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Presented by:
Valerie F. Barckhoff

Revenue Cycle Optimization

Today's Agenda

- **Share a little about my background**
- **Discuss the Healthcare Sector Outlook**
- **Learn about how SHOAR and Windham Brannon are Helping to Transform and Optimize Revenue Cycle Organizations**



About Me

- **Bachelor of Health Sciences – University of Kentucky**
 - Emergency Room Registrar – Good Samaritan
- **MBA Finance/Management – University of Tennessee**
- **Career Highlights**
 - Ernst & Young
 - Deloitte & Touche
 - Selected to help write the Methodology on how to Consult in the Revenue Cycle
 - Executive Director of Contracting and Revenue Management – DeKalb Regional Health System
 - Vice President of Revenue Cycle – Saint Joseph’s Hospital of Atlanta
 - Lead the Healthcare Advisory Practice for Windham Brannon and CEO of SHOAR Health

Healthcare Sector Outlook



Healthcare by the Numbers (S&P Global)

- Stable Outlook But Longer-Term Challenges
 - Hospitals continue to deal with staffing shortages
 - Leading to a suspension of elective procedures – which tend to be more profitable
 - Patient Mix and Acuity Levels have yet to normalize
 - Emergency Room visits still below pre-pandemic levels
 - And Acuity levels are elevated – distorting revenues
 - EBITDA and cash flows will be squeezed in 2022 and beyond
 - Labor tightness, supply chain inefficiencies, and inflation will likely remain past the pandemic
 - While Average Operating Margin was at a Six-Year High at 2.8%
 - This included non-recurring revenue (e.g., Cares Act and Other Relief Funds)
 - When you subtract the non-recurring revenue, the Average Operating Margin drops to 0.6% a six-year low

Strong headwinds will result in weak operating performance

Source: S&P Global Ratings: Industry Top Trends 2022 Health Care

Healthcare by the Numbers (Fitch)

- Nonprofit hospitals' outlook 'deteriorating' for remainder of 2022
- The macro headwinds of labor pressures and high inflation, while known heading into 2022, "have been more pronounced than expected."
 - Fitch anticipates nonprofit hospitals' operating margins will reflect those pressures
- Currently in a period where downgrades and negative outlooks outpace upgrades and positive outlooks
- "Many providers" are expected to violate their debt service coverage covenants during the remainder of the year
- Hospitals are also experiencing major investment losses

The agency warned that nonprofits will likely require “transformational” changes to offset short- and long-term pressures

Source: Fierce Healthcare "Fitch nonprofit hospitals outlook deteriorating remainder 2022"

What is the Goal?

Transformational Change

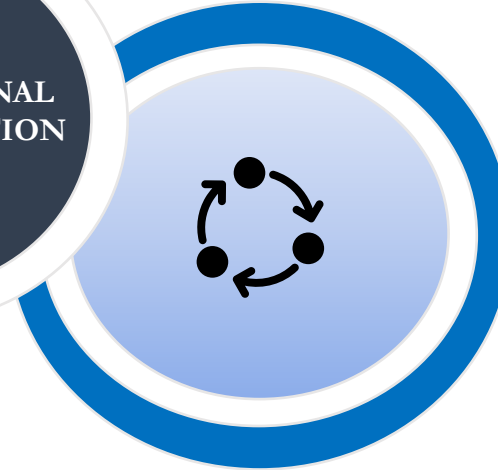
Traditional Approach

PEOPLE

- Organizational Models
- Executive Support
- Change Management
- Organizational Silos



