



Boston Medical Center
HEALTH SYSTEM



Boston Medical Center-PwC

HFMA MA-RI Chapter

May 2022

BMC - Mission, Vision, and Values



- **Mission**

For more than 100 years, Boston Medical Center has been driven by a commitment to care for all people, regardless of their ability to pay, providing not only traditional medical care, but also programs and services that wrap around that care to enhance overall health. All of this supports our mission to provide exceptional care, without exception.

- **Vision**

Our vision is to make Boston the healthiest urban population in the world by 2030. This internal benchmark sets the tone for our growth and a successful future and drives our culture, activities, and strategy.

- **Values**

Built on Respect, Powered by Empathy
Move Mountains
Many Faces Create our Greatness

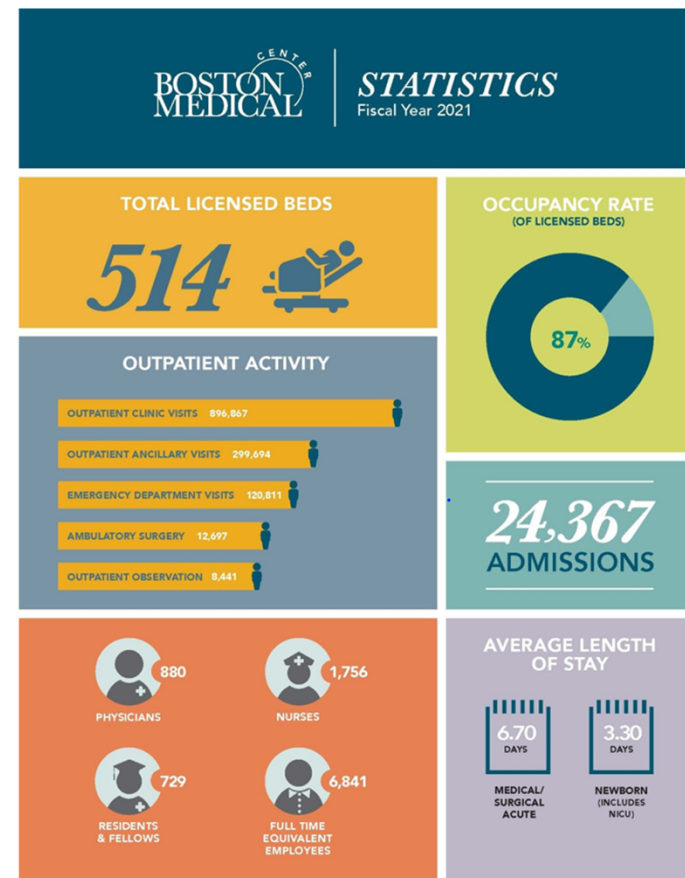
BMC - Overview & Key Operating Statistics



● Health System Composition

BMC Health System is a \$4B integrated health system that is composed of five main entities:

- BMC - tertiary academic medical center
- Wellsense Health Plan - a Medicaid Managed Care Organization
- Boston University Medical Group
- Boston Healthnet - a network of community health centers
- Boston Accountable Care Organization



The Case for Change

● RCM Landscape in FY18/19

- Epic conversion in May 2018 – HB & PB
- BMC adopted a “lift and shift” implementation of existing workflows and processes from its legacy RCM platform (SDK) onto Epic
- No transformative changes made to operations in the Epic implementation to evolve operations and better align with leading practices and typical Epic implementation performance improvement
- New Revenue Cycle Vice President joined BMC July 2018

● KPIs at a Glance (FY19)

- | | |
|--|---------|
| ➤ Gross AR: | \$450M+ |
| ➤ Gross Days in AR: | 61.3 |
| ➤ AR > 90: | 24% |
| ➤ First pass denials*: | 7.1% |
| ➤ Denial write-offs (as a % of GPSR)*: | 2.6% |
| ➤ Collection ration (cash/charges): | 33.7% |

* BMC’s legacy rundown was in-progress in FY19; denials metrics only include Epic data and will be undervalued compared to subsequent fiscal year data

The Case for Change (cont.)

