

# Front to Back – Three Keys to Cost Savings and Cash Acceleration

WA-AK HFMA Chapter

Cost + Quality = The Future of Healthcare

November 17<sup>th</sup>, 2011

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MultiCare

# Objectives

- POS Collections – What gets measured gets improved
- Defined DNFB Process – Knowing and understanding the importance of the DNFB process
- Vendor Management – Accountability drives performance, don't be asleep at the wheel

# POS Collections

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What gets measured gets improved

# Strategy for Measurement

- Define System Objective
- Get Senior Leadership buy-in and approval
- Create Detailed Targets with Owners
- Create Consistent Reporting
- Report to the Entire Organization Monthly
- Report Benefit

# POS Tracking Report

											2011 Initiative Totals								
											MHS total	MHS total	MHS total	%MHS total	MHS total	%MHS total			
											\$ 922,628	\$ 1,013,887	\$ 850,438	\$ 8,848,855	\$ 11,798,473	\$12,703,039	93%	13,719,283	86%
New Emdeon Cash Drawer Name	Owner	Director / Administrator	Vice President	Meets Monthly Target	Exceeds Monthly Target	Jul	Aug	\$ 40,76	YTD Total	Trending Annual 20	Meets 2011 Annual	Meets 2011 Annual	Exceeds 2011 Annual Target	Exceeds 2011 Annual					
MMA PUY Neurology	Vonda Miller	David Forsberg	Smokey Stover	\$ 91	\$ 98		\$ 6,376	\$ 5,399	\$ 11,775	\$ 15,700	\$ 1,092	1438%	\$ 1,179	1332%					
GSH Health Resource Center	Vicci King	Jeff Stimpson	Glenn Kasman	\$ 32	\$ 35	\$ -	\$ 150	\$ -	\$ 4,030	\$ 5,373	\$ 388	1385%	\$ 419	1283%					
GSH Cardiac Rehab	Juddy Phillips	Rachanee Curry	Christi McCarren	\$ 42	\$ 45	\$ 730	\$ 233	\$ 264	\$ 4,537	\$ 6,049	\$ 498	1215%	\$ 538	1125%					
MMA TAC Ortho Spine Specialty	Jan Ward	Karen Lone	Smokey Stover	\$ 279	\$ 301	\$ 930	\$ 1,564	\$ 2,698	\$ 13,705	\$ 18,274	\$ 3,345	546%	\$ 3,612	506%					
GH Healthy Reflections	Marisa Cleveland	Mary Grubbs	Smokey Stover	\$ 118	\$ 128	\$ 480	\$ 488	\$ 690	\$ 5,083	\$ 6,777	\$ 1,421	477%	\$ 1,535	442%					
MMA TAC Womens Pelvic Medicine Reconstructive Surgery	Vonda Miller	David Forsberg	Smokey Stover	\$ 629	\$ 679	\$ 2,246	\$ 2,612	\$ 2,350	\$ 20,128	\$ 26,838	\$ 7,546	356%	\$ 8,150	329%					
GSH PTOT	Dale Andersen	Lynn Siedenstrang	Glenn Kasman	\$ 841	\$ 908	\$ 1,810	\$ 1,714	\$ 638	\$ 21,590	\$ 28,786	\$ 10,086	285%	\$ 10,893	264%					
MMA PUY Pain Management	Trisha Ballard	Karen Abbott	Smokey Stover	\$ 244	\$ 263	\$ 732	\$ 861	\$ 807	\$ 6,216	\$ 8,288	\$ 2,924	283%	\$ 3,157	262%					
MMA Kent Clinic	Debra Torrelli	Karen Graham	Smokey Stover	\$ 10,420	\$ 11,254	\$ 23,864	\$ 29,877	\$ 25,428	\$ 257,534	\$ 343,379	\$ 125,041	275%	\$ 135,044	254%					
MMA Spanaway Urgent Care	Patty Carr	Dixi Gerkman	Smokey Stover	\$ 4,388	\$ 4,739	\$ 11,103	\$ 12,211	\$ 9,174	\$ 101,987	\$ 135,983	\$ 52,655	258%	\$ 56,867	239%					
MB CMCC	Amy Mazza	Rob Lenza	Smokey Stover	\$ 60	\$ 65	\$ 70	\$ 416	\$ 220	\$ 1,381	\$ 1,842	\$ 723	255%	\$ 780	236%					
MMA COV	Juliet Baker	Hugh Kodama	Smokey Stover	\$ 28,874	\$ 31,184	\$ 80,310	\$ 82,599	\$ 59,121	\$ 646,808	\$ 862,411	\$ 346,484	249%	\$ 374,203	230%					
MMA TAC Ortho	Sandra Holbrook	Karen Lone	Smokey Stover	\$ 207	\$ 223	\$ 221	\$ 160	\$ 135	\$ 4,541	\$ 6,055	\$ 2,479	244%	\$ 2,677	226%					
MMA GH Multispecialty	Linda Smith	Mary Grubbs	Smokey Stover	\$ 1,790	\$ 1,934	\$ 4,896	\$ 5,568	\$ 3,053	\$ 38,293	\$ 51,058	\$ 21,486	238%	\$ 23,204	220%					
MB Peds Neurology	Amy Mazza	Rob Lenza	Mady Murrey	\$ 1,144	\$ 1,236	\$ 3,946	\$ 3,122	\$ 3,378	\$ 24,214	\$ 32,285	\$ 13,733	235%	\$ 14,832	218%					
MMA NS Womens Center	Sandy Taylor	Karen Graham	Smokey Stover	\$ 1,501	\$ 1,621	\$ 3,644	\$ 4,977	\$ 4,353	\$ 30,445	\$ 40,593	\$ 18,013	225%	\$ 19,454	209%					
MMA TAC Neuro & Neurosurgery	Vonda Miller	David Forsberg	Smokey Stover	\$ 1,102	\$ 1,190	\$ 2,314	\$ 3,666	\$ 3,708	\$ 21,246	\$ 28,328	\$ 13,224	214%	\$ 14,282	198%					