ORGANIZATIONAL TRANSFORMATION



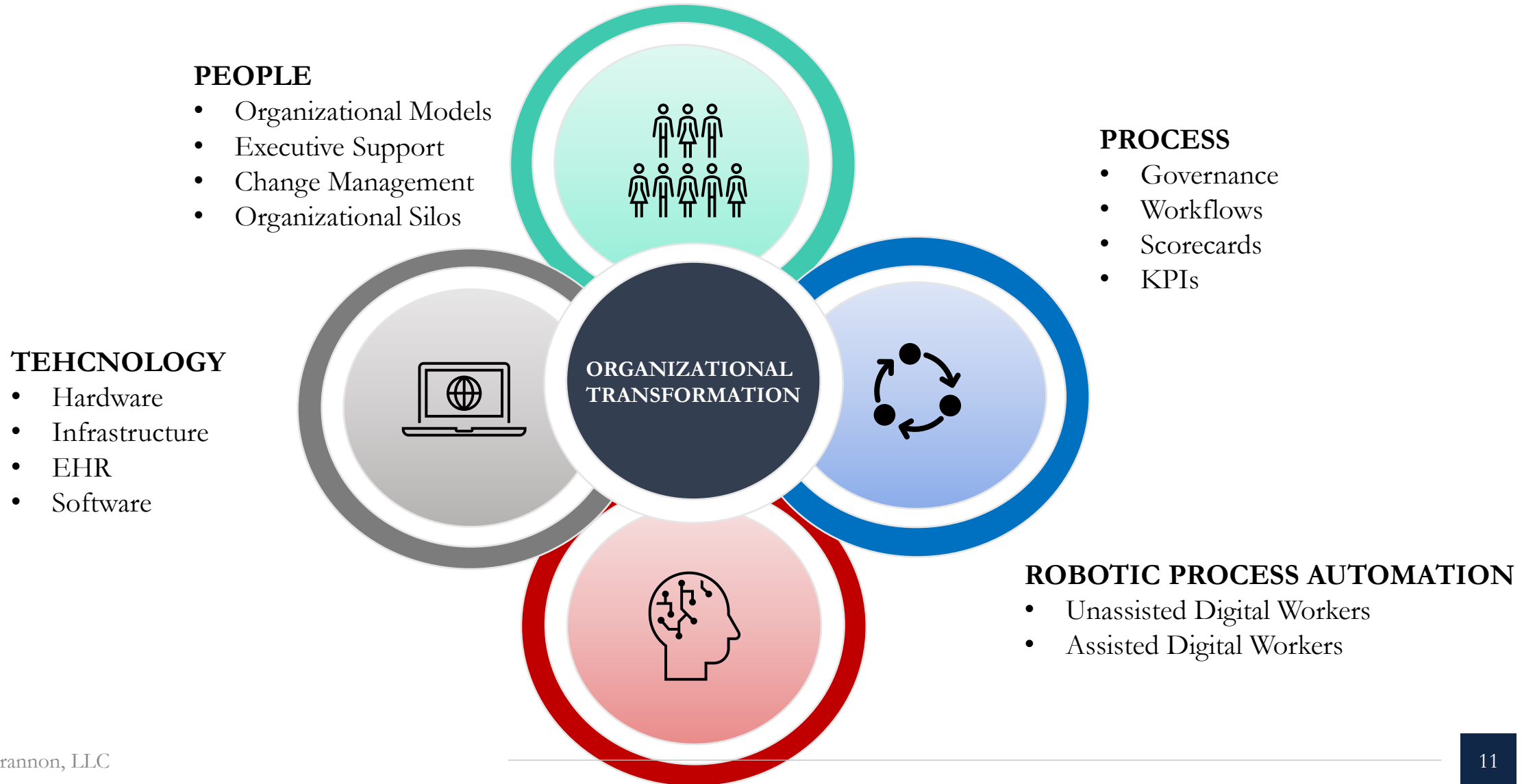
PROCESS

- Governance
- Workflows
- Scorecards
- KPIs

TEHCNOLOGY

- Hardware
- Infrastructure
- EHR
- Software

SHOAR Approach



What we will cover today

PEOPLE

- Organizational Models
- Executive Support
- Change Management
- Organizational Silos

TEHCNOLOGY

- Hardware
- Infrastructure
- EHR
- Software



PROCESS

- Governance
- Workflows
- Scorecards
- KPIs

ROBOTIC PROCESS AUTOMATION

- Unassisted Digital Workers
- Assisted Digital Workers

SHOAR Approach

SHOAR Health facilitated a series of sessions to identify the most “problematic” issues within the Revenue Cycle

The Revenue Cycle Leadership team met over a series of meetings to **BRAINSTORM** current challenges and pain points within the revenue cycle

The team identified **TWENTY-FIVE (25)** pain points, which were consolidated to **TWENTY-ONE (21)** key issues.

Team Members voted on the **INITIAL PRIORITY** of the issue.