- **Pain Points**

- Poorly solutioned revenue cycle platform (e.g., contracts not built, workqueue priority scoring not used, minimal automation integrated, inefficient account / workqueue routing logic, etc.)
- Lack of consistent reporting capabilities to measure and monitor performance
- Underperforming incumbent 3rd party vendor partners

- **Organizational Desire for Change**

- Increased focus on partnership and collaboration between various organizational stakeholders (e.g., revenue cycle, clinical operations, managed care contracting, finance, CM/UM, pharmacy, etc.)
- Steep financial pressure to improvement performance due to expected decrease in state subsidy/funding

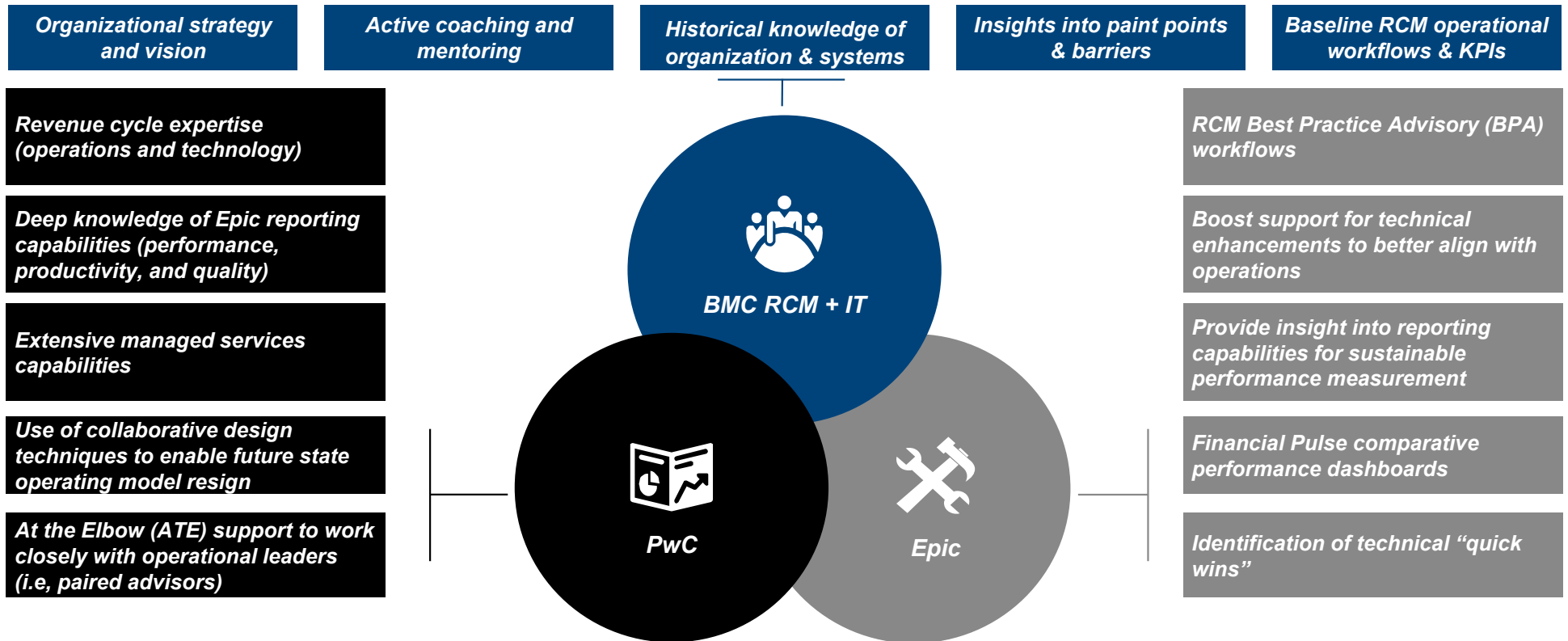
- **Challenges**

- New RCM leadership team (safety net AMC learning curve)
- Uniqueness of patient population

