

Community Health Network improves workflow process supported by technology to realize \$26.7 million in cash improvement

Challenge

Ranked among the nation's most integrated health systems, Community Health Network (CHN), set out to accelerate revenue cycle performance during a system-wide organizational improvement initiative. Sustainable revenue for one of Central Indiana's largest not-for-profit health systems depended on elevating key performance indicators for its four Indianapolis hospitals from historically good levels to best-practice levels.

"We recognized the need to bring in support to help us reach the next level of revenue cycle performance," says Charles Meadows, CHN's vice president of Revenue Cycle. "Inconsistencies from the point of scheduling continuing through bad debt write-offs on the back-end within our revenue cycle process caused multiple missed revenue-collecting opportunities."

CHN operates a central business office (CBO) covering Patient Access and Patient Financial Services (PFS) for its four Indianapolis hospitals. Yet only 18 percent of pre-visit revenue passed through the central business office (CBO) patient access processes. Also, over reliance on manual efforts prevented these revenue-critical functions from collaborating to fully resolve accounts; all factors holding back productivity and revenue potential for the system.

"We wanted a lasting financial impact on our revenue cycle performance," says CHN's chief financial officer, Jeff Kirkham. "If we created an exceptionally efficient revenue cycle that aligned people with best practices and technology, then our staff would be empowered to completely and accurately collect reimbursement for the care we deliver."

Solution

CHN leadership engaged nThrive's Performance Improvement Consulting to drive a year-long, end-to-end revenue cycle performance improvement engagement for the health system. The engagement extended an existing agreement with nThrive for revenue cycle technologies, to include comprehensive revenue cycle consulting and the implementation of additional solutions. "nThrive consultants have the expertise to redesign workflows to increase accuracy and productivity within the revenue cycle. And they have the tools required to sustain it," says Meadows. "Their repeated success with improving revenue performance at other health systems further proved our ability for future sustainability," he adds.

MAPPING WORKFLOW TO INDUSTRY STANDARDS

Working with CHN leadership and front-line staff, nThrive team members methodically isolated and mapped every administrative workflow, process and procedure from the front-end to the back-end of the revenue cycle. A collective, versus isolated, review of revenue cycle processes

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Jeff Kirkham, Chief Financial Officer,
Community Health Network

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and responsibilities enabled CHN employees to evaluate holistic adjustments or specific departments' needed changes.

"We didn't realize the full potential for performance and organizational change until we engaged the consultants at nThrive — and they quantified the potential revenue improvement of at least \$25 million for our system," says Meadows. "The ROI potential was real."

CONSENSUS BUILDING TOWARDS A BEST-FOR-CHN PERFORMANCE STRATEGY

Operational findings, data retrieval and insights from interviews with more than 100 employees became the framework for CHN's go-forward CBO strategy for revenue cycle management. nThrive fostered consensus for a new organizational plan rooted in proven best practices—and adapted to CHN's preferences.

"They did a lot of listening first," said Meadows. "nThrive consultants did not just spend time with me and other management at CHN. They sat elbow to elbow with schedulers, billers, coders and A/R reps who work our patient accounts every day to hear what works and what doesn't work at CHN."

After thoroughly assessing people, processes and technology, nThrive presented to CHN leadership the strategy for improvement. Once approved, nThrive managed a nine-month implementation plan to meet key financial performance targets.

THE SHIFT FROM CENTRALIZED TO SYNCHRONIZED

At the heart of the implementation was a multidisciplinary central command in patient financial services to collectively track progress and address challenges during the phased rollout. "We called it the War Room," said Meadows. "Key performance metrics covered every inch of all four walls. It's a collaborative communication effort we maintain to track metrics."

Another key change initiative focused on high-dollar patient account review. The meetings fostered critical collections transparency and allowed data sharing and communications between departments. "Every week, staff from Patient Access, Case Management, Financial Counseling and Medicaid Enrollment meet to review patient accounts totaling \$30,000 in charges or more," explains Meadows. "This team proactively confirms authorization and patient liabilities and explores every other potential source for payment. We generate a bill for services with no doubt in our mind what will be reimbursed."