Patient Access Services	Poor PAS Data Quality	PAS Use of Comm. Misc.										
	Knowing when to obtain an Authorization	Know when we need to obtain a Referral	Enable smarter scheduling (e.g., Auth will be turned around in X hours or X days)	Too many hand-off's from Sch-Ver-Auth								
	UM	Can't touch UM cases "fast enough"										
	PFS	"Smart" claim edits based on Denials/Rejections	Billing Process Attach Med Record with claim	"Smart" work queues using payment data (touch when need to touch)	"Smart" work queues (what actions lead to payment)	Correspondence Incorrect labels Wrong File Type	Balance Payment Transactions to Correct Patient	Refund Process	Denial Mgt. HB Claims - Attach remit codes to correct line item			
Administrative	Overall compliance with Medicare Regulations											
	Payment Trends by Payer (new patterns)	Anomaly Detection	Write-Off/ Adjustment Trends	Productivity Monitoring	Charge Reconciliation							

SHOAR Approach

Pain Point	Use Case Complete	IT Review Complete	Use Case Number	Initial Priority Ranking	Final Priority Ranking
Poor PAS Data Quality	✓	✓	4a	10	5
PAS Use of Commercial Misc. Insurance	✓	✓	4a	17	5
Knowing “when” to obtain an Authorization	✓	✓	3a	4	3
Knowing “when” to obtain a referral	✓	✓	3a	6	3
“Smart” scheduling rules based on authorization TAT	✓	✓	3b	17	3
Too many hand-offs between scheduling, verification, and authorization	✓	✓	9a	11	Removed
Can’t touch UM cases fast enough	✓	✓	7a	14	10
“Smart” claim edits based on denials/rejections	✓	✓	1c	2	1
Billing process – ability to attach medical records proactively	✓	✓	6a	7	7
Smart work queues – what actions lead to payments	✓	✓	8a	13	2
Correspondence – wrong file type/incorrectly labeled	✓	✓	10a	19	9
Balance payment transactions to correct patient	✓	✓	11a	15	Removed
Refund process	✓	✓	12a	20	8
Denial Management/denials – attach remit code to correct HB line item	✓	✓	1a/1b	3	1
Overall compliance with Medicare guidelines	✓	✓	2a	1	11
Payment trends by payer – new pattern identification	✓	✓	2a	9	11
Anomaly detection	✓	✓	2a	8	11
Write-off/Adjustment trends	✓	✓	13a	12	4
Productivity monitoring	✓	✓	14a	16	12
Charge reconciliation	✓	✓	5a	5	6

Process – How to Apply Concepts of the “Lean” Methodology

- **Defining Value**
 - Value serves as the compass for the leadership team
 - You specify value in the eyes of the customer

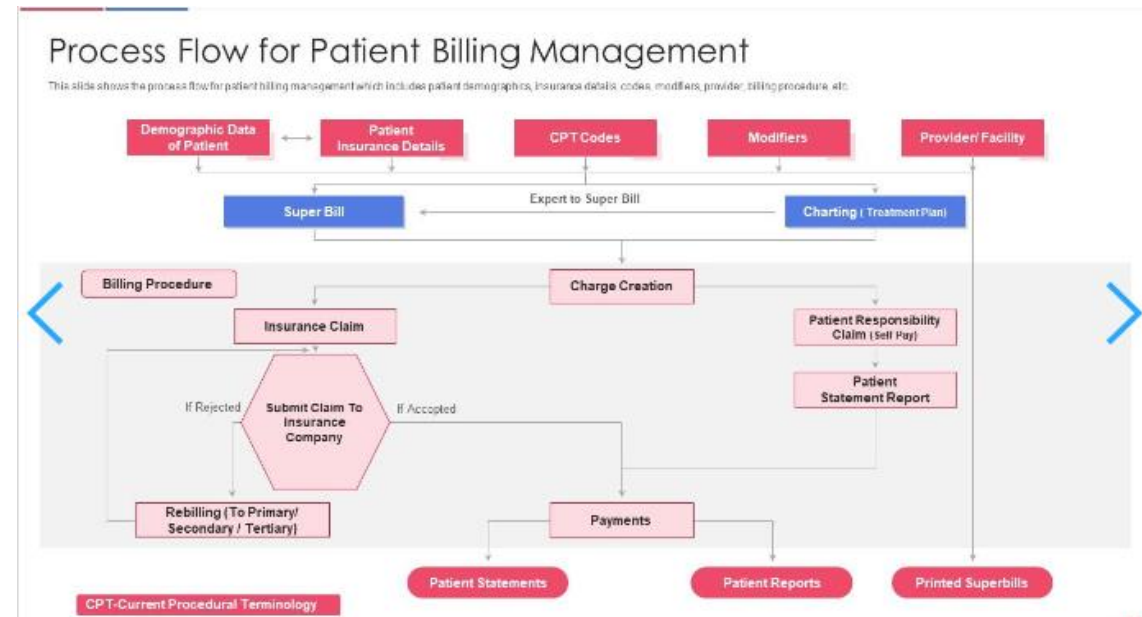
- Example
 - Issue: High Days in A/R
 - Example Value Definition
 - Reduce the days from final bill to claims resolution, while maintaining high quality and adherence to compliance