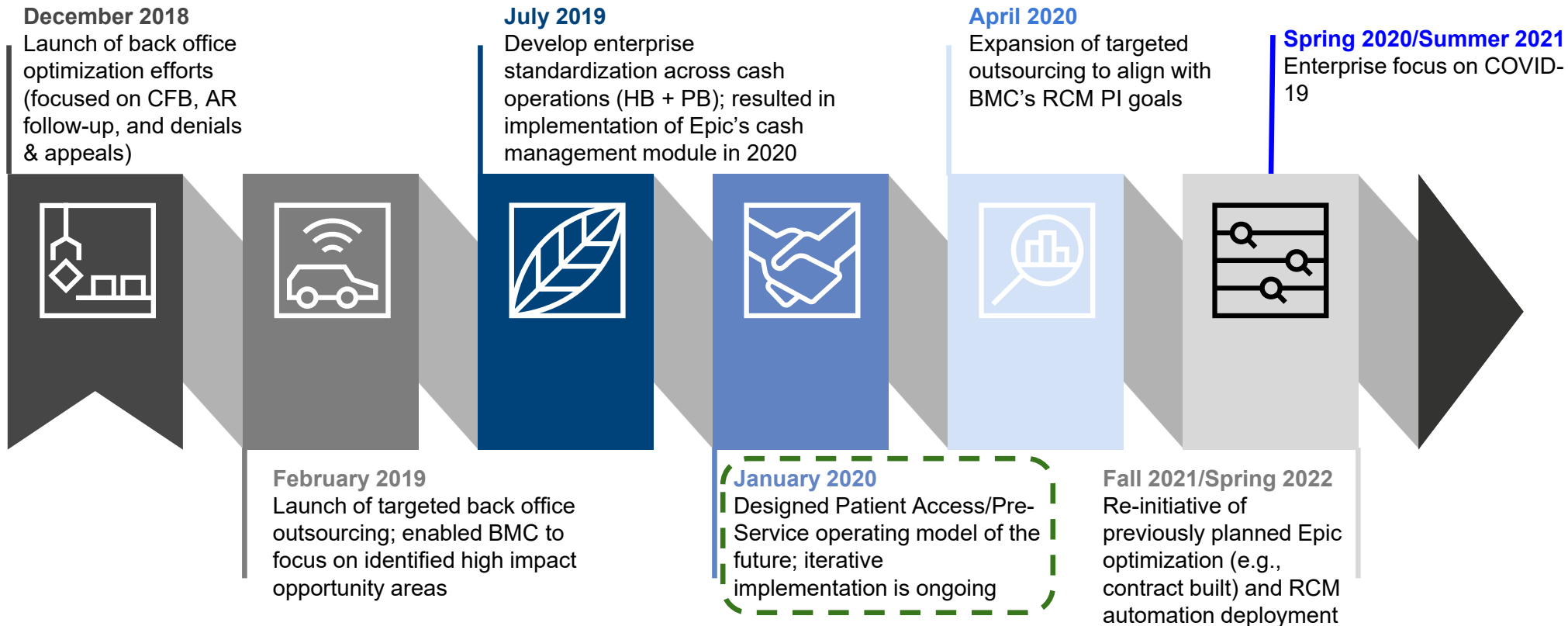
BMC and PwC's Response



Based on the strength of pre-existing relationships, BMC and PwC joined together on a multi-year collaboration focused on modernizing BMC's revenue cycle with an initial focus on back office optimization that has since expanded to encompass the entire revenue cycle.



BMC and PwC's Response (cont.)



 Collaboration "double click"

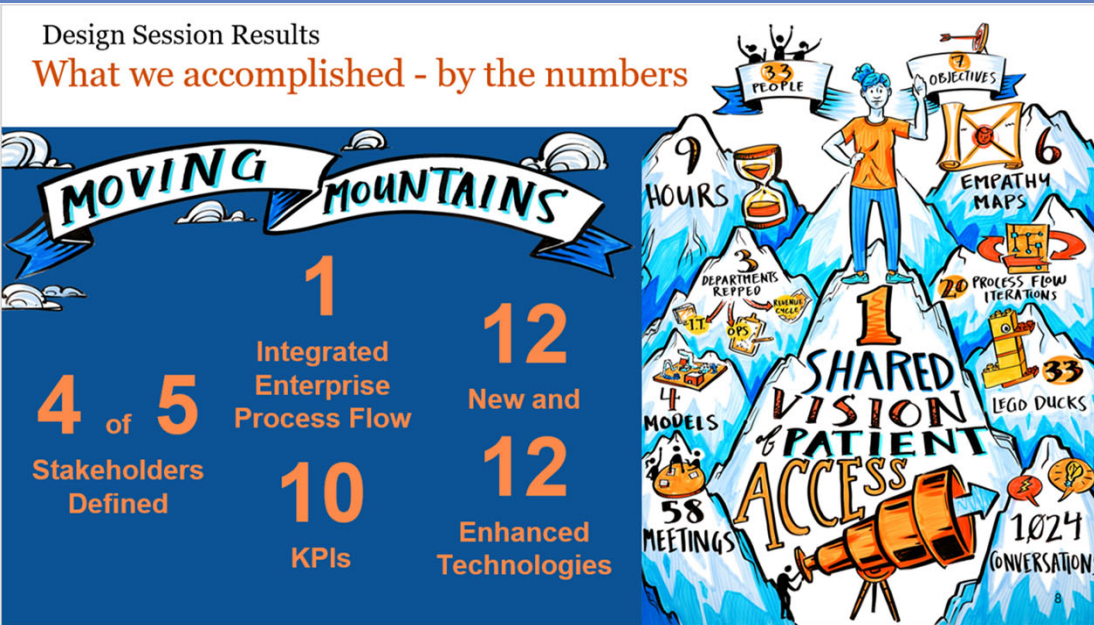
Approach focused on shoring up opportunities wholly owned by RCM operations prior to expansion to cross functional stakeholders

