

# Alpena Regional Medical Center Improves Cash Flow and Increases Productivity and Quality

Alpena Regional Medical Center (now MidMichigan Medical Center — Alpena) worked with Huron to determine the root causes of their revenue cycle challenges. Focusing on standardized measurements and processes to drive productivity and accountability, the organization exceeded its goals resulting in a \$7.5 million reduction in follow-up work in process (WIP) and a \$4.4 million reduction in billing WIP.

## Challenge

Alpena Regional Medical Center (ARMC) sought to improve cash flow despite a challenging payer mix. The medical center had strong revenue cycle processes in place but lacked the work drivers and reporting structure to drive accountability and results.

“Huron’s collaborative approach increased our team’s understanding and appreciation of their roles within the revenue cycle, improving overall knowledge and sense of ownership and pride in their day to day work. The engagement with Huron continues to generate positive results.”

**KARMON T. BJELLA**, FORMER CEO,  
ALPENA REGIONAL MEDICAL CENTER

## Results

**R\$7.5 million** reduction in follow-up work in process

**\$4.4 million** reduction in billing work in process

**9-day** reduction in A/R days

ARMC leadership engaged Huron to redesign processes, tools and workflows and department structure.

## Approach

Huron’s proactive approach included working hands-on with leadership and staff to improve productivity and quality. The engagement determined the root causes of key revenue cycle challenges. Huron implemented standardized measurements that provided actionable data to drive improvements. Huron’s tailored Revenue Cycle solutions also helped ARMC identify and act on cash flow opportunities while enhancing quality and transparency across the

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revenue cycle. The project exceeded ARMC's goals, delivering a \$7.5 million reduction in follow-up WIP and a \$4.4 million reduction in billing WIP.

**Improving cash flow.** As the rural regional referral center for all of northeastern Michigan, one of ARMC's key goals was to recognize and improve cash flow opportunities.

Huron's tools provided the infrastructure needed to identify and prioritize process improvements and cash flow opportunities across the revenue cycle.

**Increasing productivity and quality.** Huron worked with ARMC leadership and staff to standardize measurement across the revenue cycle, improving consistency, productivity and quality. Introducing staff reviews led to additional improvements, including reductions in both billing delays and follow-up WIP.

**Providing transparency and accountability.** By introducing communication tools, work drivers and processes, Huron supported ARMC in creating a shift in culture, which increased staff purpose and satisfaction by defining roles and responsibilities.

**Implementing a comprehensive reporting structure.** Huron worked side-by-side with ARMC to design and implement a comprehensive reporting structure, providing the infrastructure to effectively identify and prioritize process improvements and cash flow opportunities. The reporting structure also included expanding regular revenue cycle meetings to review metrics and productivity standards.

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In 2016 Alpena Regional Medical Center joined MidMichigan Health. To reflect the hospital joining MidMichigan, the Medical Center changed its name to MidMichigan Medical Center — Alpena. Accredited by The Joint Commission, the Medical Center has approximately 1,000 employees, 200 volunteers and about 100 physicians.

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