Process – How to Apply Concepts of the “Lean” Methodology

- **Mapping the Current State Process**

- Current State Process Map

- Shows all the actions (value-add and non-value add)
- Document and quantify, where possible, what happens at each stage
- Walk the process to confirm the assumptions (e.g., review charts to validate process)
- Identify interdependencies



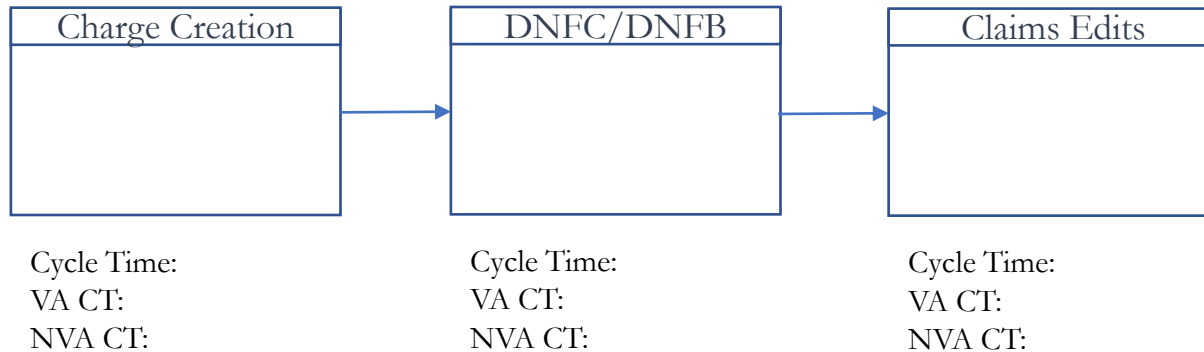
Process – How to Apply Concepts of the “Lean” Methodology

- **Mapping the Value Stream**
 - Convert your Process Map to a Value Stream

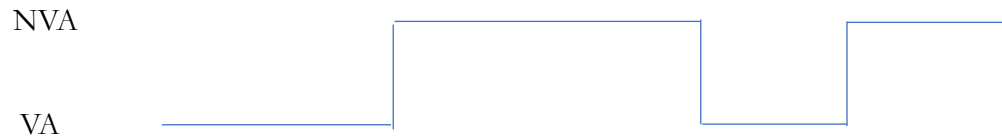
Process	Cycle Time (days)
Charge Creation	
DNFC/DNFB	
Claims Edits	
Claims Transmission/Reconciliation	
Claims Adjudication/Follow-up	
Rejection/Denials Management	
Patient Statements	
Patient Follow-up and Collections	

