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CASE STUDY – REVENUE CYCLE AT RURAL HOSPITALS

What do Philipsburg, Braxton, Kane and Corry hospitals all have in common? Size is the first thing that comes to mind, because each hospital has less than 50 beds. Location can't be the answer, because Braxton is in West Virginia and the others are in Pennsylvania. What about remote location? Each one of these hospitals is miles away from any other hospital. They also have the same concerns and challenges as other hospitals – how to keep up with the best practices in patient accounting and improve cash flow. They decided to seek outside help to evaluate the operations of their patient accounting and related departments.

ANALYSIS

Consultants began by spending a week at the hospitals meeting with key managers, reviewing departmental procedures, observing staff, and generally familiarizing themselves with the hospital's operations. Upon completion of the review, consultants drafted an initial report of findings and recommendations for each revenue cycle process. The consultants discussed the report in detail with hospital senior management and then created a detailed work plan that identified and prioritized the steps necessary to implement the recommendations.

MAKING IT HAPPEN

In each of the hospitals the CEO or CFO was impressed with the analysis and work plan and wanted to make sure that it was implemented in a way that not only assured immediate improvements to the hospital's revenue cycle, but also sustained high levels of performance on an on going basis. For these reasons, each hospital requested the consultant to continue to play a role in its patient accounting department by providing a “virtual manager”.

As part of the transition to virtual management, consultants revised hospital revenue cycle procedures and processes, implemented new staffing and job descriptions and assignments and established performance standards. Consultants also created a library of hospital contracts, policies, procedures, payer information, outside vendor lists and other relevant information. Consultants then established remote access links to the hospital electronic patient accounting system.

After completion of the transitional phase, consultants initiated regular telephone conferences with hospital staff to help oversee day-to-day operations of hospital business office staff. Consultants also began remote electronic monitoring of key financial and performance data and communications with the hospital's ancillary service departments and third-party payers, as necessary. Consultants provided hospital senior management with regular updates and recommendations and made an on-site visit and presentation at least once a month.

THE RESULT

Within 4 to 6 weeks, the hospital began to see significant improvements. The hospital was on target to reach national averages and best practice benchmarks for key performance indicators and had reduced bill hold days dramatically. As part of its overall management role, consultants had developed and implemented a much improved process for effective management of denied claims and had renegotiated select vendor contracts, lowering costs and improving performance.

According to the hospital CFO, the operational assessment completed by the consultants was a real “eye-opener” that helped the hospitals identify and acknowledge significant opportunities for improvement. The hospital especially liked the consultant's approach of openly discussing their initial findings with our senior managers before they prepared their work plan. This assured the management that the work plan would be consistent with the hospital's practices and goals.

These hospitals understand that their continuing relationship with the patient accounting professional consultants is the key to their greatly improved revenue collection efforts. Not only does the consulting company give the hospital excellent patient accounting management services, but it provides creative solutions and opportunities to increase revenues and cut costs in areas not traditionally associated with patient accounting.

For more information about Revenue Cycle Solutions, LLC, please see their web site at revenuecyclesolutions.com or call at 412-322-2100.