Create tracking that is specific to departments and owners. Provide annual targets and track with a red green or yellow status monthly.

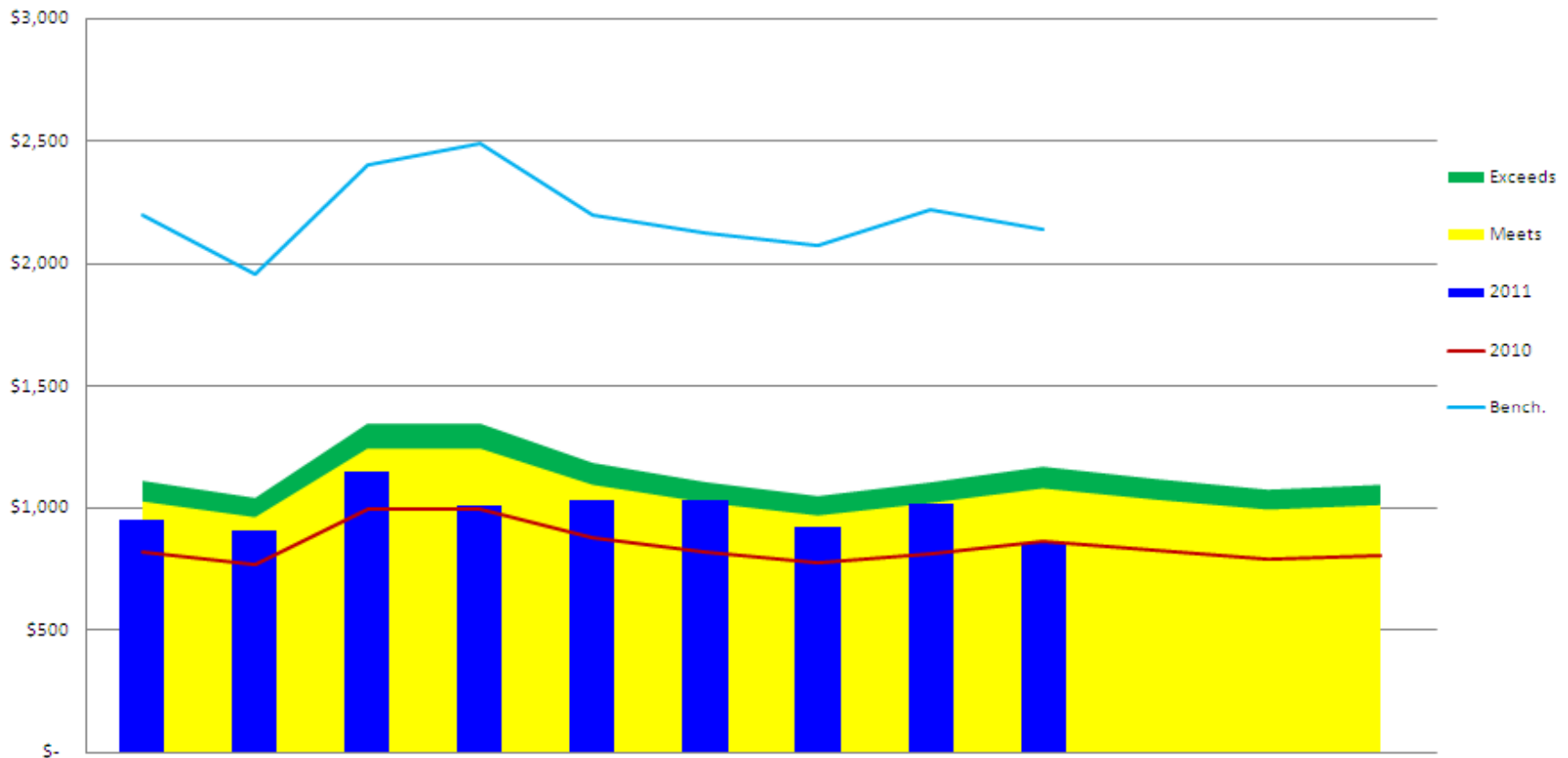
High-level reporting for all leaders in the organization