Process – How to Apply Concepts of the “Lean” Methodology

- **Mapping the Value Stream**
 - Convert your Process Map to a Value Stream

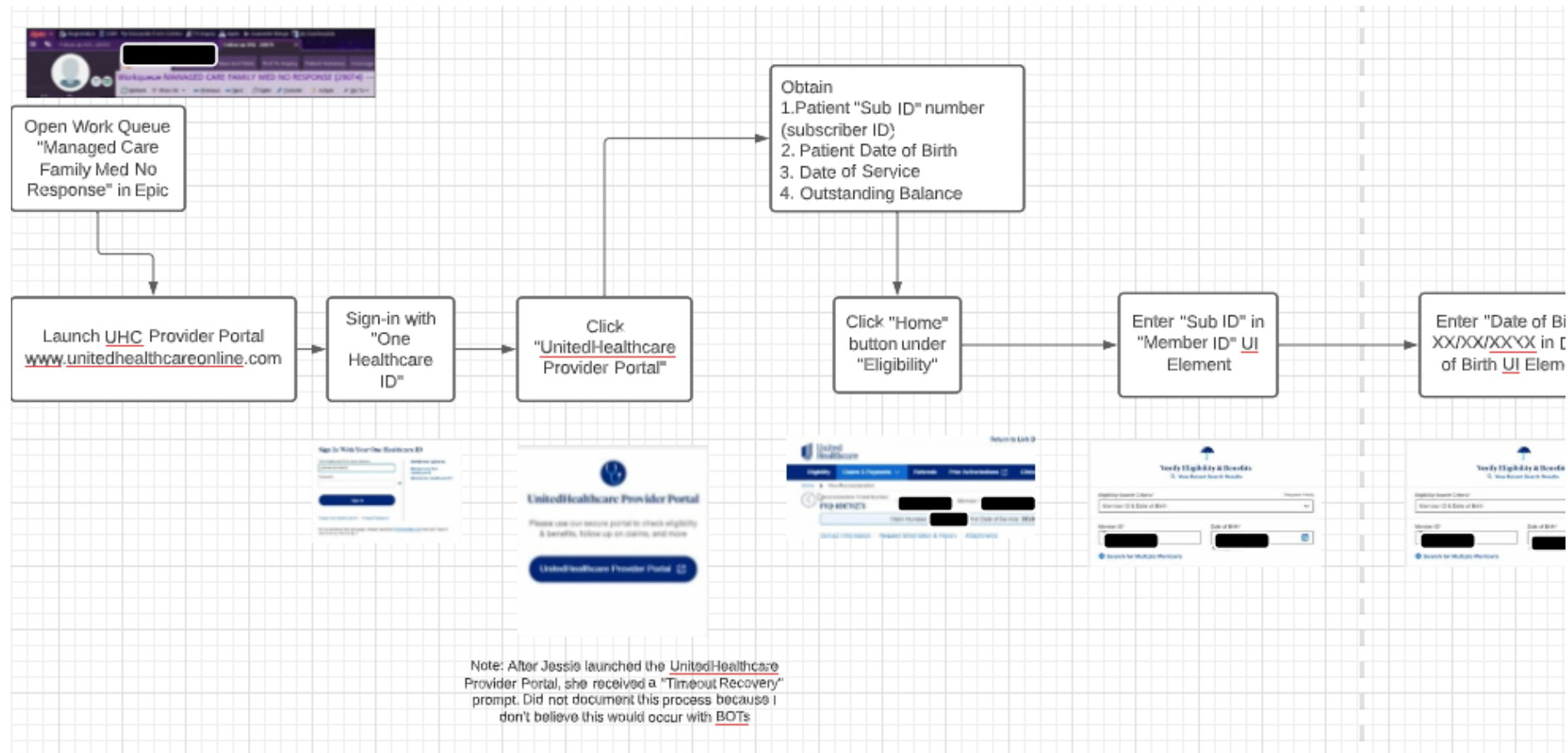


The goal of this exercise is to identify those Non-Value Added (NVA) tasks



Process – Here's where we change things for RPA

- Incorporating RPA into your evaluation
 - To do this, you need to get to the “keystroke-level” mapping



AI Use Case 1b: Denial Management – Automated Claims Reconsiderations

Use Case Owner: XXX

Impact to Organization					Objective	AI Approach (Low/Medium)
Category	Impact Score	Weight			<ul style="list-style-type: none"> Identify a payer’s propensity to overturn a rejection/denial based upon claims data Develop automated claims reconsideration/appeal process, including attachment of required documentation (e.g., required medical records) and documentation within Epic 	<p>What AI Approach will be used and what data will be required?</p> <ul style="list-style-type: none"> Robotic Process Automation <ul style="list-style-type: none"> Submission of reconsiderations with supporting documentation Pattern Recognition & Graph Network Theory from 1a <ul style="list-style-type: none"> Select payer and identify cohort TRISH alerts on likelihood of success/failure prior of resubmission
Strategic Impact	0	2		0		
Productivity/Efficiency	0	3		0		
Annual Gross Revenue	0	3		0		
Compliance	0	4		0		
User Impact	0	2		0		
Service/Patient Experience	0	3		0		
Impact Score				0		

Data/Technology / Infrastructure	Change Management	Ethical / Legal
<p><u>Data Requirements</u></p> <ul style="list-style-type: none"> Pilot Data: xx Long Term Data: 835/RA, xx <p><u>Technology/Infrastructure Challenges:</u></p> <ul style="list-style-type: none"> Ability to learn from historical data on payers propensity to overturn Ability for AI/ML to access EMR 	<p><u>Implementation Challenges:</u></p> <ul style="list-style-type: none"> Willingness of staff to relinquish manual reconsideration/appeals process <p><u>Employees affected:</u></p> <ul style="list-style-type: none"> Current denials staff <p><u>Change Management:</u></p> <ul style="list-style-type: none"> Crawl/Walk/Run – validate AI/ML reconsideration/appeals processes prior to full automation 	<ul style="list-style-type: none"> HIPAA – ensuring that the correct medical record is attached to the correct patient HIPAA – ensuring that the correct claims reconsideration/appeal is attached to the correct patient