BMC and PwC's Response (cont.)



Design Session Results

What we accomplished - by the numbers



Outputs from this session continue to inform process design and technological enhancements that continue to help BMC on its evolution to a world class revenue cycle

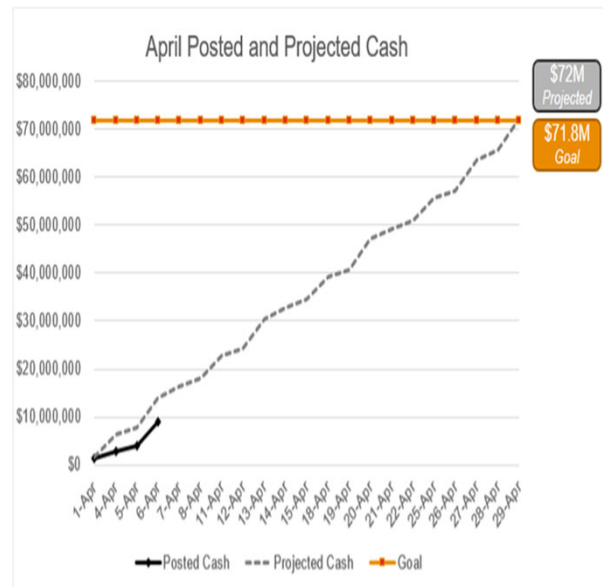
20+ senior leaders across BMC (RCM, IT, and Clinical Operations) were brought together for a 1 day rapid design session to clearly define the roadmap to achieve BMC's Patient Access Future State



Transformation into a Modernized Revenue Cycle

Our collaboration has resulted in an **data-driven approach to revenue cycle management**, including but not limited to the following insights:

- Cash conversion
- Rejection/denial rates, including resolution cycle time and root cause
- Time to 1st touch
- Average touch to resolution
- Real-time inventory visibility
- Payer scorecards (e.g., days to pay, issue auth, etc.)



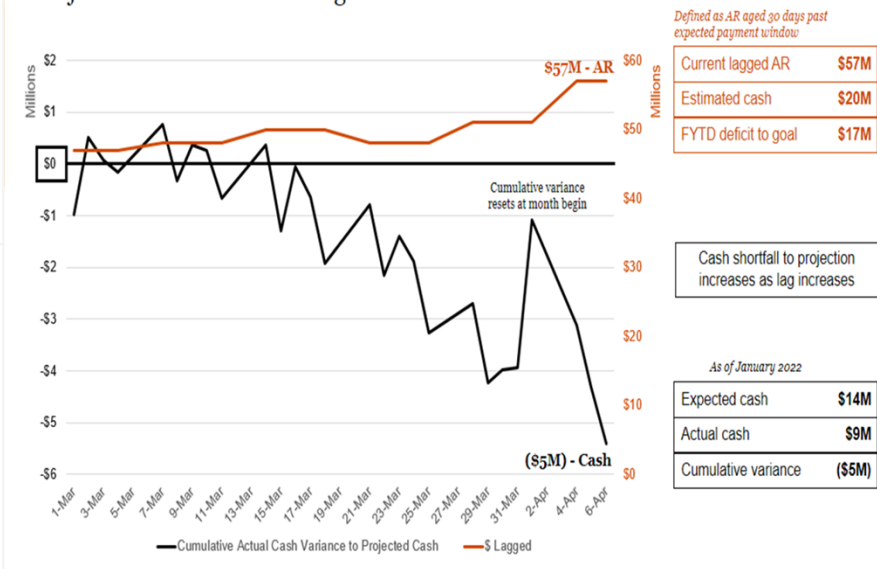
Illustrative

FYTD Cash Progress/Projection

Surpassed March goal by **\$7.3M**
\$1M cumulative deficit FYTD
\$5M cumulative surplus estimated at April close¹

Projection Performance vs. Lag

Illustrative



Transformation into a Modernized Revenue Cycle (cont.)



