hfma central pennsylvania chapter
healthcare financial management association

Trends and Changes in the Revenue Cycle "A life of mergers, acquisitions & system conversions"

Presented by Dan Angel, VP Revenue Cycle Penn State Health
September 25, 2018

Agenda

- Overview of Penn State Health
- Hot topics in the current day revenue cycle
- Mergers and acquisitions – revenue cycle impact
- EMR and Revenue Cycle system conversions

About Penn State Health

- **Milton S. Hershey Medical Center:** Founded in 1963 through a gift from The Milton S. Hershey Foundation, Penn State Health Milton S. Hershey Medical Center is one of the leading teaching and research hospitals in the country.
- **Six institutes**: Penn State Cancer Institute, Penn State Heart and Vascular Institute, Penn State Bone and Joint Institute, Penn State Neuroscience Institute, Penn State Clinical and Translational Science Institute, and Penn State Institute for Personalized Medicine.
- **St. Joseph's Medical Center (Reading):** Acquired Community Hospital as part of Penn State Health system in 2015.
- **Physicians:** More than 1,400 primary and specialist physicians and advanced practice clinicians care for patients through the Penn State Medical Group, which includes 57 clinics in nine central Pennsylvania counties.
- **Rehabilitation Services**: A 98-bed rehabilitation hospital in partnership with Select Medical

Penn State Health – Hershey Campus

Revenue Cycle Industry Trends

Compliance Trends

What is your level of exposure?

- New/Established patient visits E/M codes
- Ambulance Services
  - Upcoding BLS to ALS
- Physician supervision requirements
  - 'Incident To' OIG project

Compliance Trends

- Medically necessary services
- Services not provided
- Physician financial arrangements
- Unlicensed, excluded, unqualified and unsupervised providers

Compliance Best Practices

- Where is compliance?
  - At the table from innovation and due diligence onward
  - An essential part of the team, understanding priorities and strategy
  - Emphasize relationships…
  - In calm waters, before a storm
  - Cast a broad net, from front line to c-suite
  - Collaboration and cooperation

Compliance Best Practices

- Educate, educate, educate!
  - Be in the “know”
  - What’s the value?
- Create champions
  - What are our values? Strategy?
  - Compliance’s role in identifying and mitigating risk, revenue retention

Compliance Best Practices

- Communication and visibility

- A good reputation is worth protecting
  - Monitor national, regional headlines
  - Educate, homegrown examples
  - Perception is everything

Compliance Best Practices

- Circle back
  - What happens after the corrective action?
- Be deliberate in your planning, methodologies, communications
  - Annual work plans
  - Investigation work plans
- Review and monitoring
  - Leveraging operational resources
  - Focus areas maximize limited compliance Resources

Price Transparency

- CMS IPPS Final Rule

According to the IPPS final rule, hospitals *are now required to establish and make public a list of their standard charges.*

Effective January 1, 2019, CMS updated its guidelines to require hospitals to make a public, online list of their standard charges and to update this information annually, or more often, as appropriate. This, CMS says, is to encourage price transparency by improving public accessibility of charge information.

Revenue Cycle Industry Trends

Patient Price Transparency is still a hot topic

- Consumers want to know their out of pocket responsibility
- Patients are “shopping” for medical services
- Create a pre-service financial team (Financial Navigators)
- Self service price estimates are becoming more common

PennState Health

Thank you for your request for pricing information about our patient care services. Penn State Health, our physicians and care givers are committed to making sure patients and families have the information they need to make fully-informed decisions about their care. This includes information about costs and financial responsibility. Enclosed, you'll find the information you requested. If you have additional questions about this estimate please feel free to contact us at 1-866-315-9085.

