

PATIENT FRIENDLY BILLING PROJECT:

DEVELOPING A CULTURE OF REVENUE CYCLE EXCELLENCE

Positive changes in hospital culture have been proven to drive significant improvements in revenue cycle performance. Learn five key strategies for building a culture of revenue cycle excellence.



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ABOUT THE PATIENT FRIENDLY BILLING PROJECT

The **PATIENT FRIENDLY BILLING**[®] project is a collaborative endeavor spearheaded by HFMA to promote clear, concise, and correct patient friendly financial communications. The project is based on the following ideals:

- The needs of patients and family members should be paramount when designing administrative processes and communications.
- Information gathering should be coordinated with other providers and insurers, and this collection process should be done efficiently, privately, and with as little duplication as possible.
- When possible, communication of financial information should not occur during the medical encounter.
- The average reader should easily understand the language and format of financial communications.

- Continuous improvement of the billing process should be made by implementing better practices and incorporating feedback from patients and consumers.

Notable **PATIENT FRIENDLY BILLING** reports over the past several years have included *Strategies for a High-Performance Revenue Cycle* (Fall 2009), *Reconstructing Hospital Pricing Systems* (Summer 2007), *Consumerism in Health Care—Achieve a Consumer-Oriented Revenue Cycle* (Summer 2006), and *Hospitals Share Insights to Improve Financial Policies for Uninsured and Underinsured Patients* (February 2005). Most recently, the **PATIENT FRIENDLY BILLING** project has begun to explore optimal practices for the revenue cycle.

To access more information about high-performance revenue cycles and stay abreast of current project activities, see the **PATIENT FRIENDLY BILLING** website at www.hfma.org/pfb.

HFMA'S PATIENT FRIENDLY BILLING PROJECT:
Developing a Culture of Revenue Cycle Excellence
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MESSAGE FROM THE PRESIDENT AND CEO

DEAR FRIENDS,

In an environment of healthcare reform, ensuring that hospital revenue cycle operations are performing efficiently, effectively, and with the highest regard for excellence in service and performance is critical. Developing a culture of revenue cycle excellence is the foundation for high performance—and in this report, representatives from high-performing organizations share five key strategies for building such a culture.

Developing a Culture of Revenue Cycle Excellence is the most recent report to be released by the **PATIENT FRIENDLY BILLING®** project, a collaborative endeavor spearheaded by HFMA to promote clear, concise, and correct patient friendly financial communications. Sponsored by Emdeon, *Developing a Culture of Revenue Cycle Excellence* is based on interviews with organizations that were awarded HFMA's MAP Award for High Performance in Revenue Cycle.

We hope the strategies highlighted in this report will help hospitals elevate the importance of excellence in revenue cycle operations within their organizations for the benefit of the communities they serve.

Sincerely,



Richard L. Clarke, DHA, FHFMA
President and CEO
Healthcare Financial Management Association



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healthcare financial management association

EXECUTIVE SUMMARY

One of the best avenues for hospitals to improve revenue cycle performance is to focus on making positive changes to staff perceptions and culture. As part of HFMA's **PATIENT FRIENDLY BILLING**[®] project, HFMA spoke with representatives from four organizations that were awarded HFMA's MAP Award for High Performance in Revenue Cycle to determine strategies for developing a culture of revenue cycle excellence. Five key facets of a culture of revenue cycle excellence were identified.

Engaging revenue cycle staff in enhancing individual performance. Revenue cycle work is exciting, leaders at high-performing hospitals say. In organizations that excel in revenue cycle operations, the enthusiasm of revenue cycle staff for the work that they do is critical. Nurturing a spirit of enthusiasm begins with ensuring that staff have the education they need to do their jobs well, access to quality data that help them improve individual performance, and a clear understanding of their roles and responsibilities.

Using key performance indicators (KPIs) to track and improve revenue cycle performance. Embracing KPIs to track revenue cycle performance can help hospitals identify trends in performance and proactively address areas in need of attention, leaders for high-performing organizations say. Throughout the entire revenue cycle, KPIs reflect specific targets, some of which incorporate **PATIENT FRIENDLY BILLING** principles. At high-performing organizations, revenue cycle executives meet regularly with department leaders to review performance data. When performance falls below targets, department leaders are asked what support they need to ensure the continued success of the revenue cycle.