Using an insights-driven approach, BMC has realized significant performance gains over the past 2-3 fiscal years that has resulted in a sustainable 1-1.5% increase in bottom line improvement year-over-year.

Metrics	FY19	FY20	FY21	FYTD22* (through Feb)
AR (\$)	\$453,632,067	\$361,745,993	\$364,543,766	\$ 392,992,466
Gross AR Days	61.3	52.3	47.1	53.2
AR > 90	24.0%	20.3%	19.5%	21.7%
Denials - First Pass %	7.1%	15.4%	13.7%	11.9%
Denial Write-offs (% of GPSR)	2.6%	3.7%	2.6%	2.1%
Collection Ratio	33.7%	35.5%	35.0%	32.8%

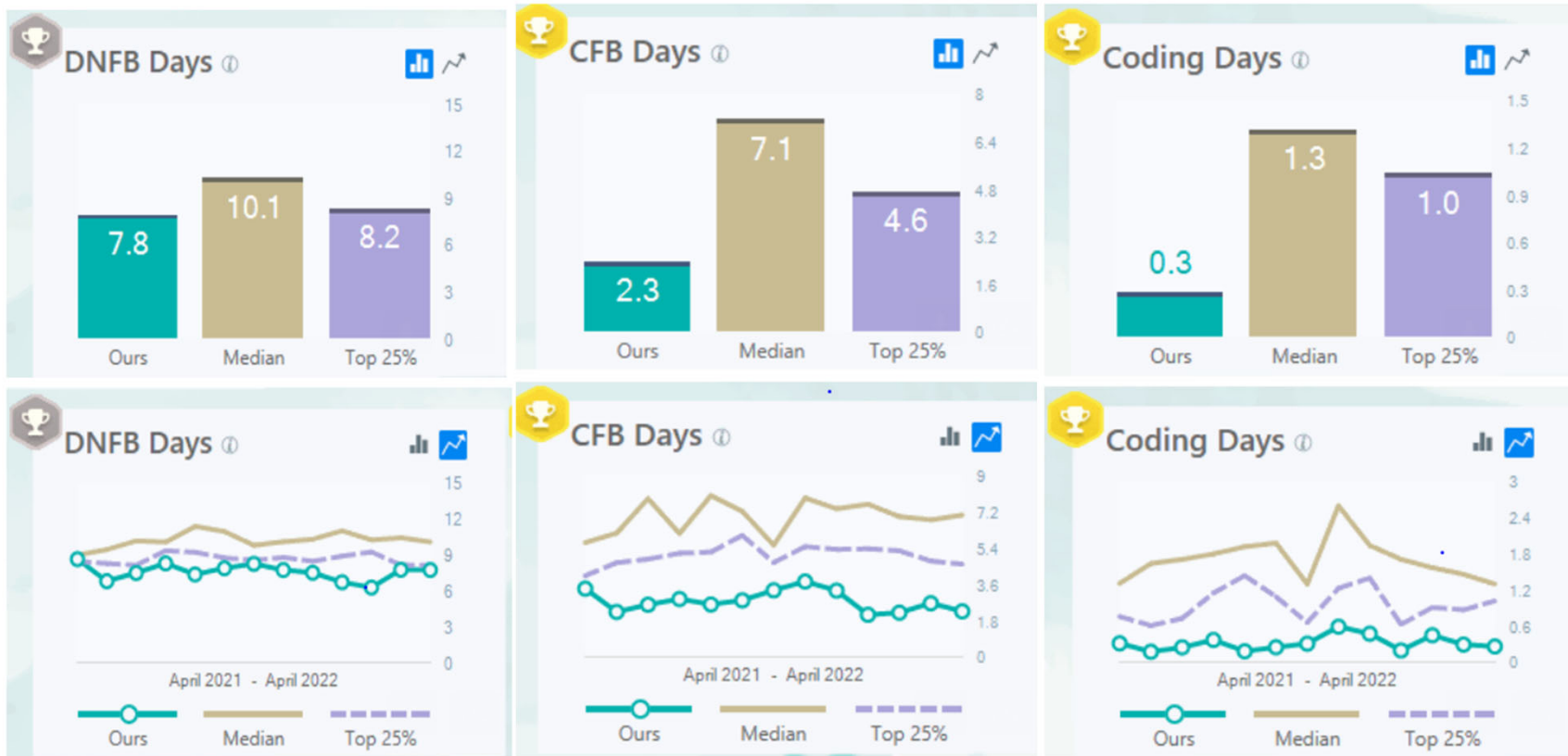
BMC's relationship with PwC enabled effective alignment of internal resources and skill sets with prioritized improvement opportunities to consistently achieve results that exceeded PI goals/targets

