Introduction to the Efficient Revenue Cycle Processes/LEAN 2018 Project





Presented by: Jennifer Findley, KHERF Executive Director Susan Runyan, KHERF Consultant

Tuesday, September 25 Noon – 1:00 PM

This project was federally funded through KDHE-BCHS-FLEX Program. The FLEX program is managed by the Federal Office of Rural Health Policy, Health Resources and Services Administration, U.S. Department of Health and Human Services.

ERCP Project Introduction

Improvement project utilizing Lean methodology

- Your hospital will pick a process to review/ improve
- Your hospital will bring a team to Kick-Off Training
- During Kick-Off, a subject matter expert will instruct your team on Lean tools and techniques to help you analyze and problem solve your project
- You will leave with an action plan and work on your projects at your facility

ERCP: Reducing Claims Denials

Focus: Identify and improve the process where insurance claim denials originate:

- Document supporting medical necessity
- Coding
- Entering Patient Information
- Insurance Verification
- Create "best practices" for reducing denials and their financial impact

ERCP: Reducing Claims Denials

Processes Targeted for Improvement:

- Clinic Registration
- Generating and completing Advance Beneficiary Notices (ABNs)
- Identification of Medications covered by Medicaid
- Emergency Room (ER) to Inpatient Authorization
- Radiology Pre-Authorization
- ER Registration
- Lab Registration Insurance Verification

What is Lean???

Lean philosophy for health care is focused on:

- Defining value in the eyes of the patients
- Eliminating wasteful steps that add no value to the organization
- Creating flexibility and agility to meet the changing needs of the patient and industry
- Empowering frontline staff by incorporating easy problem-solving tools to use daily
- Doing more with less

Efficient Revenue Cycle Processes

Lean methodologies used for completion of project:

- Collect data: Hospitals track claim denials
- Project Scoping: Determine the issue, identify the process, develop a team, observe
- Map current process
- Work through the project using A3 Problem Solving Tool
 - Issue, Background, Current State, Root Cause Analysis, Target State, Countermeasures, Implementation Plan, Test Outcomes, and Follow Up
- Report out during Wrap Up in February

Why Lean???

Utilizing Lean in health care can potentially:

- Reduce costs by 30-35%
- Improve work and patient flow
- Improve patient and non-patient care processes
- Improve morale, productivity and the bottom line

Montana Outcomes: 10 CAH Participants

Potential Outcomes for improving ONE SPECIFIC PROCESS related to one type of denial:

- 10 facilities proposed a cost benefit of \$1,122,081
- 8 facilities proposed a combined reduction of 5000 claim denials
- 3 facilities proposed a combined reduction of time spent fixing denied claims of almost 800 staff hours
- All facilities expect increased Patient and Staff Satisfaction

ERCP Project Support

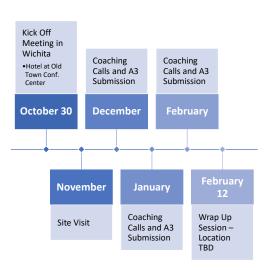
KHERF

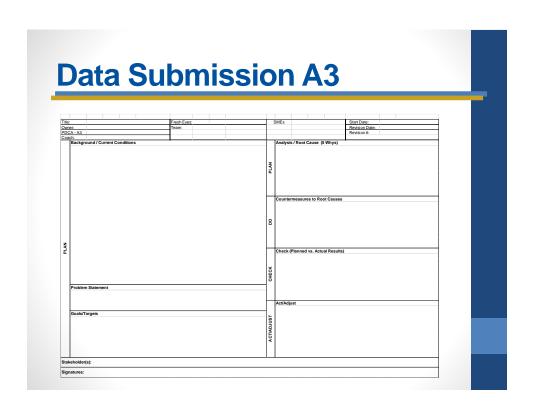
- Jennifer Findley, Executive Director
- Susan Runyan, KHERF Consultant
- Susan Cunningham, Program Manager Scholarships KHERF

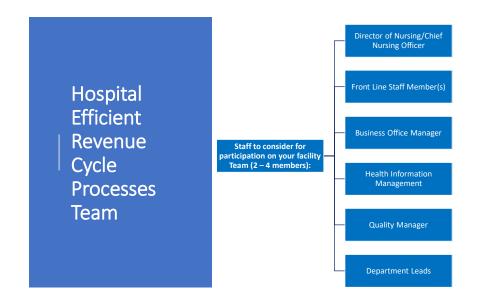
Lean Technical Expertise

 Richard Tucker, Healthcare Performance Partners, a Vizient Company

Efficient Revenue Cycle Processes Project Timeline







Ready for the Opportunity?

Next Steps

- Look over Participation Agreement
- Gather potential team
 - Discuss potential process for improvement
 - Ensure time available to dedicate
 - Ensure dates of Kick-Off and Wrap-Up work for team
- Send agreement to Susan Cunningham by October 5

Pre-Work

Susan Runyan will contact each participating facility prior to Kick-Off

- Discuss potential process for improvement
- Discuss observation
- · Ensure relevant staff attend meeting
- Ensure adequate data to utilize during Kick-Off
- Allows the team to develop implementation plan at the Kick-Off

Questions?

- •Jennifer Findley 785-233-7436 <u>ifindley@kha-net.org</u>
- Susan Runyan620-222-8366srunyan @kha-net.org

Funding Acknowledgement

This project was federally funded through KDHE-BCHS-FLEX Program. The FLEX program is managed by the Federal Office of Rural Health Policy, Health Resources and Services Administration, U.S. Department of Health and Human Services.