MultiCare Health System

**Financial Sustainability**

Monthly Point of Service Collections (000's)

Sept 2011



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Exceeds	\$ 1,109	\$ 1,039	\$ 1,343	\$ 1,343	\$ 1,182	\$ 1,104	\$ 1,047	\$ 1,103	\$ 1,167	\$ 1,117	\$ 1,073	\$ 1,093	\$ 10,437
Meets	\$ 1,027	\$ 962	\$ 1,244	\$ 1,244	\$ 1,095	\$ 1,022	\$ 969	\$ 1,021	\$ 1,080	\$ 1,034	\$ 993	\$ 1,012	\$ 9,664
Benchmark*	\$ 2,198	\$ 1,956	\$ 2,406	\$ 2,490	\$ 2,197	\$ 2,122	\$ 2,070	\$ 2,221	\$ 2,138				\$ 13,368
2011	\$ 947	\$ 908	\$ 1,144	\$ 1,009	\$ 1,027	\$ 1,027	\$ 923	\$ 1,014	\$ 850	\$ -	\$ -	\$ -	\$ 8,849
2010	\$ 821	\$ 770	\$ 995	\$ 995	\$ 876	\$ 818	\$ 775	\$ 817	\$ 864	\$ 827	\$ 795	\$ 810	\$ 8,558

# Defined DNFB Process

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The importance of the DNFB process and getting your organization's buy-in

# Strategy for Measurement

- Create System Policy to Support Process
- Identify a Senior Leader Champion
- Identify an Operational Leader
- Create Consistent Reporting including Detailed Targets with Owners
- Report to Owners and Escalation Point Daily



# DNFB Policy

## Procedure:

- A.) Department Directors/Managers will be the designated accountable and responsible owners for their specific department DNB & Claim Edit work queues.
- B.) Department Directors/Managers will designate specific WQ users to process daily Claim Edits and accounts held in the DNB WQs. This will include back-up staff for processing accounts in the absence of regularly assigned staff.
- C.) After go-live, Directors/Managers may request additional specific WQ changes from the Billing Manager in Patient Financial Service (PFS).
- D.) Accounts in the department DNB/Claim Edit WQ will be reviewed and processed daily for errors. *\*Note: Patients with accounts in the DNB/Claim Edit WQ will "bill hold" until all errors are cleared.*
  - 1. Accounts being held for longer than 72 hours must be escalated for management intervention.
- E.) Revenue Cycle Management will monitor DNB/Claim Edit WQs through a twice a week calls with accountable owners.
- F.) Revenue Cycle Management will report daily via the DNFB Report any department DNB/Claim Edit WQs that exceed thresholds identified in C-1.

# DNFB Policy

- G.) Department Directors/Managers will investigate and resolve the cause of DNB/Claim Edit WQs exceeding thresholds:
  1. Resource allocation issues – address according to department policies and procedures consistent with responsibility assigned to items A & B.
  2. Additional education for end users – make request to Revenue Cycle Education & Performance.
  3. DNB/Claim Edit WQ logic – report issue to Hospital Billing Manager.
- H.) Department Directors/Managers will identify resolution plan immediately upon notification of issue with expected resolution to occur within 24 hours from identification of problem.
- I.) Issues unresolved within 72 hours from identification of problem will be escalated to appropriate Administrator for resolution.