* Healthcare providers nationally are struggling with unprecedented payer processing lags in claims adjudication that is significantly skewing certain KPIs, such as collection ratio (anticipated to return to FY20-21 levels by FYE22)

Transformation into a Modernized Revenue Cycle (cont.)



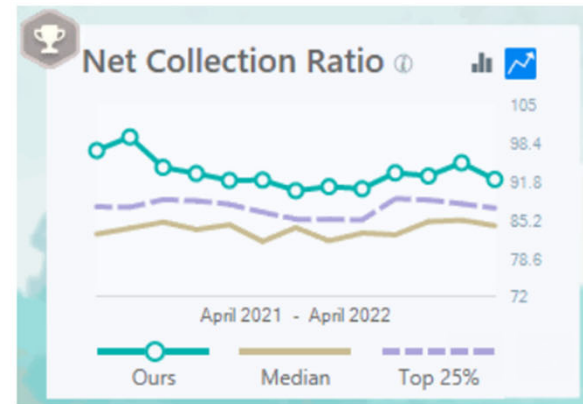
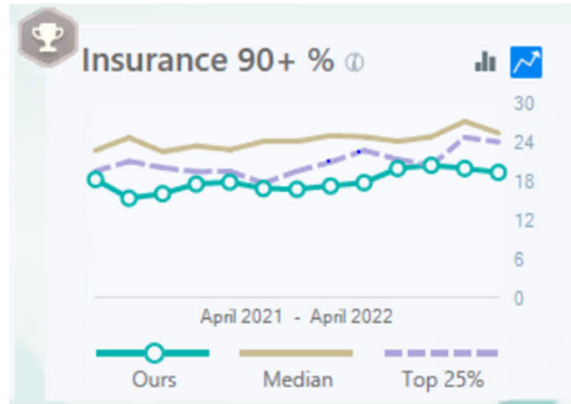
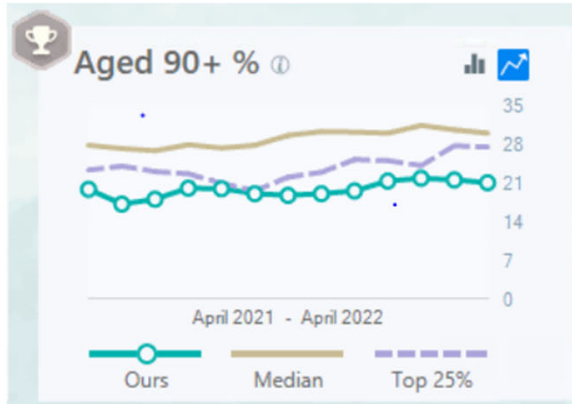
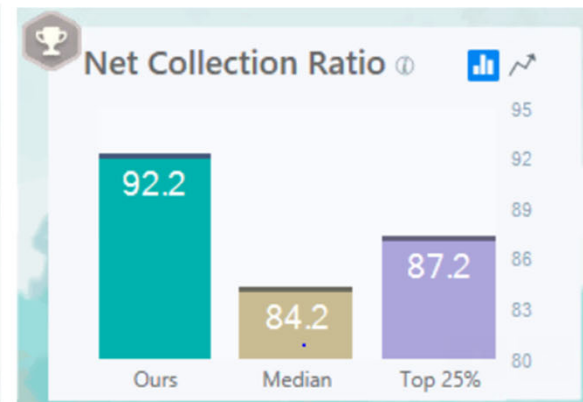
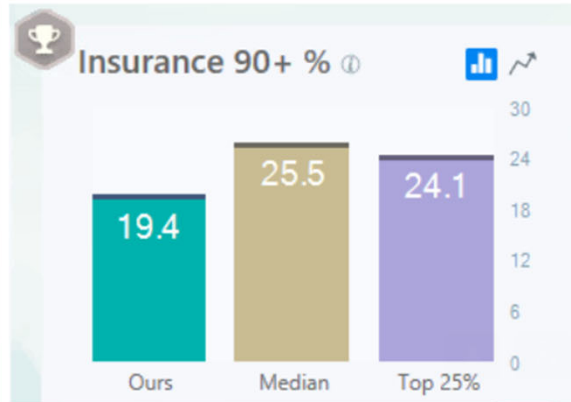
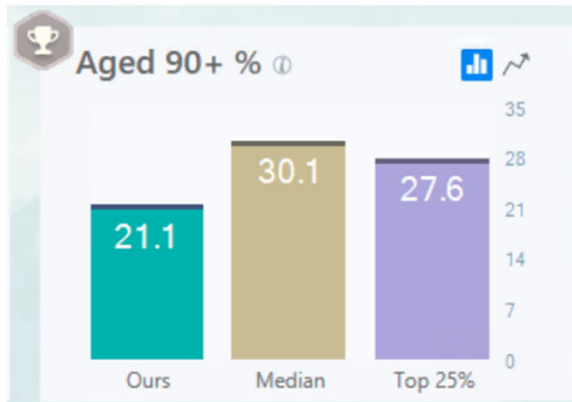
Efforts have also yielded multiple Gold and Silver medals in Epic's Financial Pulse dashboard.