Encouraging collaboration between the revenue cycle team and key leaders and departments. High performers take steps to elevate the importance of the revenue cycle throughout the organization. Building a

spirit of collaboration with departments throughout the hospital whose efforts contribute to the organization's revenue cycle success is key. High-performing organizations offer revenue cycle education to departments and leaders throughout the organization and provide the support needed to improve performance. A high respect for revenue cycle initiatives by senior leaders also is critical, and elevates the visibility of the revenue cycle.

Ensuring that the revenue cycle team has a high level of IT support. Maintaining a dedicated IT staff for revenue cycle and investing in technologies that support performance improvement are both strategies that high-performing revenue cycle organizations have incorporated to sustain and support a culture of revenue cycle excellence. Hiring IT personnel who work solely with revenue cycle departments provides these departments with the technological support to respond quickly when issues with technologies or initiatives arise. High-performing organizations also adopt technologies that help their employees become more efficient and effective.

Celebrating revenue cycle successes. Recognition for staff at every level of the revenue cycle, as well as staff in other departments whose support is critical to revenue cycle success, also is important in developing a culture of revenue cycle excellence, high-performing revenue cycle organizations say. One organization keeps a chest full of dollar-store items in its revenue cycle areas to reward employees who reach certain targets. Revenue cycle leaders for another organization take staff and their families to the movies during the holiday season to thank staff for their hard work. High-performing hospitals also offer recognition for excellent performance by revenue cycle staff and those in key departments whose work supports revenue cycle success.

DEVELOPING A CULTURE OF REVENUE CYCLE EXCELLENCE

The importance of a hospital's culture in driving revenue cycle excellence has been cited in recent *PATIENT FRIENDLY BILLING*® research and by hospitals that have been lauded for their revenue cycle performance.

Positive changes in hospital culture and the mind-set of staff have been proven to fuel significant improvements in revenue cycle performance. High-performing revenue cycle hospitals elevate the importance of the revenue cycle by ensuring that all employees understand how their work contributes to the organization's revenue cycle performance. They also educate staff regarding why excellence in revenue cycle operations is important: to support efforts to provide high-quality care and service for the communities they serve.

What are key ways that hospitals can develop a culture of revenue cycle excellence? HFMA spoke with representatives from four organizations that were awarded HFMA's MAP Award for High Performance in Revenue Cycle and discussed key facets of a culture of revenue cycle excellence:

- Engaging revenue cycle staff in enhancing individual performance
- Using key performance indicators (KPIs) to track and improve revenue cycle performance
- Encouraging collaboration between the revenue cycle team and key leaders and departments
- Ensuring that the revenue cycle team has a high level of IT support
- Celebrating revenue cycle successes

STRATEGY NO. 1: ENGAGING REVENUE CYCLE STAFF IN ENHANCING INDIVIDUAL PERFORMANCE

Revenue cycle work is exciting, leaders at high-performing hospitals say. In organizations that excel in revenue cycle operations, the enthusiasm of revenue cycle staff for the work that they do is critical.

Nurturing a spirit of enthusiasm begins with ensuring that staff have the education they need to do their jobs well, access to quality data that help them improve individual performance, and a clear understanding of their roles and responsibilities.

Jane Berkebile, vice president, revenue cycle, OhioHealth:

We think revenue cycle is fun. We like setting targets and beating them. At the individual staff person level, we ensure that all employees within the revenue cycle know what their objectives are and their level of performance at any given time, and that they are held accountable for their performance. We use a number of different systems that track performance down to the individual level, such as a registration quality assurance system that each staff member has access to; this system informs staff of any errors they've made, allows staff to correct their own errors, and enables staff to check on their progress. An automated system in billing and collection tells staff their days in accounts receivable (A/R) and shows them where their high-dollar accounts are as well as the priorities they should be working on. Every staff person has access to their performance data; they don't have to ask anyone for the data.

HOW MANY DAYS OF INITIAL REVENUE CYCLE TRAINING ARE REQUIRED FOR THE FOLLOWING POSITIONS?

High Performers					
	1 day or less	2-3 days	3-5 days	5-10 days	>10 days
Registrars	0%	14%	14%	14%	57%
Billers	0%	14%	14%	14%	57%
Collectors	0%	7%	21%	21%	50%
Financial Counselors	0%	7%	14%	14%	64%
All Others					
	1 day or less	2-3 days	3-5 days	5-10 days	>10 days
Registrars	7%	11%	15%	25%	42%
Billers	4%	10%	7%	25%	54%
Collectors	5%	9%	10%	30%	47%
Financial Counselors	5%	7%	11%	26%	52%

Source: *Strategies for a High-Performing Revenue Cycle*, Fall 2009, *PATIENT FRIENDLY BILLING* Project.

