An Executive Summary:

Strategies for a High-Performance Revenue Cycle

A Report from the

PATIENT FRIENDLY BILLING® Project

hfma™
healthcare financial management association

An Executive Summary: Strategies for a High-Performance Revenue Cycle

A high-performance revenue cycle is vital in today's environment. Providers of care are being buffeted by significant economic and financial challenges. And pressures continue to mount given increasingly complex payer rules, rising bad debt, and a rapidly changing regulatory environment.

For today's hospitals, ensuring payment of all that is appropriately due to them has become critical for continuing their missions of care. Yet all too often leadership is unable to discern how to focus organizational efforts accordingly.

Satisfying consumer needs, protecting margin, and maintaining business operations that will be nimble enough to respond to the challenging times requires constant prioritization and a clear understanding of actions likely to yield greatest success. Deciding which strategies will optimize the organization's limited resources to ensure support for care delivery is one of the greatest challenges the senior executive leadership will face.

Recognizing the industry's urgent need for such guidance, a group of researchers from the *PATIENT FRIENDLY BILLING*® project, a not-for-profit collaborative endeavor spearheaded by HFMA, recently set out to identify what makes some healthcare organizations do a better job than others when it comes to achieving high patient satisfaction and financial performance. Assisted by strategic advisory firm Noblis, this undertaking was extensive; primary research included visits to high-performing sites across the nation and interviews with numerous executives and revenue cycle staff.

The culmination of these efforts is the release of the report, *Strategies for a High-Performance Revenue Cycle*. The following is an executive summary of this report, highlighting some of the key research findings discussed and associated strategic practices that organizations will need to adopt to better position themselves for the future. The full report, which includes guidance for revenue cycle leadership, additional examination of research, and numerous case studies demonstrating practical applications of the high-performance strategies, is available on the Patient Friendly Billing web site at www.patientfriendlybilling.org.

How Were Strategies Identified?

Researchers analyzed data from more than 5,000 nongovernment, short-term acute hospitals, and rated these organizations' financial and patient satisfaction performance using criteria such as days in accounts receivable, patient willingness to recommend the organization, return on assets, and operating margin. Researchers then conducted site visits with 14 of the high-performing hospitals, with consideration given to diversity in geography, size, ownership status, and other factors. Finally, researchers surveyed hospitals across the industry to identify commonalities and contrasts with practices in place at high performers.

This page intentionally left blank.

Key Findings

Strategies to support revenue cycle high performance vary greatly by organization. Some high performers believe strongly in centralized registration while others do not. Some place great priority on address verification and Medicaid eligibility while others focus elsewhere. Differences can even be seen among the metrics that organizations use to track performance and identify opportunities for improvement. Still, researchers did note several commonalities:

- High performers have an organizational culture that elevates the importance of the revenue cycle.
- High performers master areas important to their particular circumstances. They don't necessarily focus on the same revenue cycle areas as others for improvement, but they target those elements most crucial to their success. Simply put: They are good at what they need to be good at.
- High performers accelerate improvements. High performers aren't just good at setting goals; they are good at how they take action and execute strategies to achieve these goals.

Perhaps most significant, researchers discovered that it's possible to achieve high performance regardless of particular financial means or patient mix. Although high performance was seen slightly more often at system-based hospitals, numerous standalone facilities were high performers as well. Excellence was seen in settings urban and rural, large and small.

Given such widespread relevance, the Patient Friendly Billing project encourages CEOs and other senior-level executives to use the strategies that follow as a means for identifying their organizations particular revenue cycle needs and driving organizational interest appropriately. Executive-level engagement in this effort is critical for ensuring that a high-performance revenue cycle is not only a top priority but also ingrained in daily practice. The reward of such pursuits is increased resources available to support and strengthen all areas within the organization.

High-Performing Contributors

Patient Friendly Billing project leaders express their deepest appreciation to the following high-performing hospitals for their willingness to share their expertise through onsite visits and extensive interviews.

- Baptist Hospital of Miami
- Baylor All Saints Medical Center at Fort Worth
- Bergan Mercy Medical Center
- Carolinas Medical Center
- CHRISTUS St. John Hospital
- Geisinger Medical Center
- Henry County Health Center
- Legacy Meridian Park Hospital
- Oaklawn Hospital
- Redmond Regional Medical Center
- Sharp Grossmont Hospital
- Spectrum Health Grand Rapids
- Touchette Regional Hospital
- The Valley Hospital

This page intentionally left blank.

High-Performance Strategies

To best understand how high-performing organizations differ from others in executing core revenue cycle strategies, researchers examined competencies in six key areas: people, processes, technology, metrics, communication, and culture. The following recommendations are based on how these high performers compared with other hospitals and health systems in relation to these areas.

People

Establish high standards for hires. High performers were very selective in their hiring decisions. Some organizations emphasized recruiting those with a minimum level of education or experience, while others underscored the importance of personality attributes such as a customer-focused demeanor. Regardless of approach, what often differentiated these organizations from their peers was a steadfast conviction to hire only the most appropriate and qualified staff, even when faced with potentially limited pools of qualified candidates.

Devote significant resources to education. Also common to organizations with high-performing revenue cycles is that they spend significant time training and educating new and existing employees. Many required

certifications or completion of particular training programs as a condition of hire or within a certain period after hire for specific positions. Most of the organizations devoted at least 10 days to training and educating new employees, with some offering significantly more.

Take a career approach to revenue cycle positions. Front-line revenue cycle positions often are filled by staff with limited experience and can be particularly prone to high levels of turnover, creating expense and turmoil. One way high performers are addressing this challenge is by creating career paths or ladders for various positions. Lower-level positions are designed in such a way that staff can eventually be promoted to other positions with increased compensation and responsibility based on meeting requirements such as tenure, experience, expanded training/attainment of professional certification, performance, or successful completion of an exam.
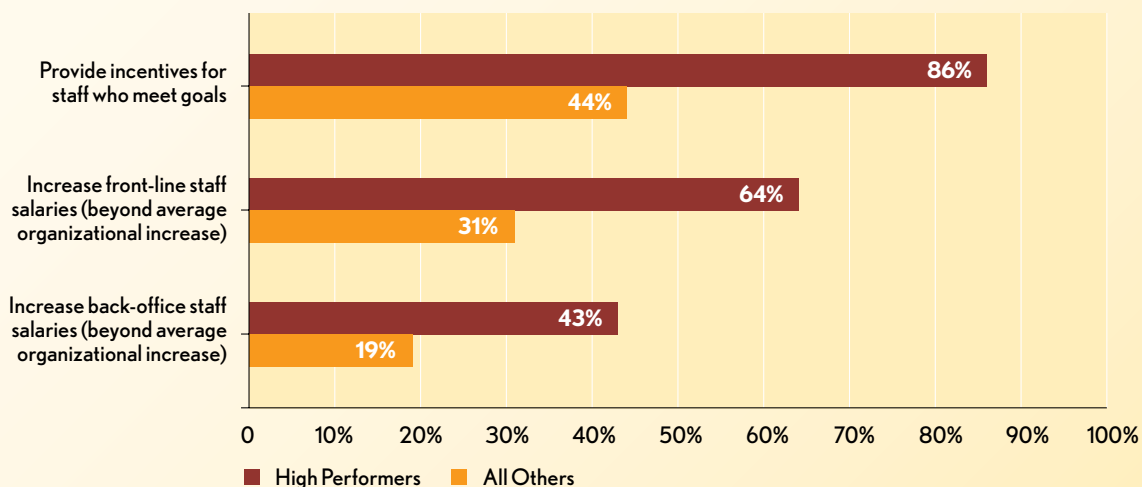
Leverage compensation for employee satisfaction. Also key to combating turnover is providing competitive compensation. High performers were more likely than other organizations to use compensation increases or incentive plans as a means for elevating staff competencies or recruiting/retaining staff.