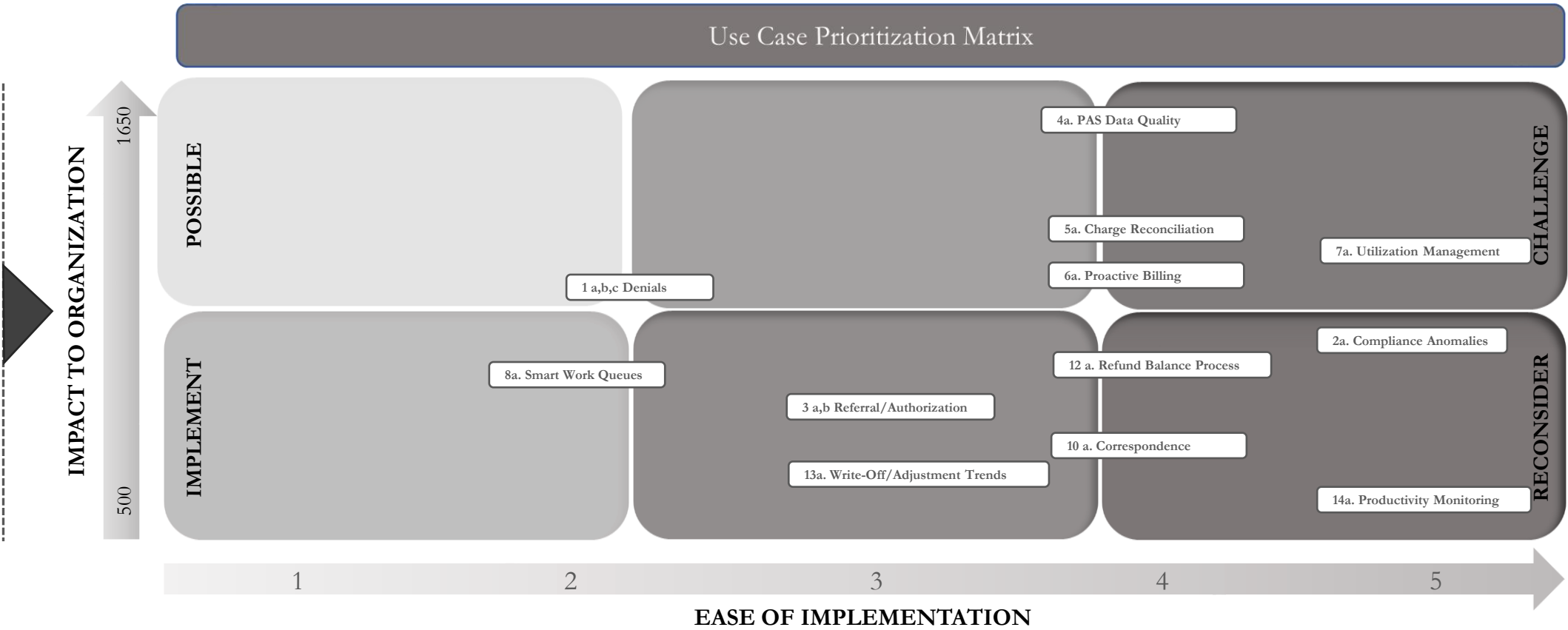
KPI	KPI Description	Current Metric	Data Source
Overturn Rate	Overturn rate by payer by denial code, procedure/diagnosis code		

The following **Prioritization Matrix** represents a shared visualization of a collaborative ranking of AI/ML Use Cases by the Organization’s Revenue Cycle Leadership team. The journey to an AI-enabled Revenue Cycle is complex. To be successful, the overall strategy must identify opportunities at hand and pursue those that maximize business and user benefits.

USE CASES were evaluated based on Impact to the Organization and Ease of Implementation.

Impact to the Organization was determined by rating the impact of the Use Case on Strategic Initiatives, Efficiency, Gross Revenue, Compliance, User Impact, and Customer/Patient Experience

Ease of Implementation was determined based on the complexity of AI/ML techniques, Integration, and availability of data





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Thank You