At OhioHealth, we've conducted an associate opinion survey each of the past four years. The strongest and most consistent message we receive from our staff is that they know exactly what they're supposed to do, what their objectives are, and their level of performance at any given time.

Doug Carter, CFO, Brookwood Medical Center, Birmingham, Ala.: We actually have dedicated trainers onsite for our front-end staff, because we recognize that the efforts of our front-end staff are integral to revenue cycle performance. When our trainers find that some re-education is needed, they're able to jump in and help any member of our registration staff. We also have front-end edits in our system that ensure that data are populated correctly and that allow staff to correct their own errors in real time. And our registrar quality assurance system rates each registrar's performance; those scores are used to calculate merit increases.

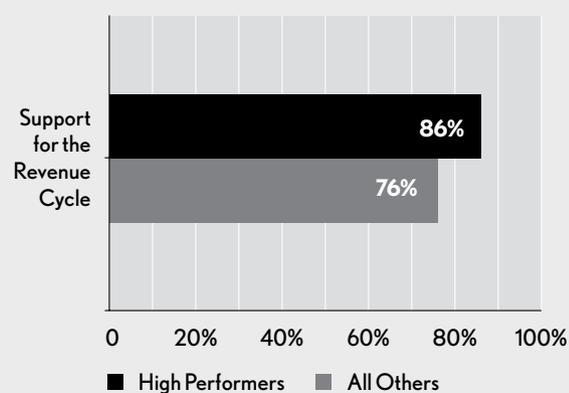
We also encourage our staff to obtain certification. Staff who achieve certification receive an increase in pay, so there is an incentive for them to reach that goal.

Bill Klutkowski, CPA, assistant vice president of finance, The Valley Hospital, Ridgewood, N.J.: At The Valley Hospital, we've created a 'finance morale committee' to discuss issues that could affect employee satisfaction and ways to boost the spirits of staff. Investments in building the morale of our revenue cycle staff have led to significant increases in employee satisfaction scores for our revenue cycle team.

LEVEL OF SUPPORT FOR THE REVENUE CYCLE

Please tell us about support for revenue cycle at your organization (1 = None to 7 = Extremely High).

Percentage indicating 6 or 7



Source: *Strategies for a High-Performing Revenue Cycle*, Fall 2009, PATIENT FRIENDLY BILLING Project.

STRATEGY NO. 2: USING KPIS TO TRACK AND IMPROVE REVENUE CYCLE PERFORMANCE

Embracing KPIs such as HFMA's MAP Keys to track revenue cycle performance can help hospitals identify trends in performance and proactively address areas in need of attention, leaders for high-performing organizations say.

Eric Schick, vice president of finance, Saint Francis Hospital, Tulsa, Okla.: My CEO believes that measuring performance is critical to our ability to improve performance. The use of KPIs is an important part of this process. Throughout the entire revenue cycle, from the business office to patient access to healthcare information management and managed care, each revenue cycle department or function has monthly or weekly scorecards with KPIs that reflect specific targets. Some of the targets incorporate **PATIENT FRIENDLY BILLING** principles.

I meet with the leaders for each area of the revenue cycle every two weeks to review performance data. If performance falls outside of the targets that we've set, we discuss what support the leaders need from me so that their areas of responsibility can get back in line with the goals that have been established and so that we can ensure the continued success of the hospital revenue cycle.

Berkebile: KPIs are extremely important in our everyday operations. They target areas of the revenue cycle that are critical to our success and to patient satisfaction.

At OhioHealth, we have what I will call three levels of KPIs. First are the standard-level KPIs, such as HFMA's MAP Keys. We review data related to these KPIs every month; we know exactly where our performance stands. Behind these data are two different levels of KPIs: department-specific KPIs and KPIs for individual staff.

Every department within the revenue cycle has its own KPIs. These data are automatically pulled from our systems, so there aren't any opportunities to modify the data. We have daily reviews of data and weekly reviews of data. We also examine our cash position every day to make sure it's exactly where we need it to be, and we predict what our cash position will be for the month.

STRATEGY NO. 3: ENCOURAGING COLLABORATION BETWEEN THE REVENUE CYCLE TEAM AND KEY LEADERS AND DEPARTMENTS

High performers in revenue cycle take steps to elevate the importance of the revenue cycle throughout the organization, not just within finance-related departments. Building a spirit of collaboration with departments throughout the hospital whose efforts contribute to the organization's revenue cycle success is key. A high respect for revenue cycle initiatives by senior leaders also is critical.