Transformation into a Modernized Revenue Cycle (cont.)



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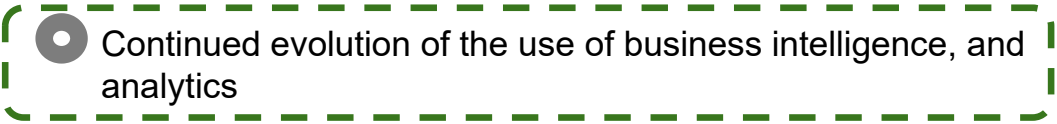
Where to Next?



To maintain momentum, BMC and PwC have already focused on the next set of critical PI opportunities to continue to help BMC on its journey to a world class revenue cycle.








- Continued denials (first pass and write-off) optimization
- Build/implement contract functionality in Epic
- Expand automation efforts within/beyond the revenue cycle
- Continued shift towards alignment of RCM operations to support value-based care, population health, and SDoH care delivery models
- Continued evolution of the use of business intelligence, and analytics



 Focus area "double click"

Where to Next (cont.)?

Revenue cycle management BI & analytics leading practices are focused on helping leadership understand how they currently perform, quickly identify issues, and leverage data to improve.

 Measuring, monitoring and calibrating KPIs	 Agile prototyping	 Proactive and predictive behavior	 Performance management	 Modernization of analytical infrastructure
<ul style="list-style-type: none"> • Track data-driven decisions impacting positive change throughout each stage of the workflow. • Periodically review and optimize KPIs to align to current goals and benchmarking standards. • KPIs are forward looking versus retrospective. They identify root causes to drive decision making and increased performance. 	<ul style="list-style-type: none"> • Build, Measure, Test and Learn through design thinking and continuous iterative looping. • Established business user feedback loop to continuously gather and address requirements and functional gaps. • Success measures tracking the reduction of time, costs, risks to develop reporting solutions while increasing user satisfaction. 	<ul style="list-style-type: none"> • Leverage next-generation AI techniques to drive business value. • Forecast revenue and correct issues that impact revenue before they occur. • Predict likelihood of claim denials early and assist in claims review and billing activities prior to submission. • Monitor key payers using historical behavior to predict payment timing or potential underpayment. 	<ul style="list-style-type: none"> • Implement analytics that directly and continuously improve accuracy and efficiency of revenue cycle such as charge lag, clean claim submission rate, cash to revenue yield, etc. • Design mechanisms/processes to enable critical behaviors that support cultural transformation and adoption. • Optimize the use of sophisticated tools and self-service analytic capabilities, such as Alteryx, by staff that support RCM operations (directly or indirectly) 	<ul style="list-style-type: none"> • Leverage visual, interactive and drillable reporting tools such as PowerBI, Tableau, etc. • Modern technology stack by integrating AI, machine learning and natural language processing capabilities. • Utilize structured/unstructured data to enhance revenue cycle reporting. • Utilize scalable, cloud-based platforms enhancing data and analytics ecosystem.



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Questions?

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