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%**

Which of the following strategies have you employed to elevate staff competencies or to recruit and/or retain high performers?

Provide incentives for staff who meet goals	High Performers: 86% / All Others: 44%
Increase front-line staff salaries (beyond average organizational increase)	High Performers: 64% / All Others: 31%
Increase back-office staff salaries (beyond average organizational increase)	High Performers: 43% / All Others: 19%

0 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ High Performers   ■ All Others

High Performers' Advice: Think Flexibility

A number of high-performing organizations (64 percent) offer flexible work arrangements, including options for some staff to work from home offices, select part-time work to reduce hours, or work nontraditional hours (for example, beginning early, starting late, or putting in time over the weekend). Such perks typically have little or no cost impact to the department and, in some cases, may actually provide savings. Some high performers noted they were able to attract and retain the best employees in the market through such innovative arrangements.

Processes

Use formal structures to obtain stakeholder input. Most hospitals with high-performing revenue cycles have very specific ways they leverage relationships, focusing at organization, consumer, physician, and payer levels around process improvement needs.

Organization. Two types of teams typically address process improvements. The first type is a team that performs oversight functions. Members meet at least once a month to monitor and evaluate key financial and revenue cycle metrics, with an emphasis on identifying trends and developing overall strategies for improvement. Typically this team is led by the CFO or a senior revenue cycle executive and includes directors or managers from the key revenue cycle departments, such as scheduling, registration, financial counseling, billing, and customer service.
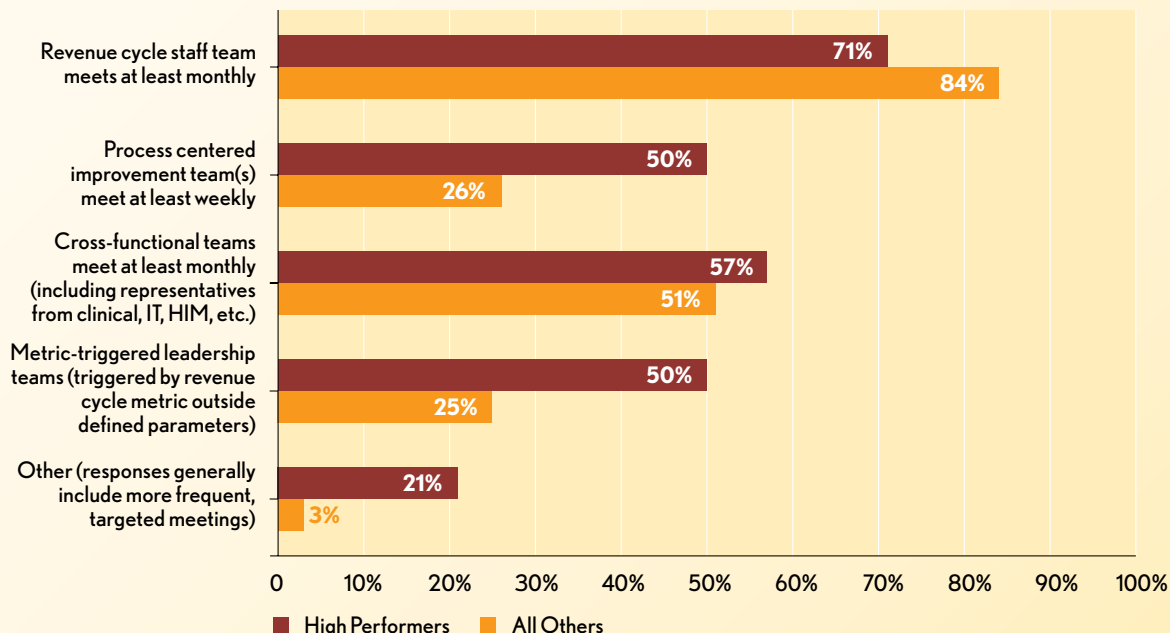
The second type of team is project based. These teams focus on a specific area of the revenue cycle or are specially created to address a particular issue or task, such as managing response to a new software implementation. Regardless of whether the project-based team meets routinely or on a temporary basis, it generally includes participants from financial service areas as well as IT, physician relations, regulatory compliance, and/or clinical departments. Most high performers also have periodic mechanisms in place for soliciting employee input or feedback into processes.

High Performers' Advice: Keep Meetings Mostly Project- or Problem-Focused

Research shows high performers tend to have fewer overall revenue cycle meetings, but more meetings targeted on specific issues than other organizations.

Revenue Cycle Teams: Design and Meeting Frequency

Please tell us about your revenue cycle teams.

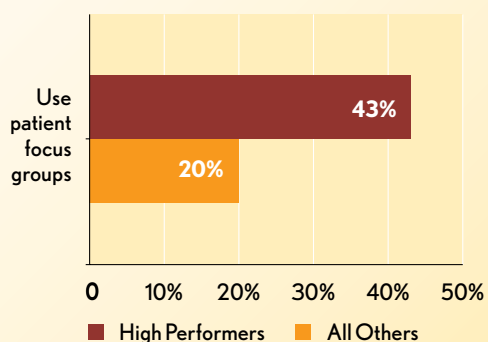| Team	High Performers	All Others
Revenue cycle staff team meets at least monthly	71%	84%
Process centered improvement team(s) meet at least weekly	50%	26%
Cross-functional teams meet at least monthly (including representatives from clinical, IT, HIM, etc.)	57%	51%
Metric-triggered leadership teams (triggered by revenue cycle metric outside defined parameters)	50%	25%
Other (responses generally include more frequent, targeted meetings)	21%	3%

■ High Performers ■ All Others

Consumer. High performers frequently obtain patient feedback in their revenue cycle activities through different means, including focus groups. Although many of these focus groups, such as those involved in bill redesign, tend to be temporary and project-specific, some high-performing revenue cycle hospitals have established patient advisory groups on an ongoing basis to assist in a variety of areas, including revenue cycle.

Use of Patient Focus Groups

What strategy have you used in the past three years to improve revenue cycle processes?

	High Performers	All Others
Use patient focus groups	43%	20%

■ High Performers ■ All Others

Physician. To make the most of revenue cycle relationships with physicians, high performers make communication a high priority. They typically collaborate on the content of patient scheduling forms and surrounding processes to support consistent expectations around the gathering of patient insurance and clinical information. They also routinely solicit feedback from physicians and their office staff to ensure that their needs are being met. In some cases, high performers have worked with physicians to develop similar policies around discounting services and charity care.

Payer. High performers are more likely to routinely communicate with payers about payment issues or technology processes than others. The focus of these conversations typically is on ways to reduce the number and causes of payment denials. Frequently these exchanges are either led by or include the executive in charge of managed care contracting, and are supported by revenue cycle personnel who can provide the necessary data and, in some cases, clinical staff.

Some of the high-performing hospitals also work collaboratively with insurers to electronically exchange

data, thereby enhancing both the timeliness and quality of shared information and reducing impediments for payment. High performers generally attributed their successful relationships with payers to such factors as frequent communication, a collegial mind-set, and staff willingness to view issues from the insurer's perspective.