Klutkowski: In 2000, when our hospital decided to transform its revenue cycle performance from ‘good’ to ‘great,’ we began to offer revenue cycle education to everyone throughout the hospital—specifics that really mattered to their departments—and provided the support to help people improve performance as it relates to the revenue cycle. Our organization also offers a leadership institute series for department leaders three times a year, and we’ve given presentations to leaders that address common budget issues, expense management, and various aspects of the revenue cycle. When new managers join the hospital, they meet with our director of budgets and reimbursement staff to review their responsibilities. Each of these initiatives helps to set targets and expectations related to the revenue cycle early.

Berkebile: The support from our CEO has been absolutely critical to our ability to gain buy in from various clinical departments and others within the organization. In the past five years, during management team meetings, our CEO has continually noted the importance of the revenue cycle and its performance to our organization and to our communities. Because everyone is cognizant of the importance of the revenue cycle, when we need cooperation in dealing with a revenue cycle issue, everyone is on board, and they’re happy to participate. Elevating the visibility of the revenue cycle through the support of the CEO makes a tremendous difference.

Schick: I meet monthly with the senior vice president of nursing to review the dashboard report cards for each of my revenue cycle departments. We discuss ways that the clinical departments can help the revenue cycle team move forward on each of the goals. Revenue cycle leaders also meet with monthly representatives from service lines that have presented some of the largest areas of opportunity or challenges in the past, such as radiation oncology, outreach lab, cardiology, and the ED, all the way down to the supervisor or manager level. We’ll discuss point-of-service collections and other dashboard performance metrics and discuss ways to improve performance. Meetings such as this help to keep department leaders engaged in the revenue cycle.

I also meet once a month with the senior vice president of nursing and the president of the medical staff to review data regarding medical records completion, which continues to be a challenge for our organization. By working with the president of the medical staff, I’m able to help him understand the effect that incomplete medical records have on our organization from a **PATIENT FRIENDLY BILLING** perspective. If we can solve issues such as this through interactions between the revenue cycle team and our medical staff and clinical and ancillary departments, we can really take our revenue cycle performance to the next level.

Carter: We’ve found that communicating the importance of achieving the revenue cycle goals to every department within the organization is critical. When all the employees in the organization are able to see the big picture, they understand *why* their efforts are important.

At Brookwood Medical Center, we’ve really created a culture of accountability. Our revenue cycle team works with our organization’s clinical and ancillary leaders, physician leaders, and physician practice leaders to ensure that they know the importance of sustaining a strong cash position for the hospital. All of our department heads are responsible for charge reconciliation; they post their results on a shared drive every day. They know that the fruit of their labors is the ability of our organization to purchase capital equipment that enhances their operations.

The support of the senior leadership team also is critical in building support for revenue cycle initiatives. Our chief nursing officer and chief medical officer participate in monthly chart audits and review medical necessity results for Medicare patients—whether we had the orders that were needed, and whether we received the orders on time. When there are problems, they work with individual physicians to ensure that we plug those holes.

STRATEGY NO. 4: ENSURING THAT THE REVENUE CYCLE TEAM HAS A HIGH LEVEL OF IT SUPPORT

Maintaining a dedicated IT staff for revenue cycle and investing in technologies that support performance improvement are both strategies that high-performing revenue cycle organizations have incorporated to sustain and support a culture of revenue cycle excellence.

Berkebile: At OhioHealth, we’ve hired IT personnel who work solely with the revenue cycle team on revenue cycle projects. Because our revenue cycle operations have their own IT staff and director, we don’t have to get in a queue behind the laboratory or clinical documentation system for IT support. I have an IT director and nine IT staff who are at my disposal, which gives me the technology and the expertise to respond very quickly when issues arise. In most hospitals or health systems, it’s very difficult for a revenue cycle department to compete with a clinical department for IT support.

The bottom line is that you need technology that will help your employees become more efficient and effective to achieve high-level revenue cycle performance. At OhioHealth, we’re constantly looking at different types of technology that will make our employees’ jobs easier. For example, more than half of our coding staff are able to work from home by accessing documents from any of our facilities

through our electronic imaging system. Our DNFB (discharge not final billed) days are 4.87, and we have five days in suspension, so you can tell that we're turning those bills over before even the fifth day. In June 2010, we went live with computer-assisted coding; this is a product that I've been extremely excited about. I look forward to seeing what computer-assisted coding will do for OhioHealth as we prepare for ICD-10 and the extent of coding changes that ICD-10 will bring.

