



GET YOUR CASH: Strategies to Improve Your Revenue Cycle



Objectives

1

DISCUSS:

- lessons learned during MGH revenue cycle improvement project.

2

GAIN INSIGHT INTO STRATEGIES FOR:

- Improving cash flow.
- Reducing days in accounts receivable and write-offs.
- Regulatory compliance.



Desired Outcome

WHAT TO FOCUS ON?

- Measure the important things.
- BSOW:
 - New billing system?
 - Increase in A/R?
 - Staff frustration / turnover?



Our Journey

- New Billing System
- New CEO
- New Administrators
- New Revenue Cycle Director
- New Billing Staff
- New Controller
- New LEAN Team



The Story

- Priorities
- People
- Process
- Technology
- The elephant that took over the room
- The turning point
- Later... the results

What if charges were chocolate, AND BILLS WERE THE WRAPPER?





Project Objectives

- Decrease outstanding accounts receivable balance, improve aging, and reduce the number of days in accounts receivable, and amount of uncollectible accounts.
- Assist staff in gaining an understanding and knowledge of the long-term care environment as it relates to the revenue cycle.
- Assist in the development of relevant policies, procedures, and guidelines.
- Evaluate regulatory compliance.
- Establishment of benchmarks and goal setting.
- Assist in the development of a systematic approach to revenue cycle activities.
- Evaluate communications and interdependencies with facility operations.
- Assist management with the development of tools and approaches to monitoring compliance.
- Recognize success.

Project Outline Phase I

Assessment of the long-term care billing and collections process (Phase I was utilized to develop Phases II-V).



Project Outline Phase II

Education and training related to processing and collections of accounts receivable.



Project Outline Phase III

Continuation of Phase II and education and training related to resident account maintenance activities.

Project Outline Phase IV

Education and training related to resident trust funds, development of applicable policies, procedures and guidelines, and establishment of benchmarks and goal setting.



Project Outline Phase V


Check-in and monitor conformance with developed plan and goals.



Project Outline Phase VI

Tools and techniques to sustain operational changes.





Process & Deliverables

REVENUE CYCLE

EDUCATION:

- Understanding of Medicare, Medicaid, third-party payor reimbursement principles and regulations guiding the facilities' operations.
- Recurring revenue cycle activities, sequencing, and timing of completion to expedite reimbursement, simplify, and standardize process and reduce days in accounts receivable.
- Skills development: techniques to analyze outstanding balances and identify trends in accounts receivable.

DELIVERABLES:

- Billing office calendar.
- Revenue cycle monthly accounts receivable meeting agenda and supporting documents.

Process & Deliverables

ACCOUNTS RECEIVABLE

EDUCATION:

- Workshops for revenue cycle and facility operations teams on gaining an understanding of available tools and resources to improve collections.
- Workshop on best practices for accounts receivable review.
- Simplification and standardization of accounts receivable reporting.
- Technical skills development.

DELIVERABLES:

- Participated in development of MGH collection policy.
- Monthly accounts receivable meeting agenda, to include new collections policy, and supporting documents (pre-meeting action plan, reporting tools, and report distribution).



CONSISTENT, ALIGNED, AND ACCOUNTABLE PROFESSIONAL AND PERSONAL BEHAVIORS

We are MaineGeneral and fully support our **RESPECT**
Values and Standards:

Respect

Excellence

Service

Professionalism

Empathy

Communication

Teamwork



OUR ACCOMPLISHMENTS

- Beyond the numbers...
- This took tremendous effort by various groups and we should not leave them out.
 - Billing
 - Social Work
 - Administration
 - IT
 - Vendor Support
- Stories of Pride in work.



OUR ACCOMPLISHMENTS

- Days in A/R
- Cash Deposits as a % of NPSR
- Turnover
- Standard Work:
 - Calendars
 - A/R meetings
 - Communication

Our Accomplishments

Metric Description	Target Metric Pre-Vision	8/31/2015	8/31/16 Metric	9/30/16 Metric	10/31/16 Metric	11/30/16 Metric	12/31/16 Metric	1/31/17 Metric	2/28/17 Metric	3/31/17 Metric	4/30/17 Metric	5/31/17 Metric	6/30/17 Metric	7/31/17 Metric	8/31/17 Metric	9/30/17 Metric	10/31/17 Metric	11/30/17 Metric
Days in A/R	<30 Days	30.4	75.6	81.6	74.8	71.0	70.2	65.5	63.9	62.5	55.9	50.0	44.8	45.6	44.5	43.4	42.2	38.3
Average Daily Revenue	Actual Amount	\$ 74,456	\$ 65,744	\$ 70,953	\$ 71,344	\$ 71,356	\$ 72,121	\$ 71,960	\$ 72,100	\$ 72,362	\$ 73,267	\$ 73,348	\$ 73,427	\$ 76,612	\$ 76,227	\$ 76,334	\$ 76,518	\$ 76,261
Gross A/R < 90 Days as a Percentage of Gross A/R	>75%	76.9%	44.2%	46.7%	41.5%	40.9%	40.9%	40.8%	43.3%	48.0%	52.5%	50.2%	54.9%	56.3%	61.3%	55.7%	60.7%	67.1%
Greater than 90 in Gross A/R	550,000	526,574	2,731,479	2,965,687	3,042,159	2,923,957	2,952,859	2,739,533	2,525,995	2,151,525	1,978,827	1,736,092	1,538,809	1,427,083	1,212,822	1,334,817	1,220,794	919,051
Gross A/R > 180 as a Percent of Gross A/R	<20%	18.6%	37.70%	37.90%	43.60%	45.80%	48.20%	47.90%	46.40%	39.80%	36.40%	26.90%	30.60%	31.40%	29.40%	28.20%	25.80%	21.30%
Gross A/R Total Dollar Amount	Actual Amount	2,303,231	4,966,911	5,786,292	5,334,636	5,066,724	5,064,731	4,713,515	4,604,019	4,525,521	4,095,137	3,665,690	3,287,038	3,491,104	3,396,823	3,314,619	3,231,241	2,918,994
Net Rev	1,735,000	1,671,660	1,630,629	1,542,626	1,387,240	1,333,284	1,746,988	1,263,505	1,361,985	1,624,352	1,283,579	1,551,631	1,481,750	1,636,371	1,585,809	1,649,271	1,651,291	1,742,863
Cash as a Percent of 3 mo roll avg Net Revenue	>95%	90%	105%	67%	135%	133%	116%	116%	102%	124%	108%	119%	118%	109%	112%	99%	105%	117%
Total Cash Collected - Monthly	1,800,000	1,500,938	1,530,755	1,012,275	2,050,548	1,884,096	1,723,195	1,682,308	1,490,019	1,755,868	1,536,599	1,774,559	1,704,518	1,692,298	1,762,782	1,613,484	1,703,694	1,958,824
Bad Debt Write-Offs as a Percent of Gross Revenue	<1.1%	0.7%	4.6%	8.1%	9.2%	7.2%	1.7%	11.6%	2.7%	3.4%	2.4%	5.8%	4.9%	1.5%	2.8%	0.9%	3.8%	-2.7%
Gross Revenue	2,364,000	2,286,383	2,103,143	2,451,576	2,247,643	2,142,142	2,352,790	2,201,171	2,048,765	2,307,124	2,445,758	2,298,496	2,229,297	2,374,978	2,354,227	2,293,531	2,388,936	2,256,199
Cash as a Percent of 3 mo roll avg Gross Revenue	>70%	66%	72%	47%	90%	83%	77%	75%	68%	80%	68%	75%	73%	74%	76%	69%	73%	85%