Jim Catalino discusses what can be done right now to reduce healthcare costs and improve efficiency and effectiveness.

Murali Karamchedu explains how integrated provider management is more than simply managing contractual language.

According to Eric Leichter, cabling installed today has to meet the requirements of the cabling for tomorrow.

Murali Karamchedu explains how integrated provider management is more than simply managing contractual language.
The Horizon ERM steering committee at Gwinnett (from left): Monica Swecker, project manager; Julianne Dreon, director, patient accounts; Cynamin Kinard, director, patient access; Darryl Ward, director, financial applications; and Cathy Dougherty, assistant vice president, revenue management.
when Gwinnett Health System faced the challenge of reinventing its financial practices to deal with a changing healthcare industry, Cathy Dougherty could not stop thinking about a certain children’s movie. The assistant vice president of revenue management had visions of “Toy Story” – a film that depicts the secret lives of action figures and stuffed animals – dancing in her head. Dougherty kept thinking that even though the movie is an entertaining, creative children’s flick, the storyline contains a number of change-management lessons that could be applied in the healthcare setting. Leaning on the movie for inspiration and as a training tool, Dougherty led an
initiative to reinvent the two-hospital health system’s revenue-management practices. First, she selected a next-generation revenue-management solution that provides the bandwidth to deal with emerging trends in the healthcare industry. Second, she drove a comprehensive change-management program designed to reinvent revenue practices. As a result, the Lawrenceville, Ga.-based non-profit provider improved efficiency, enhanced patient service and bolstered its bottom line.

A number of industry trends prompted Dougherty to consider the need for change. Patients are becoming financially responsible for a larger portion of their care, for example, providing them with the incentive to spend healthcare dollars more wisely. The problem for providers: About 80 percent of patient self-pay revenue is never collected, according to the Advisory Board Company, a Washington, D.C.-based consulting company.

Dougherty realized that Gwinnett needed to provide the decision-support tools and resources that aid in improving consumers’ ability to make the best medical-care and financial choices. In addition, she recognized that emerging pay-for-performance programs, which reimburse providers based on clinical results and quality, and structural and patient-satisfaction measures, would require a revenue-management system that would help her organization analyze and report on outcomes.

Changes to traditional billing practices also figured into the equation. The Centers for Medicare & Medicaid Services’ (CMS), for example, proposed introduction of new diagnosis-related groups requires a system that adjusts for severity of illness and the application of hospital-specific relative value weights based on costs rather than charges. In addition, CMS is calling for the adoption of the expanded ICD-10 (International Classification of Diseases, 10th revision) diagnosis coding. As a result, Dougherty realized that Gwinnett would need a system that supports the 68,000 codes in ICD-10, as compared to only 13,500 in ICD-9.

With all of these emerging pressures, she realized the legacy revenue-management system in place at Gwinnett would not be able to successfully help the provider move into the future.

“From a business perspective, we had realized for quite some time that we were working with a system that was built for a fee-for-service world,” Dougherty says. “We needed a system that would adapt to changes in the payer environment and help us meet our financial objectives.”

Meeting practice objectives

The next challenge was to define exactly what was needed to enable Gwinnett to implement a system that would help it reinvent its existing revenue-management practices, not merely a system that would result in small incremental changes. In other words, Dougherty realized that the hospital needed to move beyond currently accepted technology (the pull-string technology represented by old-fashioned cowboy Woody in “Toy Story”) toward a new type of technology (the push-button technology represented by space ranger Buzz Lightyear).

“We knew we could not bring about meaningful change by swapping out one legacy system for an alternate legacy system,” she says.

Most importantly, Dougherty realized the healthcare system needed a solution that would help staffers complete tasks at the start of the patient-interaction process, not after care has been delivered. Under the current revenue-cycle model, Gwinnett had to deal with inordinate delays and significant rework because relevant information typically is not collected early in the process. Under the new paradigm, all information needed to perform patient treatment, help meet regulatory requirements and collect full payment for services delivered would be collected at the beginning of the process.

Such a model puts increased emphasis on early-in-the-cycle functions, such as scheduling, preregistration, insurance verification, insurance authorization, financial counseling, point-of-service collections and health-information management. The new access-management model prompts consumers to become active and informed participants in their care at the outset.

In addition to a system that supports this front-end data collection, Dougherty envisioned a next-generation revenue-management solution that would offer:

• exception-based work flow so that staff members could work more efficiently;
• productivity-management tools so resources could be maximized; and
• advanced intelligence embedded in the system, so processes would be less reliant on individual staff members’ knowledge.

Before entering the market for a new system, Dougherty and Darryl Ward, director of financial applications, worked to get others to buy into the vision. The duo
specifically worked to get the C-level executives on board.

“We educated the executive team about the revenue-management challenges that we were currently facing and what was needed in a new system,” recalls Ward. “Otherwise, we would probably wind up getting another legacy system.”

“We showed them the 18 screens that it took to register a patient,” explains Dougherty. “By the end of the sessions, they were feeling our pain.”