It's also important to think outside of the box when it comes to revenue cycle systems. Take risks. Try new things, and get your team thinking about how staff can use new products to improve processes.

Carter: We work with a national IT company that helps manage our revenue cycle processes, and we've invested in some homegrown resources as well. For example, we found a company in Birmingham that had developed a computerized provider order entry process that allows a physician to enter an order, such as a surgery or a diagnostic test. The order is then forwarded to a clinical nurse, who obtains the appropriate authorization numbers, then sends the order to our scheduling department to schedule the case. About half of our medical staff is using this system right now; it's been very successful, and we're working on increasing that percentage. We found that, prior to implementing this system, we were in this constant paper chase, where orders were sent to the wrong fax numbers, or the fax number was out of paper, and we were losing orders. There was a lot of frustration around that process that we've been able to eliminate through the electronic system.

We've also implemented a pricing program that allows us to calculate coinsurance and deductibles at the point of registration; it's very easy for the registration staff to use and enhances our efforts to drive a patient friendly revenue cycle. In medical records, we've developed the ability to download our DNFB, and we work with our ancillary departments and our physicians to get those bills fixed and out the door. And we use a medical necessity screening tool—a compliance checker—that provides the ability to make certain, up front, that the tests that have been ordered meet the necessary requirements for Medicare eligibility. We regularly review the data we collect from these tools, and look for opportunities to improve.

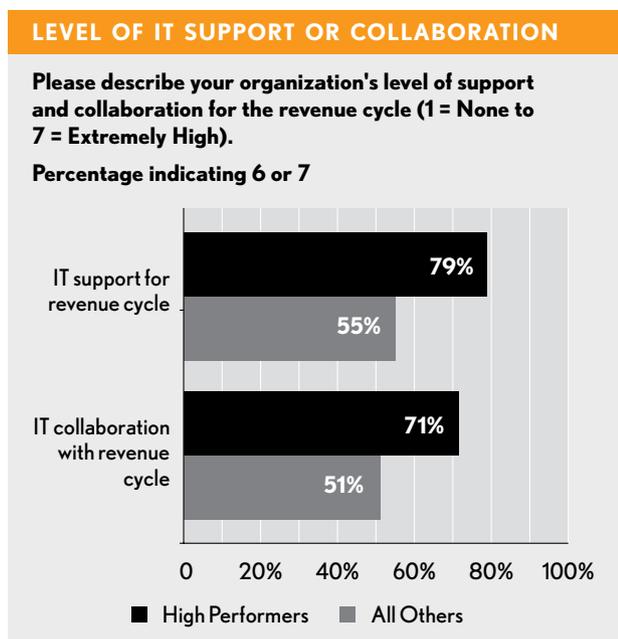
STRATEGY NO. 5: CELEBRATING REVENUE CYCLE SUCCESSES

Recognition for staff at every level of the revenue cycle, as well as staff in other departments whose support is critical to revenue cycle success, also is important in developing a culture of revenue cycle excellence, high-performing revenue cycle organizations say.

Schick: Let your staff know that they are doing a great job and that their efforts are appreciated. We're not able to fund an incentive program for our revenue cycle employees, but we do find ways to recognize their contributions. During the holiday season, we treat them to an afternoon at the movies with their families; when significant goals are achieved, we'll celebrate with a trip to the zoo for our staff. How can you go wrong with that?

Berkebile: We keep a chest full of dollar-store items in our revenue cycle areas to reward employees who reach certain targets. They love it! This year, we also held a 'Right Choice Awards' program to honor individuals and teams who contribute to our organization's revenue cycle success. Staff were nominated by their peers for various awards according to very specific criteria, such as excellence in customer service or productivity. The ceremony took place in a health system auditorium; we served hors d'oeuvres that our revenue cycle leaders helped to prepare and held a formal program. It was very well received by our associates—they were excited to dress up and be recognized for their work—and it wasn't an expensive program for us to produce. We plan to do this every year.

Carter: Something as simple as sending an e-mail or a thank you card in recognition of a job well done can go a long way in making staff feel valued. At our organization, we offer a bonus for registrars who meet performance targets. Our staff appreciate the availability of a bonus and work toward that.



Source: Strategies for a High-Performing Revenue Cycle, Fall 2009, PATIENT FRIENDLY BILLING Project.

