and development, including an online learning platform, have also helped the VA promote continuous learning and identify succession planning opportunities at various levels in the organization.

Electronic health record (EHR) integration

support: Huron continues to work with the VA to support its EHR modernization effort, which entails converting its legacy EHR system to a new enterprisewide platform. To ensure the new system meets the unique needs of the VA and that staff know how to seamlessly leverage the technology, Huron has assisted the VA with system configuration, post-go-live operational support, training, and managing day-to-day system requirement changes.

Compliance and regulation support:

Huron continues to support the VA to ensure it can maintain compliance when new legislation or regulatory policies are enacted. Examples of this include workflow updates to accommodate the latest guidance on veteran patient liability debt, exceptions for service-related injuries, and program eligibility policies.

The Veterans Health Administration (VHA) is America's largest integrated health system. The VHA serves 9 million veterans each year through its extensive network of healthcare facilities, which includes 170 medical centers and more than 1,000 outpatient sites.



huronconsultinggroup.com

© 2022 Huron Consulting Group Inc. and affiliates. Huron is a global consultancy and not a CPA firm, and does not provide attest services, audits, or other engagements in accordance with standards established by the AICPA or auditing standards promulgated by the Public Company Accounting Oversight Board ("PCAOB"). Huron is not a law firm; it does not offer, and is not authorized to provide, legal advice or counseling in any jurisdiction. 22-5114