Target improvements around those revenue cycle areas most affecting the consumer's experience. High performers generally have focused their improvement efforts on such areas as front-end processes, point-of-service collections, and charity care.
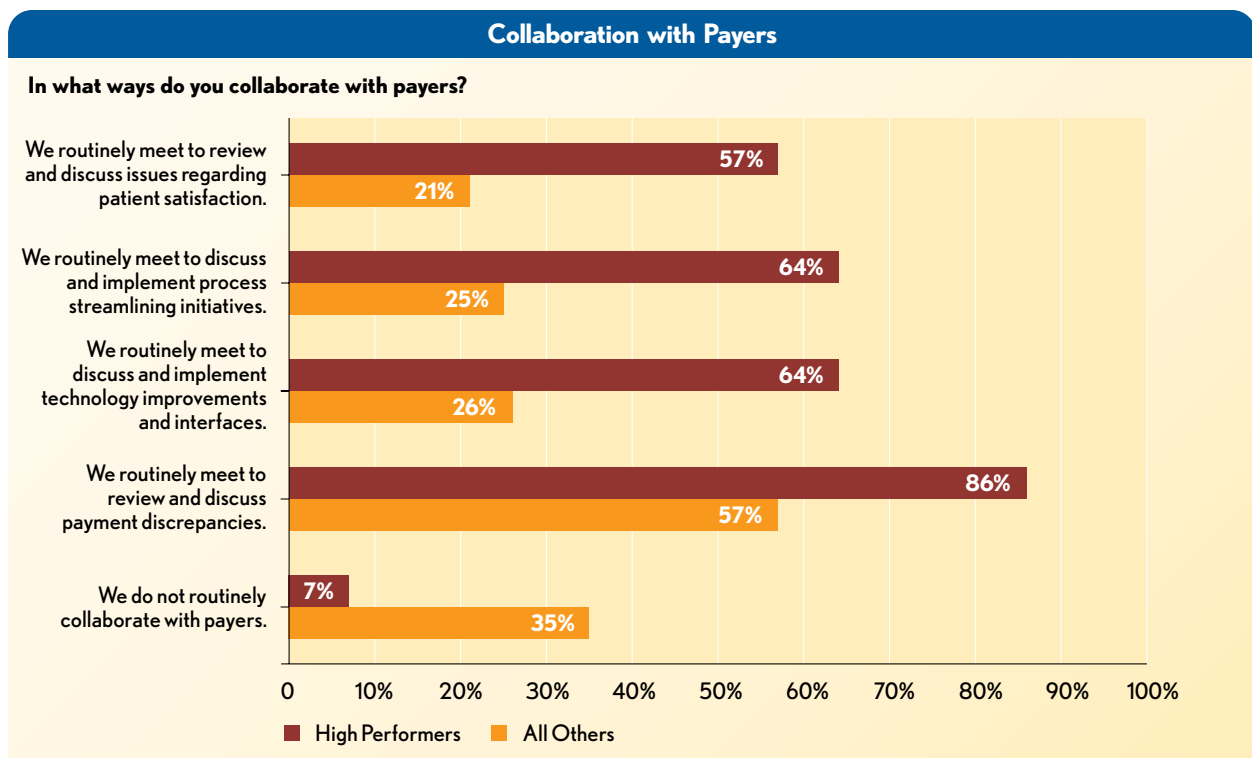
Front-end processes. Patient satisfaction and understanding of payment obligations is enhanced when increased emphasis is placed on improving front-end processes through actions such as:

- Emphasizing scripting for patient interactions to support clarity, consistency, and completeness of communication
- Increasing training and continuing education of front-end staff
- Upgrading front-end personnel requirements
- Enhancing pay scales and/or implementing incentive programs for schedulers, registrars, and financial counselors

- Developing integrated revenue cycle processes and teams that include both front-end and back-end personnel to enhance communication and continuity
- Streamlining scheduling processes to reduce the number of persons with whom a patient, patient's family, or physician office staff must communicate
- Introducing or upgrading technology to better serve front-end processes, including software related to address and/or insurance verification
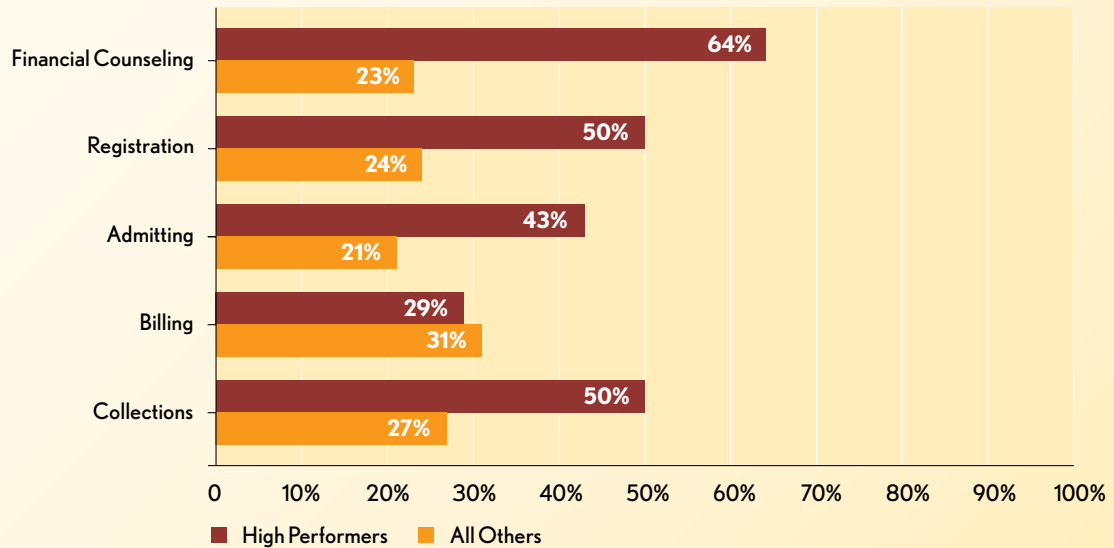
Research shows high performers are much more likely than other hospitals to have made significant changes in registration, admitting, and financial counseling. It's also interesting to note that a high percentage believes investments in front-end technology and software have provided greatest financial return.

Point-of-service communications and collections. Along with this front-end focus, most high performers are educating their patients about what their insurance covers as well as the meaning and amount of copayments, deductibles, and coinsurance. High performers accomplish this by conducting insurance verification on most procedures prior to services being rendered. Such efforts aid collection at the point of service. Focus is on providing patients with cost estimates at the time

Collaboration with Payers

In what ways do you collaborate with payers?