Dougherty and Ward then began reviewing several solutions from various vendors and eventually decided to implement McKesson’s Horizon Enterprise Revenue Management, which combines rules-based software, connectivity services and best practices. With this system, the hospital is re-engineering scheduling, registration and other patient processes, according to Tommy McBride, executive vice president and chief financial officer.

For more information on McKesson solutions:
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Transforming delivery

“What with the new McKesson platform, we have the opportunity to completely reinvent our organization, our processes and even our relationships with payers and other constituencies so we will be better equipped to address future revenue-management challenges,” says McBride. “This is just one of the many ways that we are transforming the delivery of healthcare in Gwinnett through Project PATH, our strategic vision.”

Dougherty realized simply flipping the switch on a new system would not be enough to realize the transformation that McBride envisioned. Once again, visions of “Toy Story” kept popping into her head. Dougherty thought the leaders and staff needed to adopt the attitude and philosophy of Buzz Lightyear, a positive leader with a “can-do” attitude. As the change-management initiative was rolled out, staff members were encouraged to adopt a “buzz-i-tude.”

“I wanted all the leaders and staff members to see the difference between fearing change and embracing it – and the movie really illustrates that,” says Dougherty. “Buzz embraces change by searching for solutions, while Woody fears change, hoping that everything will just work out by itself. I knew we needed to get everyone on board with a positive attitude.”

To drive the point home, Dougherty showed the movie “Toy Story” at a management retreat and officially adopted Buzz Lightyear as the organization’s change-management mascot.

The first challenge for the staff was to develop an implementation plan. The solution, which contains access-management, business-management and consumer-management modules, could be implemented all at once or one module at a time.

“We realized implementing the entire system at once, we would take too many people and be too much of a strain on our resources,” says Dougherty. “We decided to implement the access-management portion of the system first and then to only roll out the other modules in the future.

“We were then able to roll up our sleeves and get to work,” Dougherty says. “McKesson helped by bringing in its resources. By September 2008, we had the new system up and running successfully without interrupting patient care, one of our main goals.”

The consumer-management module is being rolled out throughout 2010, with the first kiosk expected to be operational early in the year. The business-management module is slated for a fall 2010 implementation.

The implementation process began with product-review sessions to educate the project team about all the possibilities offered by a next-generation system. Then, implementation leaders conducted a business-process analysis where team members were encouraged to think about how processes should work when there was no need to settle for inefficient processes due to system limitations. The implementation team then configured the system to support the hospital’s goals. The team created custom-designed screens for various settings of care, designed rules and set parameters to automate manual processes, and determined what analytics were required to manage demanding revenue-cycle processes.

Training gets priority

Gwinnett’s training team joined forces with McKesson’s staff to train more than 300 users in five weeks on system functionality and new business processes. The training effort included development of customized training materials and conducting around-the-clock training classes six days per week.

To keep the implementation on track, Gwinnett brought in a third-party testing coordinator. The company tracked problems and issues that Gwinnett had during the implementation – and helped focus resources on overcoming those challenges. Working with the implementation team, the testing coordinator thoroughly tested the system from the point of scheduling and pre-registration through the bill-production process, focusing specifically on integration testing with financial, clinical and ancillary systems.

There were a few things Dougherty would do differently if she had it to do all over again. Instead of pulling data from the clinical system to populate the new solution, for example, she would pull data from
the legacy system. In addition, she would have let the users experiment with the system without any scripts before it went live.

With the access-management component of the system only operational for about one year, Gwinnett has tallied a number of improvements. Medical record duplications, for example, have decreased from 8 percent to just .31 percent.

“Employees don’t always use a new system as they were trained to use it,” Dougherty says. “Instead, they find their own ways of doing things and, in the process, often teach us ways to maximize use of the system.”

While there are always challenges with this type of large-scale implementation, results are being realized quickly, she adds. The solution is being implemented to re-engineer all 23 customer registration access points and improve patient flow through the entire health system.

“We can now capture information at the point of service, instead of having to search for information after a patient is gone,” Dougherty says. “By doing so, we are able to significantly improve productivity and enhance the level of service for our patients.”

Ultimately, Gwinnett plans to move many tasks to the front end and enable consumers to manage their care online.

With the access-management component of the system only operational for about one year, Gwinnett has tallied a number of improvements. Medical record duplications, for example, have decreased from 8 percent to just .31 percent. “We went from being average to being one of the top performers in the country on the medical record duplications metric,” Dougherty says.

In addition, Gwinnett has: decreased days in accounts receivable from 60.2 to 54.5; realized a 96 percent reduction in duplicate medical records; increased first-time clean claims by 2 percent; and experienced a 4 percent increase in cash on hand.

“As we prepare to implement the remaining modules of the system, we will take a deep breath and adopt a ‘Buzz-i-tude’ again,” she says, “because now we know firsthand the results we can reap by reinventing our revenue-management practices.”

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