# Daily Reporting to Support Policy

## DNFB Daily Summary Report

Friday, November 04, 2011

Run Date: 11/4/2011

Day of Week: Friday

### Grand Total

Service Area:	MultiCare Health System	Friday Control Limit	Today	Previous Friday	% Change	Yesterday	% Change
Service Area Totals:	\$22,455,453.60		\$25,720,809.00	\$31,702,617.00	-19%	\$35,795,008.00	-28%
Avg Daily Revenue:	\$10,137,802.00	AR Days in CFB: 2	2.54	3.13	-19%	3.53	-28%

### DNB/StopBill

INFORMATION SERVICES	Frances Pele	Jenn Marconi	Jane Cahill	\$179,643.63	\$243,087.00	\$132,329.00	84%	\$257,137.00	-5%
Billing	Rena Cardenas	Mary Thomas	Bethany Sexton	\$2,694,654.43	\$6,786,440.00	\$3,654,874.00	86%	\$6,112,330.00	11%
CHARGE CAPTURE	Multiple Owners	MJ Callahan	Jenn Mykland	\$1,077,861.77	\$20,476.00	\$178,613.00	-89%	\$4,176.00	390%
CHARGE ROUTER	Multiple Owners	MJ Callahan	Jenn Mykland	\$179,643.63	\$187,309.00	\$154,055.00	22%	\$148,413.00	26%
CLINICAL FINANCE	Susan Campanelli	Kathy Smith	Kathy Smith	\$3,053,941.69	\$3,597,841.00	\$6,210,320.00	-42%	\$3,421,450.00	5%
CODING	Sherry Marrs	Lara Broussard	Jenn Mykland	\$3,952,159.83	\$2,301,046.00	\$3,185,370.00	-28%	\$3,826,088.00	-40%
FOLLOW UP	Tonia Drasher	Marion Nitchmann	Bethany Sexton	\$718,574.52	\$1,787,535.00	\$3,421,714.00	-48%	\$2,678,331.00	-33%
HIM	Michelle Hallberg	Karla Brooks	Terri Hall	\$3,952,159.83	\$8,139,349.00	\$8,713,485.00	-7%	\$8,438,320.00	-4%
UM	Multiple Owners	Lisa H. & Deena H.	Kathy Smith	\$179,643.63	\$100,784.00	\$3,466.00	2808%	\$133,636.00	-25%
LABORATORY	Tracy Goretti	Diana Geary	John Joyce	\$718,574.52	\$1,868,607.00	\$1,766,837.00	6%	\$2,440,596.00	-23%
MMA	Tracie Hoffman	Shannon Lane	Smokey Stover	\$359,287.26	\$111,408.00	\$166,040.00	-33%	\$159,514.00	-30%
RADIOLOGY	Multiple Owners	Christina Miller	Jim Sapienza	\$179,643.63	\$210,174.00	\$203,283.00	3%	\$510,239.00	-59%
REGISTRATION	Multiple Owners	Courtney Peterson	Bethany Sexton	\$179,643.63	\$157,322.00	\$426,678.00	-63%	\$230,533.00	-32%
REHAB	Brenda Schroeder	Lynn Siedenstrang	Glenn Kasman	\$179,643.63	\$386,180.00	\$817,417.00	-53%	\$653,742.00	-41%
<b>Total:</b>				\$17,964,362.88	\$25,617,554.00	\$28,594,391.00	-10%	\$28,614,165.00	-10%

# Vendor Management

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Don't be asleep at the wheel

# Strategy for Vendor Management

- Determine Owner for each Vendor
- Perform Daily or Weekly Reconciliation
- Set Performance Metrics
- Utilize as Many Internal Independent Measures as Possible
- Track Performance as Well as Cost

# Vendor Dashboards

## HB Vendor Tracking Dashboard

Month End: Oct-10

### Bad Debt

Indicators / Measures	Vendor A	Vendor B	Target
1) SPAI RR	5%	18%	
2) Self Pay RR	10%	2%	
3) Total RR	7%	7%	>8%

*Note: Values are for rolling 12 months through 11/30/16*

### Eligibility

Indicators / Measures	Vendor A	Vendor B	Vendor C
1) Accepted	32%	22%	24%
2) Approved	81%	111%	39%
3) Total Billed YTD	\$ 17,497,958	\$ 33,642,242	\$ 34,905,292

*Note: Values are for rolling 12 months through 11/30/16*

### EOV

Indicators / Measures	Vendor A	Vendor B	Target
1) True SP % >120 Days	2%	13%	<1%
2) % SPAI 5 >30 Days	69%	75%	<50%
3) SPAI Ratio >30 Days <i>on a Rolling 3 Months</i>	44%	29%	<20%
4) Overall Yield	27%	28%	>40%