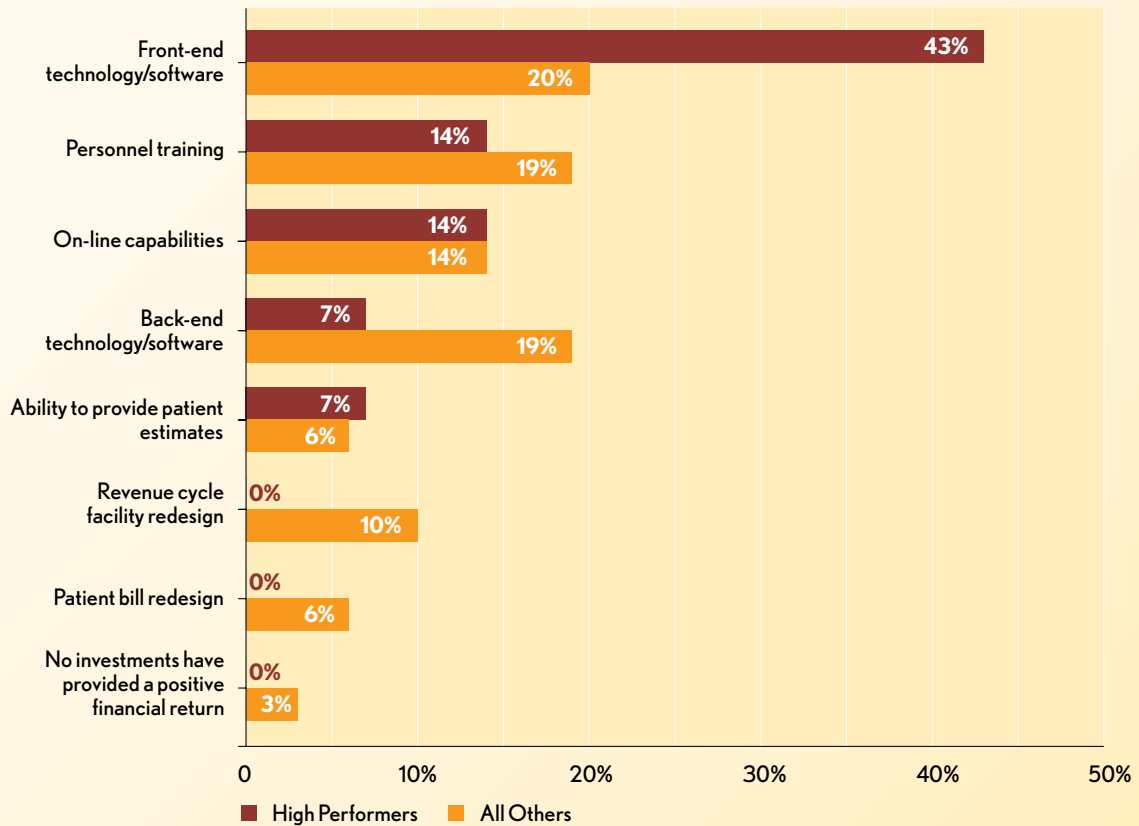| Question	High Performers	All Others
We routinely meet to review and discuss issues regarding patient satisfaction.	57%	21%
We routinely meet to discuss and implement process streamlining initiatives.	64%	25%
We routinely meet to discuss and implement technology improvements and interfaces.	64%	26%
We routinely meet to review and discuss payment discrepancies.	86%	57%
We do not routinely collaborate with payers.	7%	35%

■ High Performers ■ All Others

Comparative Level of Improvement Efforts

Have you made any significant changes to the following areas of the revenue cycle process within the past three years?
1 = No Improvements to 7 = Complete Overhaul. (Percentage indicating 6 or 7)

Area	High Performers	All Others
Financial Counseling	64%	23%
Registration	50%	24%
Admitting	43%	21%
Billing	29%	31%
Collections	50%	27%

■ High Performers ■ All Others

Relative Performance of Investments in Terms of Financial Return

In your opinion, which investments have provided the greatest financial return?

Investment	High Performers	All Others
Front-end technology/software	43%	20%
Personnel training	14%	19%
On-line capabilities	14%	14%
Back-end technology/software	7%	19%
Ability to provide patient estimates	7%	6%
Revenue cycle facility redesign	0%	10%
Patient bill redesign	0%	6%
No investments have provided a positive financial return	0%	3%

■ High Performers ■ All Others

of scheduling or preregistration and improving clarity of communications regarding payment expectations and processes. In addition, front-end personnel are being provided with significant training and scripting to alleviate any potential discomfort associated with seeking payments from patients.

Although most hospitals seek to collect patient copayments (and, in a few cases, deductibles) up front, the rigor associated with these efforts does vary by organization. Some hospitals will seek to postpone elective procedures in instances where patients do not provide payment, but most remain relatively flexible. Regardless of methodology or process, almost all of the high-performing revenue-cycle hospitals have indicated that they have experienced improved point-of-service collections and that, in almost all cases, patients are surprisingly amiable to such efforts.
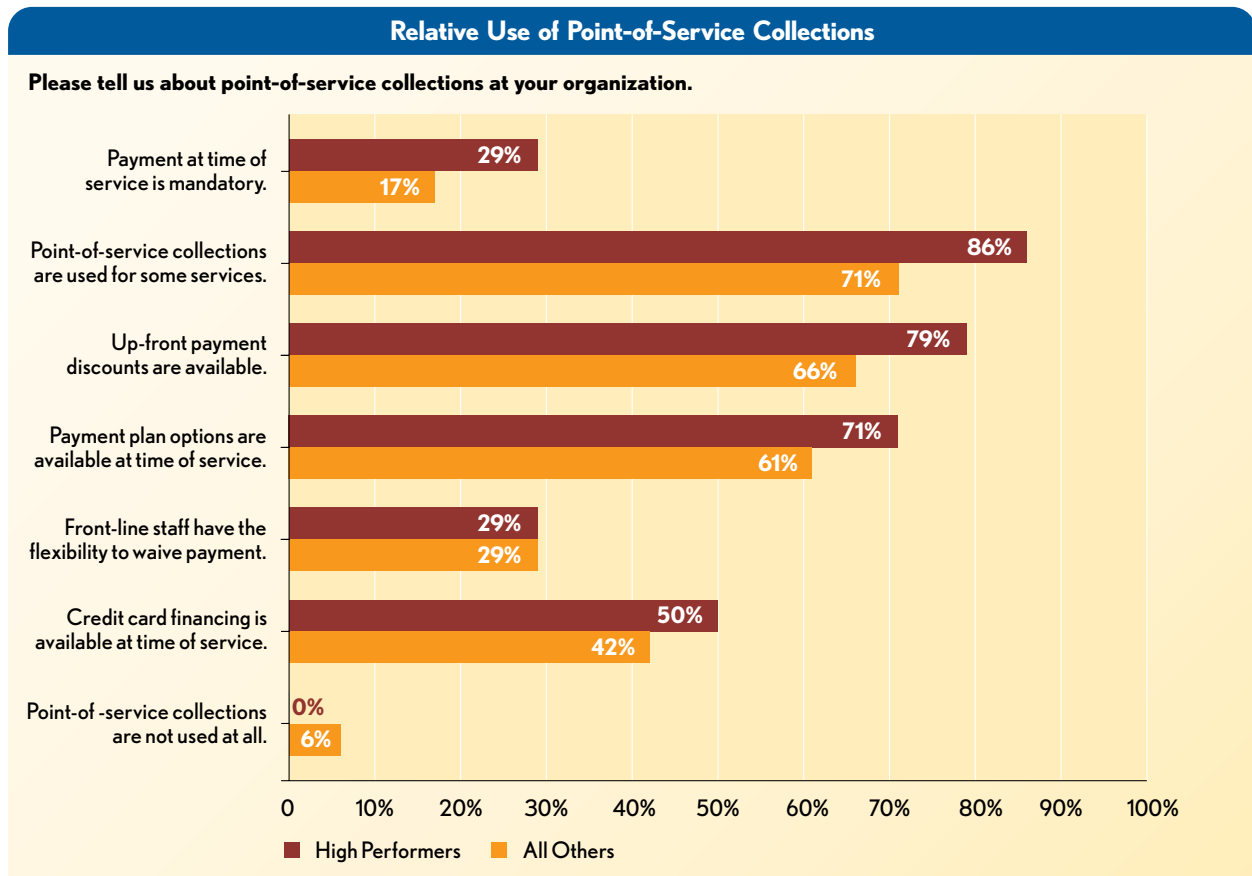
Charity care and financial counseling. Over the past few years, virtually all of the high-performing organizations visited have modified their charity care policies and financial counseling processes. Most high performers are attempting to more openly communicate the availability of charity care through actions such as providing brochures at registration, posting policies on their web sites, and including language referencing availability of charity care on patient bills. Also, some of them are empowering patient access staff to identify potential recipients and administer the charity care policies.

