

# Revenue Cycle And Organization Structure Enhancements Improve Mercy Sepa's Overall Financial Performance

HURON AND MERCY HEALTH SYSTEM OF SOUTHEASTERN PENNSYLVANIA (MERCY SEPA) WORKED COLLABORATIVELY TO IDENTIFY OPPORTUNITIES TO REDUCE COSTS AND IMPROVE NET REVENUE PERFORMANCE. OVER TWO YEARS, MERCY SEPA'S REVENUE CYCLE PROCESSES WERE REDESIGNED AND STRATEGIC CHANGES WERE MADE TO THE ORGANIZATIONAL STRUCTURE, INCREASING CASH COLLECTIONS AND REDUCING OPERATING COSTS.

## Challenge

Mercy SEPA's revenue cycle processes were long standing, not well documented and inconsistent across its physician groups and hospitals. They lacked reporting and performance measures resulting in a lack of accountability for individual and team performance. Opportunity also existed to align SEPA's operating model closer to industry leading practice.

"Everyone at SEPA felt supported by your team. Your team was universally respectful and got the job done."

**SUSAN CROUSHORE**, PRESIDENT AND CEO,  
MERCY HEALTH SYSTEM.

## Results

**\$12 million** in net revenue improvement from revenue cycle operations in the first year  
**53-day** reduction in accounts receivable days for physician group

Increased financial security of elective hospital accounts by **32%** and for physician accounts by **17%**

Reduction of aged receivables of **10%** for hospital operations and **30%** for physician operations

**Reduced** operating costs due to span of control adjustments

## Approach

Huron and Mercy SEPA developed new, sustainable revenue cycle operations and revamped SEPA's broader organizational structure. To do so they used a comprehensive approach focused on people, processes and tools, and applied change leadership practices to ensure sustainability. The engagement included:

### **Implementing a change leadership program.**

Hospital leaders participated in change workshops. These helped management changes and provided them with tools to lead through change.

### **Performing a span of control assessment.**

Provided analytics-driven insights to identify opportunities to more closely align Mercy SEPA's organizational structure with leading practice regional healthcare systems.

**Developing new revenue cycle processes for hospital and physician group.** Used existing health information system platforms, and Huron's proprietary workflow and reporting tools to enhance operations and implement comprehensive revenue cycle toolkits in each functional area.

### **Creating Key Performance Area (KPI) Scorecards.**

The KPIs clarified engagement goals and quantified success. Monthly report outs helped leaders track progress and provided benchmarks for sustainable improvement.

**Collaborating with employees.** Huron employees worked side-by-side with Mercy SEPA's employees, conducted cross training and shared how changes would improve outcomes.

**Aligning and engaging employees.** Established productivity goals that personalized the engagement goals for each employee. Implemented an incentive structure that allowed employees who met goals to work from home.

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Mercy Health System is the largest Catholic healthcare system serving the greater Philadelphia area. The mission-driven health system, which is a member of Trinity Health, is focused on improving the health of the communities it serves.

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