Klutkowski: It's important to recognize the efforts of other departments that contribute to your organization's revenue cycle success. Our revenue cycle staff showed their appreciation to employees in other departments by inviting them to a 'sweets party,' complete with a chocolate fountain, cakes, and punch. It was a great opportunity to share in our department's success and to thank employees from other areas for their work in helping us to meet our goals.

SUSTAINING A CULTURE OF REVENUE CYCLE EXCELLENCE

Ultimately, elevating the importance of revenue cycle operations in an organization requires careful attention to three areas: people, processes, and systems. "To be successful, you have to pay attention to each of those elements; you can't just focus on any one of those three," Berkebile says. "You've got to have good, strong, capable people who can think beyond where your revenue cycle operations are and get you there, because you can't be left behind in revenue cycle."

It's also important to create an atmosphere of "systemness" among revenue cycle departments, which will enhance an organization's ability to drive significant improvements in revenue cycle operations, she says. "For example, this past year, all managers for revenue cycle departments at OhioHealth shared a metric for performance with our vice presidents related to increasing patient cash and reducing denials. Everyone in revenue cycle understood the goals we were working toward, and

the initiative really built a spirit of teammanship throughout the organization. Ultimately, we exceeded the targets that were set."

Don't be afraid to start small when looking for ways to build a culture of revenue cycle excellence. "It's important to remember that you have to start somewhere," Schick says. "Don't be afraid to try something new, or to alter an approach that isn't working for your organization."

Continual feedback for managers and employees throughout the hospital will go a long way toward elevating the importance of the revenue cycle throughout the organization, Klutkowski says. "It's important to take the time to sit down with individual departments and talk with them regarding their concerns, because every department is different. For example, what's going on in radiation therapy? What problems is the department experiencing with managed care contracts? What are the concerns of leaders and key stakeholders in the department? It's also important to involve medical records in these discussions, where appropriate, so you can really concentrate on any coding issues that exist and help the department take steps toward improvement."

Carter expresses similar sentiment. "You need to continually be out there with your message; you really have to get out there in the trenches with the leaders of clinical and ancillary departments and explain why achieving excellence in revenue cycle performance is important," he says. "It's a team effort, and without the support of the entire hospital team, your efforts won't be successful."

HFMA'S MAP INITIATIVE

HFMA's MAP initiative gives providers the tools they need to measure revenue cycle performance, apply evidence-based strategies for improvement, and perform to the highest standards of revenue cycle excellence. This new initiative features the following components.

MAP Keys: Defining key indicators of revenue cycle performance. Using MAP Keys, healthcare finance professionals can improve business intelligence, strengthen revenue cycle management, and decide—based on industry-created metrics—where to focus for improvement. To date, the Association has released 19 MAP Keys.

MAP Award: An annual award recognizing healthcare organizations that achieve excellence in the revenue cycle. Sponsored by 3M Health Information Systems, the award recognizes healthcare organizations that are distinctive, innovative, and effective in revenue cycle process improvements and patient satisfaction. In addition, it recognizes sustainable financial performance that serves the mission of the organization.

MAP App: A tool being piloted for tracking a provider's performance throughout the revenue cycle and comparing performance



with that of other organizations. The MAP App also offers tips on evolving best practices and includes a community discussion forum for airing common concerns. HFMA plans to roll out the tool for general use in late 2010.

MAP Event: An event where evidence-based lessons from leaders in revenue cycle performance are shared with providers. HFMA's MAP Events will bring together the best ideas on how to improve revenue cycle performance.

For more information about HFMA's MAP initiative, visit www.hfma.org/map.

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The Healthcare Financial Management Association (HFMA) provides the resources healthcare organizations need to achieve sound fiscal health in order to provide excellent patient care. With more than 35,000 members, HFMA is the nation's leading membership organization of healthcare finance executives and leaders. We provide education, analysis, and guidance; we lead change and innovative thinking; and we create practical tools and solutions that help our members get results. Addressing capital access to improved patient care to technology advancement, HFMA is an indispensable resource on healthcare finance issues.

ABOUT THE SPONSOR OF THIS HFMA REPORT



Emdeon is a leading provider of integrated revenue cycle management solutions and services that help hospitals and healthcare professionals optimize their cash flow management while reducing administrative costs. Emdeon partners with hospitals and healthcare professionals to enhance revenue cycle management and to save time and money. Emdeon is a single-vendor partner, offering comprehensive, end-to-end revenue cycle management solutions accessing the largest payer network in the industry.