In addition, high-performing revenue cycle hospitals generally have sought to enhance financial counseling capabilities within their organizations. Many hospitals are improving the pay, training, and scripting that they provide to financial counselors. Those with high levels of self-pay activity or a high Medicaid population use onsite availability of state and/or other third-party personnel to assist patients with applying for Medicaid, payment arrangements, or other types of funding.
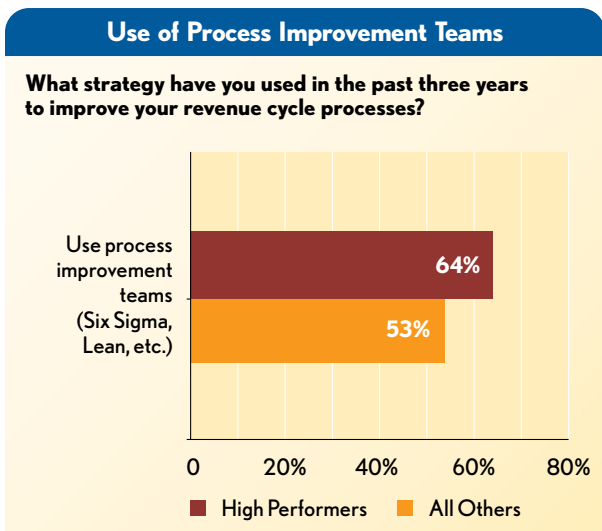
Adopt formal process improvement methodologies. Regardless of the particular process areas they select for improvement, high performers generally rely on proven redesign methodologies to support these efforts.

Relative Use of Point-of-Service Collections

Please tell us about point-of-service collections at your organization.

	High Performers	All Others
Payment at time of service is mandatory.	29%	17%
Point-of-service collections are used for some services.	86%	71%
Up-front payment discounts are available.	79%	66%
Payment plan options are available at time of service.	71%	61%
Front-line staff have the flexibility to waive payment.	29%	29%
Credit card financing is available at time of service.	50%	42%
Point-of-service collections are not used at all.	0%	6%

Typically, these methodologies consist of bringing together temporary, high-performing teams to examine, measure, and improve on current processes. Team composition may include revenue cycle staff, non-revenue cycle business staff, clinicians, and process engineers.

No common methodology is used among all high performers. In fact, in several instances, high performers even looked toward improvement approaches common to other industries but not traditionally employed in health care.

Use of Process Improvement Teams

What strategy have you used in the past three years to improve your revenue cycle processes?

Use process improvement teams (Six Sigma, Lean, etc.)
- High Performers: 64%
- All Others: 53%
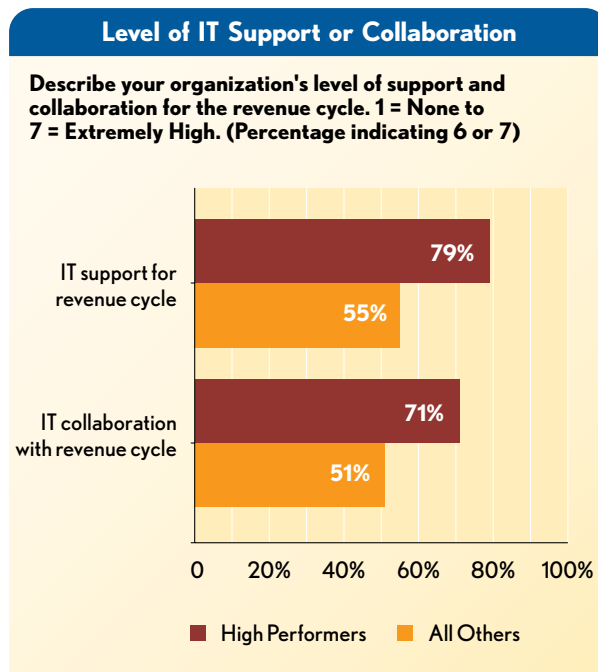
■ High Performers ■ All Others

Tools and Resources

See www.patientfriendlybilling.org for more discussions about revenue cycle high performance and practical tools in use at today's hospitals.

Technology

Selectively use technology for interactions with customers. Most high performers view high-volume, transactional processes as being the most appropriate for automation, while those functions that require customized or customer-specific information generally are viewed as requiring a human touch. With the exception of some basic functions, such as balance inquiry response or generation of appointment reminders, these organizations rarely use automation for customer service issues.

Manage for investment value. High performers do not differ from other organizations so much in the types of technologies that they employ as they do in the level at which they manage these investments. Organizations typically make the most of their revenue cycle technology investments by focusing on improving processes prior to applying automation and prioritizing their purchases by their particular market needs. (For example, organizations with high levels of indigent and Medicaid patients might use address and insurance verification tools.)

Dedicate IT staff to the revenue cycle. High performers have revenue cycles that are well supported by IT staff; such structures allow issues to be handled in a timely manner by those staff most familiar with the specific processes and technologies used by the revenue cycle departments. Many of the organizations have IT professionals that are either embedded in the revenue cycle departments and budgets or are specifically assigned to revenue cycle activities (though remaining in IT departments). Where IT support isn't formally structured for the revenue cycle, the IT professionals tend to proactively visit revenue cycle departments periodically to determine whether needs are being met.

Level of IT Support or Collaboration

Describe your organization's level of support and collaboration for the revenue cycle. 1 = None to 7 = Extremely High. (Percentage indicating 6 or 7)

IT support for revenue cycle
- High Performers: 79%
- All Others: 55%

IT collaboration with revenue cycle
- High Performers: 71%
- All Others: 51%

■ High Performers ■ All Others

Metrics

Monitor and report frequently. High performers
frequently review their chosen metrics, at least
monthly and sometimes even weekly or daily. Although
the particular metrics selected may be inconsistent
among high performers, these organizations are able
to measure their own performance and improvements
(or declines) over time. At many of these organizations,
focus is on closing the loop between monitoring and
reporting performance to users. Real-time is more
frequently finding its way into hospitals' strategies,
whether it be error tracking systems for registrars or
call length and abandonment reporting for appoint-
ment schedulers.

Look beyond traditional metrics for success. A number
of the high performers look at nontraditional revenue
cycle metrics (such as net-to-cash percentage after
120 days and actual collection at point of service by
amount owed). Many high performers said such non-
traditional measures are useful to better understand
the origin of larger trends and identify opportunities
for improvement specific to their organization.

Also, many high performers expressed willingness
to go beyond traditional measures of return as a means
for measuring effectiveness of large-scale revenue
cycle initiatives. Rather than making solely a financial
case for change, many organizations examine such
factors as patient satisfaction or reduced turnover
when making their business case. In many instances,
those interviewed expressed achievement in these
areas as being even more significant to their strategy
than results of financial analysis.