PROCESSES SUPPORTED BY TECHNOLOGY

Major initiatives implemented at CHN consisted of department reorganization in Patient Access, Health Information Management and PFS departments. CHN approved the creation

of functional processes, new job descriptions and responsibilities. nThrive consultants trained staff and facilitated adoption of new quality and productivity measurements.

Added nThrive solutions now automate manual processes to centrally identify patient-pay collections, verify insurance coverage prior to care, identify reasons for denials and pinpoint underpayments. The automation also created a closed-loop feedback process in the CBO. Reasons for denials circled back to the front-end to continuously identify root causes and fine tune processes to prevent future account errors.

"With this level of organizational change and collaboration, we experienced a good bit of nervous energy throughout the system," notes Meadows. "Early staff consensus coupled with the support of leadership from day one helped us maintain focus and mitigate challenges. And our multidisciplinary teams really championed the potential for what we could achieve."

Results

Since working with nThrive, CHN has realized a 20 percent increase across many key performance metrics. Cash improvements totaled \$26.7 million; \$12.6 million of that total reflected income statement benefit. "It's an improvement that we're confident we have the tools to sustain," says Meadows.

TRANSPARENCY AND ACCOUNTABILITY

Beyond the initial result to reduce backlogs, CHN is now equipped to avoid them. Sharing more data across the system helped CHN to reduce denials and increase cash collections, and equally as notable, process changes within departments created more transparency and accountability throughout the revenue cycle. "We now have data and technology supporting best practice processes to proactively prevent revenue backlog," notes Meadows.

CHN continues to build on its organizational performance improvement successes, expanding their engagement with nThrive to assess the system's case management department.

"nThrive guided the significant shift our operations needed, and helped us view our business in a way that we were never able to before," says Kirkham. "We could not have achieved these results on our own."

KEY PERFORMANCE METRICS

- Reduced A/R days by 23 percent (56 to 45 days)
- Reduced A/R over 90 days by 25 percent
- Reduced denial rate by 47 percent, (8.6 percent to 5 percent)
- Increase point of service collections by 50 percent

BY CBO DEPARTMENT

Patient access department

- Implemented centralized pre-visit function centralizing 62 percent of revenue, up from 18 percent
- Added infrastructure to support a 50 percent increase in point of service collections
- Automated patient eligibility verification and self-pay calculations with nThrive's Patient Access Solutions
- Increased staff productivity by 100 percent
- Achieved 100 percent individual staff productivity (from 8–15 accounts to 18–38 accounts processed daily)
- Saved \$50,000 monthly due to renegotiated Medicaid eligibility vendor contract

Optimize financial performance

- Increased coder productivity standards and credentialed coders (81 percent of staff, up from 30 percent)
- Insourced coding function which resulted in \$225,000 annual savings
- Reallocated staff and reduced budgeted full-time staff by 3 or 4 percent
- Outsourced transcription, saving nearly \$918,000 annually
- Achieved lowest discharged not-final-billed claims levels
- Implemented and trained five functional teams
- Implemented productivity standards and quality assurance program, with employee score cards
- Increased A/R rep productivity to 50 accounts/day
- Patient Access and Denials Management Solutions
- Adjusted all payers to post payments electronically

ABOUT COMMUNITY HEALTH NETWORK

The not-for-profit health system includes:

- Employees: 11,500
- Physicians: 2,000
- Beds: 1,000+ beds
- Inpatient admissions: Nearly 45,000
- ER visits: 231,190
- Surgeries: 106,336
- 2010 revenue: Approximately \$2.9 billion
- web: www.eCHN.com

REVENUE PERFORMANCE IMPROVEMENT CONSULTING

A/R days reduction: 23 percent

A/R over 90 days reduction: 25 percent

Denial rate reduction: 47 percent

POS collections increase: 50 percent

Cash improvement of \$26.7 million

Realized a 20 percent increase across multiple KPIs

Talk with a specialist to learn more:

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