*Note: Values are for rolling 12 months through 11/30/16*

### Post Billing Eligibility Verification Epic

Indicators / Measures	Monthly	Total	Target
1) Net Benefit	\$ 6,616	\$ 348,012	
2) % Found	0.43%	0.81%	

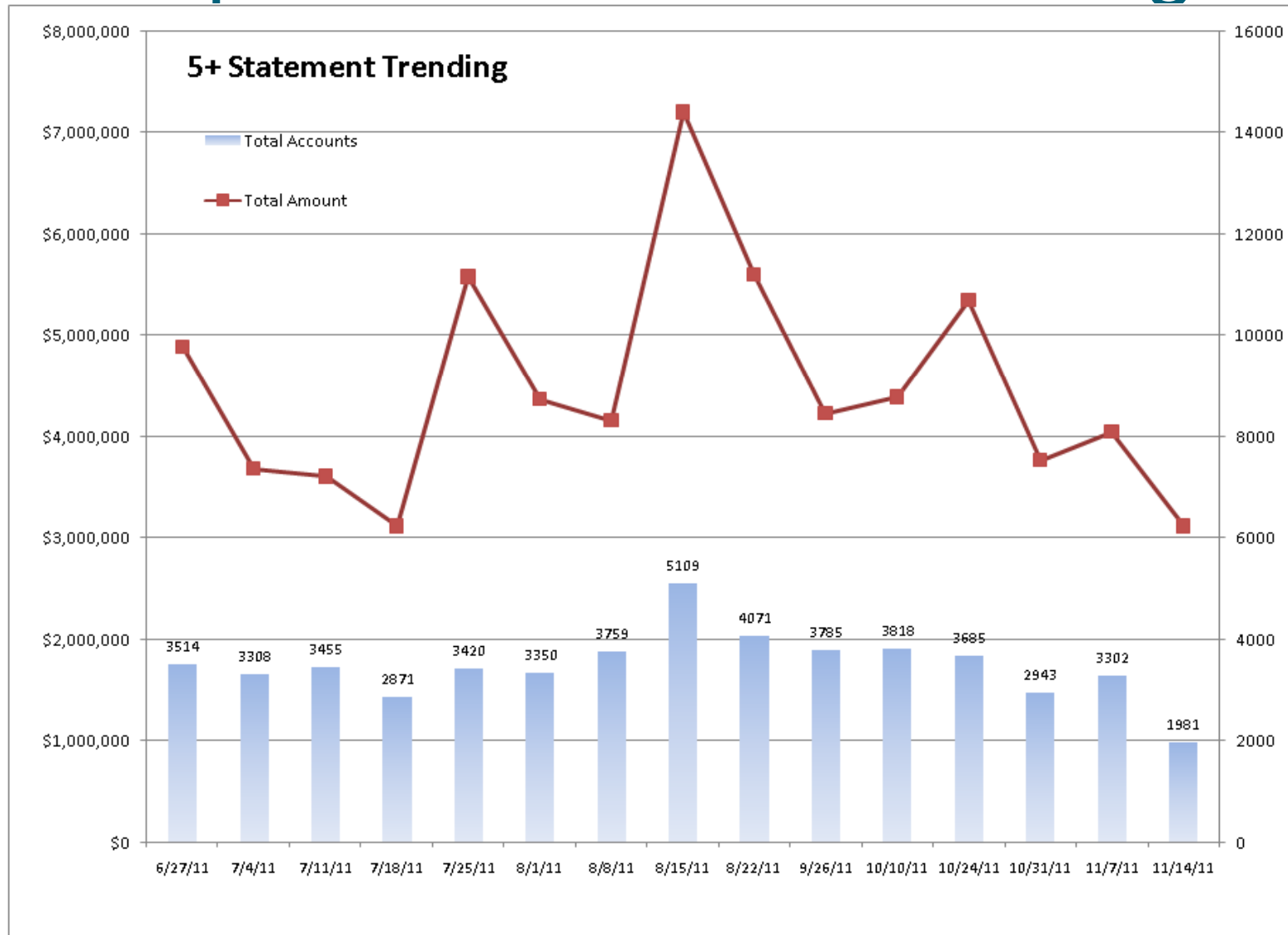
*Note: Values are for rolling 12 months through 11/30/16*

### Dialer

Indicators / Measures	Vendor A	Vendor B	Vendor C
1) Abandoned Calls	1%	NA	4%

### TPL Scorecard

# Independent Vendor Tracking



# Vendor Cost Analysis

- Review contracts annually
  - Add performance based language to contracts
  - Be diligent about not just allowing evergreen contracts
  - Add payment language that benefits organization
- Validate invoices with audits of work