Seek the consumer's perspective. Most high-performing
organizations are measuring some form of patient satis-
faction—for example, relying on Press Ganey scores or
feedback from patient focus groups or patient councils.
However, many of these organizations are working to
improve the specific satisfaction measures they are
using and timing of these efforts. Traditionally, patient
satisfaction feedback has been collected prior to the
patient's receipt of the bill. High performers, therefore,
are looking into ways to assess satisfaction later in the
process, so they receive enhanced perspective on billing
and collections performance. High performers appreciate
that issues such as ease of completing paperwork and
understanding billing processes, quality of interactions
with admitting and registration staff, and expectations
and sensitivities regarding collections can be significant
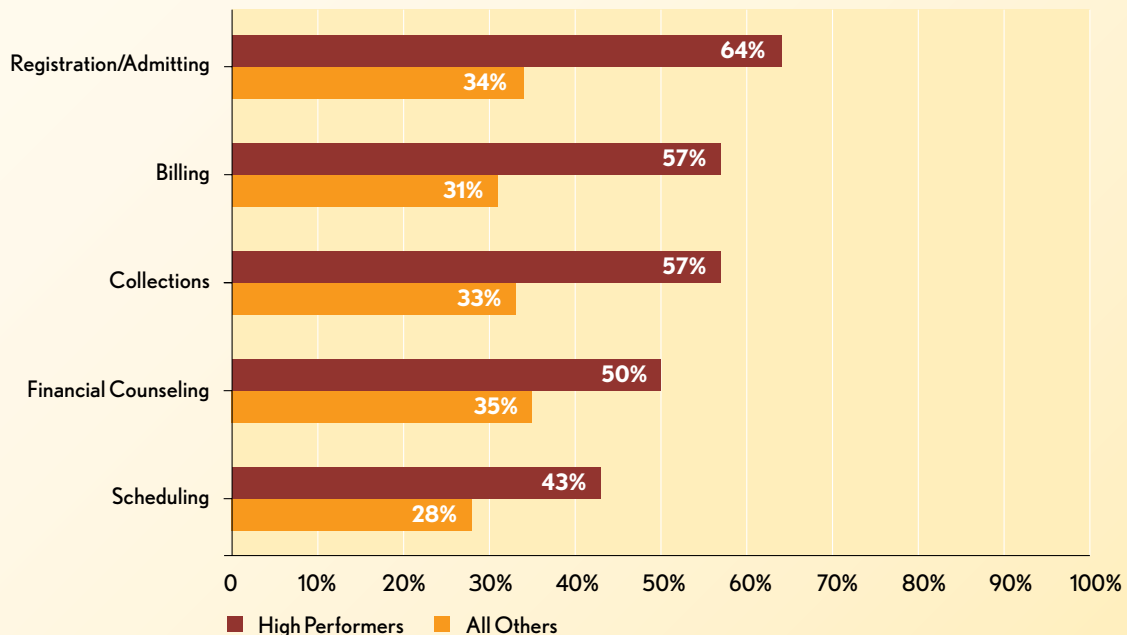for patients.

Communication

Support a positive scheduling/registration experience.
One of the best ways to support successful communica-
tions with patients is to minimize redundant interactions.
Many of the high-performing hospitals have stream-
lined processes by converting to centralized scheduling
and/or registration for hospital departments where
doing so offers efficiencies or potential for service
improvement. Even in instances where scheduling
and/or registration remain decentralized, effort is
expended to ensure that patient information is shared
by departments.

Also key is ensuring consistent messaging during
these interactions. High performers frequently provide
staff with scripting and monitor their conversations
with patients for accuracy, friendliness, and overall
appropriateness. Making scheduling and registration
resources available in multiple languages also helps
support standard communications.

Provide estimates of financial obligations. Efforts to
enhance communications and service to consumers
often focus on providing patients with estimates of their
anticipated out-of-pocket expense prior to delivery of
services. Although high performers generally aspire to
make this information available to patients through
patient portals on their web sites, currently they provide
these estimates to patients through a variety of commu-
nication mechanisms, including phone or mail.

Degree to Which Revenue Cycle Is Patient Friendly

In your opinion, how patient friendly is your organization's revenue cycle?
1 = Not at All to 7 = Completely Patient Friendly. (Percentage indicating 6 or 7)

Category	High Performers	All Others
Registration/Admitting	64%	34%
Billing	57%	31%
Collections	57%	33%
Financial Counseling	50%	35%
Scheduling	43%	28%

■ High Performers   ■ All Others

Although organizations increasingly are using average cost information for procedures or services to develop preservice estimates for those without insurance, most still struggle with out-of-pocket cost estimation for the insured. Technology is aiding these efforts considerably, with some hospitals now able to apply (to a limited extent) a payer's negotiated contract rate, deductible, copayment, and coinsurance percentage through automated means.

Publicize financial assistance. Also important is educating patients and their families about charity care, early pay discounts, and other potential financial arrangements or resources prior to or at the time of service delivery. Ways some high performers publicize their charity care policies include posting charity care information on their web site, inside billing communications, and in brochures at registration desks. Further, a number of individuals throughout the organization have the ability to grant charity care to patients meeting predetermined criteria. It should be noted that while all of the high-performing hospitals offer charity care, there is variation in how charity care policies are made available to potential recipients.
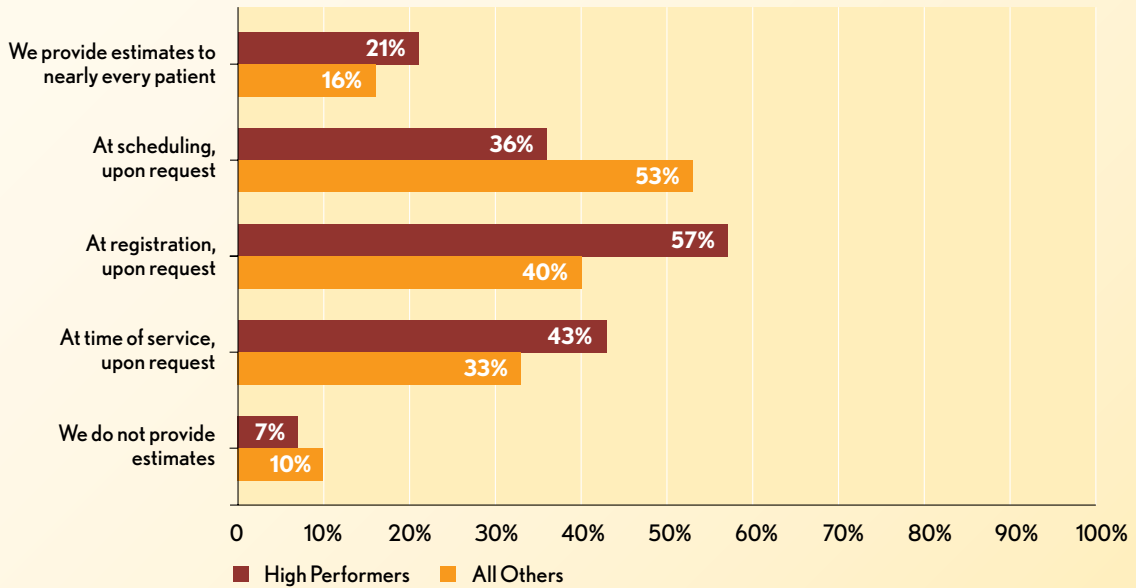
Effectively Communicating Charity Care

A key element to clear revenue cycle communications is helping patients and families understand their financial responsibilities for care, and what services or programs are available to help them if needed.

Although community benefit commitments, including the charity care policy, should match what hospitals can afford to deliver given their financial capacity, providers' focus within that capacity should be on helping patients and their families access and pay for needed medical services—and that includes ensuring those who need financial assistance receive it according to a well-published and supported charity care policy, as HFMA president and CEO Richard L. Clarke, DHA, FHFMA, notes in "Revenue Cycle: What's It All About?" (*hfm*, September 2009).

Support clear and simple billing and collections materials. To improve consumer understanding of billing communications, high performers simplify their bills by removing acronyms, low-cost items, and nonessential details. Included with bills are letters of explanation that, among other things, discuss what
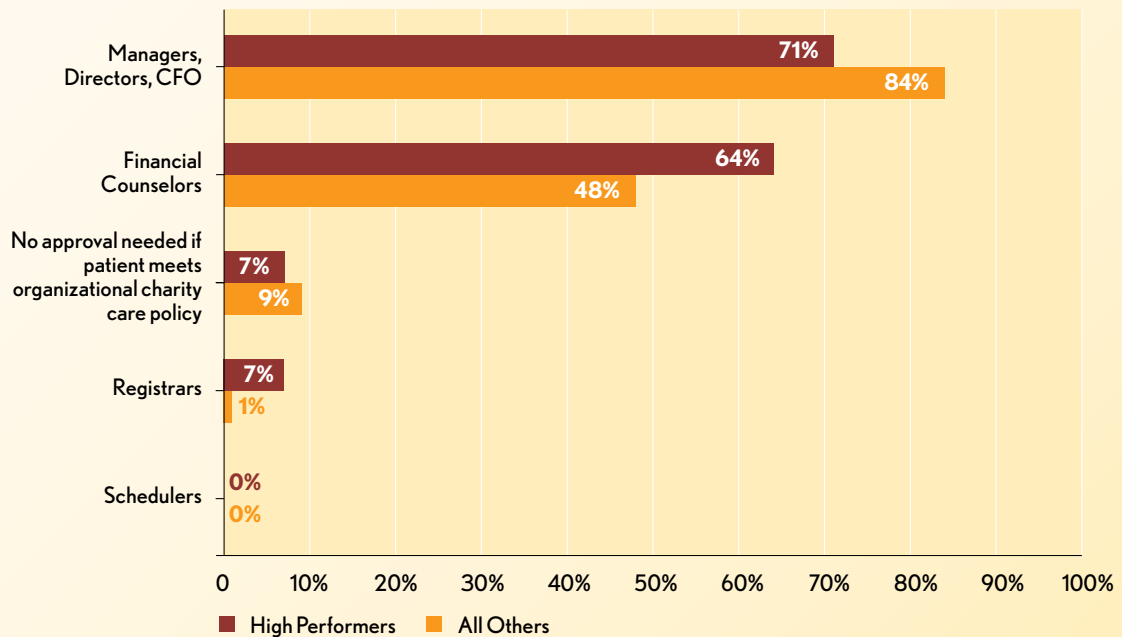
Availablity of Estimates for Patient Liability

How readily available are estimates for patient out-of-pocket liability?

Response	High Performers	All Others
We provide estimates to nearly every patient	21%	16%
At scheduling, upon request	36%	53%
At registration, upon request	57%	40%
At time of service, upon request	43%	33%
We do not provide estimates	7%	10%

■ High Performers   ■ All Others

Authority to Approve Charity Care

Who in your organization has the ability to approve the provision of charity care?

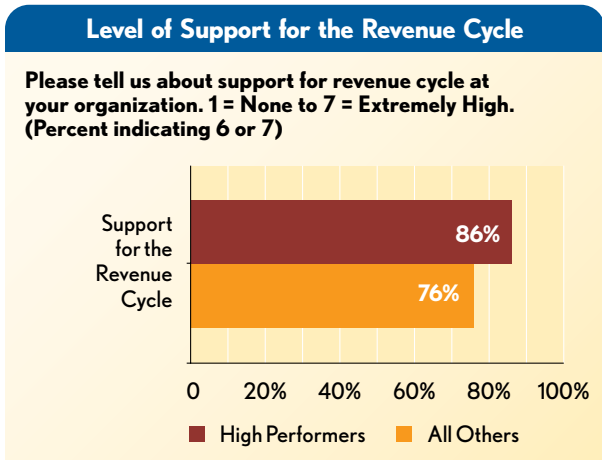| Response	High Performers	All Others
Managers, Directors, CFO	71%	84%
Financial Counselors	64%	48%
No approval needed if patient meets organizational charity care policy	7%	9%
Registrars	7%	1%
Schedulers	0%	0%

■ High Performers   ■ All Others

the patient can expect during the billing process. Also, staff use carefully crafted scripts and make resources available in the most prevalent languages to support consistency of interactions.

Recognize the importance of external communications. At high-performing organizations, marketing and revenue cycle staff often collaborate to ensure brochures, billing communications, and on-line content are consistent in messaging and are appropriate and easy for readers to comprehend. Also, web site content tends to be comprehensive. High performers often include charge and/or cost information for selected procedures (sometimes by payer), bill status, on-line bill pay options, and, in a limited number of cases, patient test results.

Culture

Support revenue cycle at the highest level. Among high performers, support for the revenue cycle comes from the top of the organization—not just the top of the finance department. Organizations with high-performing revenue cycles possess leadership that understands and appreciates the critical role that financial performance plays in supporting care delivery. Value of the revenue cycle is elevated through executives' willingness to devote time and resources to issues that affect financial services and commitment to revenue cycle strategy as a key organizational priority.

Level of Support for the Revenue Cycle

Please tell us about support for revenue cycle at your organization. 1 = None to 7 = Extremely High. (Percent indicating 6 or 7)

Support for the Revenue Cycle

High Performers: 86%
All Others: 76%

0 20% 40% 60% 80% 100%

■ High Performers ■ All Others

Garner appreciation from nonfinance staff. Several high performers have encouraged a culture of organizational support for the revenue cycle by providing specific and high-level revenue cycle training to nonrevenue cycle departments. Whether providing education to nonfinance and clinical professionals through classes,

training manuals, or rotations within the revenue cycle, these organizations seek to foster better understanding of revenue cycle workings and help participants understand how they can positively impact the revenue cycle through actions within their own departments.

Find purpose through the patient. High performers recognize that successful financial services are a key contributor to patient satisfaction. Financial staff understand how their interactions with patients directly contribute to the quality of the patient's care.

Demand high performance. High performers are rarely satisfied. Leadership demonstrates a passion to do better and drives excitement around improvement initiatives. Interestingly, not one of the managers, directors, or executives interviewed thought their organization has approached the pinnacle of patient-friendly revenue cycle performance despite ranking among the best in the nation. What's more, despite their many accomplishments, virtually all of those visited identified a number of areas in which they are enthusiastically pursuing further enhancements to revenue cycle processes or technology.

Celebrate success. Whether through letters of recognition, monetary incentives tied to performance, or simple verbal acknowledgement of jobs well done, leadership focuses on identifying and celebrating excellence.

Make innovation a priority. High performers generally possess a willingness to be innovators or early adopters of new processes or technologies. If following tradition is not working for them, they are quick to search out new ways that would be better suited. Being an innovator means they occasionally risk results that may not deliver as planned. That said, they often reap benefits associated with being quick adapters to change.

What Can You Do?

Whether in regard to focusing priorities, setting appropriate hiring criteria, or shaping procedural direction, the role of senior executives in establishing a culture that elevates the revenue cycle cannot be overlooked. To support such a culture, ensure that revenue cycle leadership and staff have the right infrastructure, skills, and tools to support patient-centric and value-driving processes. Improvement can be fairly dramatic in a short period of time.

This page intentionally left blank.

A Call To Action

Although organizations pursue a variety of strategies to attain revenue cycle excellence, results of the research are clear: High performance doesn't just happen. Those hospitals and health systems that are making good on efforts to realize patient-focused and value-driving revenue cycle processes have done so by instilling organizational commitment to their goals.

Efforts must reach beyond the business office. Revenue cycle performance is affected by those across the organization, with success dependent on support from health information management, physicians, nurses, and IT, to name only a few. As such, key actions will be needed from the C-suite to attain the widespread support vital for achieving high performance. At the organization's executive level, it is important that leaders focus on instilling an elevation of the revenue cycle at both strategic and operational levels:

- Set high expectations for revenue cycle positions.
- Devote organizational resources to improved training and compensation.
- Develop and participate in intraorganizational teams around revenue cycle.
- Use patient experience as the cornerstone for setting revenue cycle strategy.
- Appreciate community dynamics when prioritizing technology spending.
- Encourage improved monitoring of revenue cycle processes through use of nontraditional metrics.
- Develop and enforce systems of accountability around monitoring and reporting practices.
- Support organizational alignment around clear, correct, and patient-friendly messaging.
- Establish clear and transparent financial assistance policies and procedures.
- Demonstrate value for the revenue cycle through significant commitment of time and resources.
- Establish systems to reward high revenue cycle performance.

The importance of executive buy-in to revenue cycle improvement can't be emphasized enough. The role senior leadership plays in pursuing the aforementioned actions and communicating mission importance of revenue cycle is fundamental for organizations to truly be effective in executing any operational change.

Positioning for the Future

Despite how daunting the strategies and actions discussed may seem at first glance, particularly given the current environment, it's important to know that challenge alone should not become an excuse for lack of action. High performers demonstrate that adoption of Patient Friendly Billing recommendations has significant value to the organization and its patients.

As the research has shown, high performers don't always have the latest technology in place or belong to organizations with the most financially desirable characteristics. What these organizations do possess, however, is a spirit of perseverance. Regardless of the particular revenue cycle strategy pursued, an organization's dedication to successful execution makes the difference.

High performers aren't just good at setting goals. Organizations able to realize their goals possess both the competencies to recognize opportunities and enthusiasm to put these goals into action. Simply put: Attitude makes the difference. Those organizations that stay the course on performing well in those areas that are most important for delivering value to their organizations and the patients and communities that they serve will be best positioned for future success.

Epilogue: Putting Vision into Practice

The Patient Friendly Billing project's 2006 report, *Consumerism in Health Care—Achieve a Consumer-Oriented Revenue Cycle,* exposed radical changes for the experience of the patient in 2011.

How close is anyone today to achieving this vision? In many ways, Geisinger Health System, an integrated healthcare delivery system headquartered in Danville, Pa., has stepped up to the challenge. Practices listed below, observed in 2009, show great strides toward realizing this "future" patient experience.

"Jack" visits his internal medicine physician to follow up on a sinus infection.

Patient Friendly Billing Vision	Geisinger Practice
MORNING	
Jack makes this appointment using his physician's secure web site.	Geisinger offers on-line appointment scheduling capability, patients can request and/or make their appointment online via MyGeisinger.org.
Jack updates his medical file with a description of the symptoms from his persistent sinus problems.	Patients can view their medical history on-line, and submit concerns to their physicians online. Symptoms cannot be added at this time.
Jack also updates his insurance and address information on file.	Patients can update demographic information (address, phone, e-mail) and submit insurance updates via e-mail. Patient self-service to update insurance coverage is not yet available.
When scheduling the appointment, Jack receives an electronic message that he will be responsible for a $40 copay for the visit.	MyGeisinger.org does not provide the patient with a display of copay due when scheduling the appointment via MyGeisinger.org. Patients are presented with estimated copayment amounts when they view their upcoming appointments. Patients are able to price their services on-line using Geisinger's "Cost Care Estimator."
After Jack's exam, his physician determines that he does have a sinus infection and needs an antibiotic. She checks Jack's medication history through the electronic health record (EHR).	Geisinger's integrated EHR is available throughout the health system and allows all providers involved in Jack's care to see his medical history.
The EHR alerts the physician to a potential adverse medication interaction.	EHR has alerts built into the system for adverse medication interactions.
The EHR recommends generic alternatives.	EHR has formularies built into the system that alert the physician to generic alternatives.
The EHR details pharmacy costs for the drug.	Pharmacy costs are not available in the EHR.
The physician sends an e-prescription to the pharmacy.	All prescriptions are sent via e-prescription to the patient's pharmacy of choice.
The physician documents Jack's medical exam in the EHR, and orders a sinus CT scan and a follow-up visit. Before leaving the physician's office, Jack uses a kiosk to schedule the sinus CT scan that evening at the hospital.	Patient self-scheduling is not available on kiosks at the present time. However, staff can schedule follow-up, ancillary, and specialty appointments on-line at any time.
When scheduling the appointment, Jack receives driving and parking instructions.	Patients receive a summary of future services and locations. Patients also receive reminders of future appointments with driving and parking instructions (reminders are available electronically to the patient's e-mail address if this is a preferred method of communication); if the patient views the appointment in MyGeisinger.org, there are driving and parking directions provided to the respective service area.
Jack also receives information about what to expect during the CT scan during scheduling.	When an appointment is scheduled (at point of check out or otherwise), the patient is provided with instructions and information on what to expect. This is also followed up with patient instructions that accompany the appointment reminder notice sent to the patient's home (or electronically if that is the communication method of choice).
Jack also receives an estimate of the amount he is expected to pay at the time of the CT scan during scheduling.	Estimates are provided to patients via the pre-financial clearance process in advance of the appointment date.

Patient Friendly Billing Vision	Geisinger Practice
AFTERNOON	
When Jack arrives that evening at the hospital to register, the receptionist greets him by name. She recognizes him from her screen, which shows photographs of all patients registered for procedures.	Geisinger has the technology infrastructure to do this and is evaluating deploying this functionality in light of the Red Flag rules.
The hospital's information system automatically re-verifies his eligibility, benefits for the procedure ordered, deductible status, and copay.	This is currently in place via Geisinger's EHR, which is integrated with the electronic insurance eligibility application. All scheduled events are checked in advance of visit—all others are verified same day.
After Jack's CT scan, the radiologist checks his notes, which were entered via automated speech recognition software from his dictation as he reviewed Jack's scan.	Not available at this time.
He steps into Jack's room to give him the preliminary results of the scan.	This is currently available with EHR.
He electronically sends a follow-up note to Jack's physician.	This is currently available with EHR.
He electronically signs the health record.	This is currently available with EHR.
The actions automatically post to the physician and hospital billing systems.	This is currently available with ancillary information systems.
The insurance claims are sent in real time to Jack's health plan.	Electronic insurance claims generate two days post patient visit.
Diagnosis and procedure coding is validated consistent with EHR documentation.	Diagnosis and procedure codes are validated consistent with EHR documentation.
The insurer adjudicates the claims, and within seconds the physician and hospital receive electronic payments.	Real-time adjudication is not currently available.
Jack pays his personal liability with a debit card from his HSA.	Point-of-service collection is available—a patient's FlexCard is treated as a debit card to process payment. The patient's payment posts the same day.

With this vision, physicians are able to focus on providing exceptional patient care, the insurer has everything necessary to electronically process the claim on the first try, the hospital has zero days in accounts receivable, and, most important, the patient has a seamless clinical and financial experience—a true win for all.

Sponsors and Acknowledgements

Sponsored By:

Advocate Health Care

Baptist Health South Florida

BAYLOR Health Care System

CEDARS-SINAI MEDICAL CENTER

Centura Health.

GEISINGER

HCA Hospital Corporation of America™

PROVIDENCE Health & Services Oregon

RUSH UNIVERSITY MEDICAL CENTER

SPECTRUM HEALTH

St.Vincent HEALTH

HFMA also expresses its appreciation to the following for sharing their technical expertise.

Research Consultants
Claudia Birkenshaw, Research Specialist,
    Modern Management Muse
Aaron DeBoer, Research Specialist, Noblis
Francine Machisko, Research Leader, Noblis

Patient Friendly Billing Project Leader
Terry Allison Rappuhn

noblis
For the best of reasons