*quick*Estimate

Pediatric Specialties
200 Campus Drive, Entrance 4, Suite 1100
Hershey, PA 17033
1-800-243-1455

Creation Date: 8/6/2018
Completed On: 8/6/2018

Patient Information	
Patient Name:	TEST, TEST
Patient Address:	
Patient Phone:	
Hospital Information	
Patient Type:	Outpatient
Attending Physician:	
Medical Record Number:	
Account Number:	QQ5J00086
Estimated Date of Service:	8/6/2018
Anticipated CPT/Services	
test letter	
Benefit Plan Information	
Insurance Plan	Highmark Comm
Remaining Deductible:	$500.00
Remaining Max Out of Pocket:	$5,000.00
Copay:	$0.00
Estimate Details	
Estimated Physician/Professional Charges:	$11,529.00
Estimated Hospital/Facility Charges:	$79,700.65
Total Estimated Charges:	$91,229.65
Total Contractual Allowable Amount:	$4,499.16
Estimated Insurance Responsibility:	$3,599.25
Estimated Patient Responsibility:	$899.91
Applicable Discount:	- $0.00
Copay:	+ $0.00
Estimated Remaining Patient Responsibility:	**$899.91**

Revenue Cycle Industry Trends

- Selective Outsourcing
  - Traditional Revenue Cycle outsourcing
    - Bad debt agencies
    - Early out (self pay)
    - Full revenue cycle outsourcing

Revenue Cycle Industry Trends

Selective Outsourcing

- Focus on areas of high ROI and low cost to collect impacts
  - Small balance aged insurance receivables
  - Selective coding services
  - Selective Self Pay receivables

Mergers & Acquisitions

255 healthcare merger and acquisition deals announced in Q2 2018. [1]

1. Revenuecycle intelligence.com , August 1, 2018

Mergers and Acquisitions

- **Notable M&A Activity**

  - Bon Secours Health System and Mercy Health. The merged entity would form a 43-hospital system serving seven states, with $8 billion in net revenue

  -Einstein Healthcare Network joining Jefferson Health, a 14-hospital system with about $5 billion in annual revenue

  -HCA Healthcare, Inc., acquiring Mission Health, a seven-hospital system based in Asheville, N.C.

“Penn State Health plans Cumberland County hospital”

Mergers and Acquisitions

Revenue Cycle Impact:

- Gaining economies of scale
- Disparate EMR and Revenue systems
- Reporting challenges
- Policy and procedure standardization
- M&A resources

System Conversions

- Hospitals and Health Systems migrating to "clinically driven revenue cycle systems"

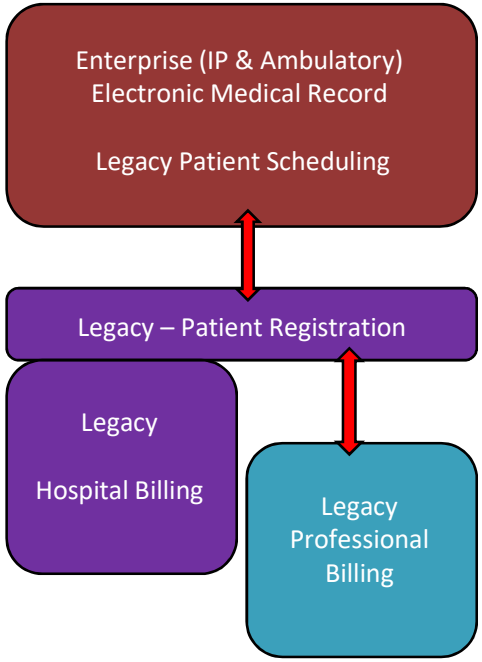
Case Project Overview

Program Vision Statement

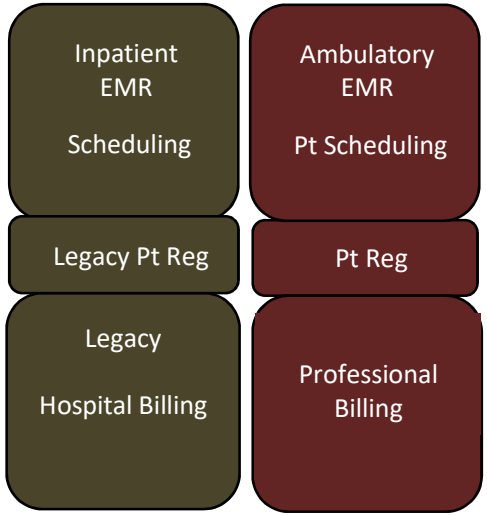
To create a “One PSH” streamlined patient record to exceed the quality, safety, and service expectations of all those we serve, while aligning as an integrated and financially successful “best in class” academic health system.

Project Scope

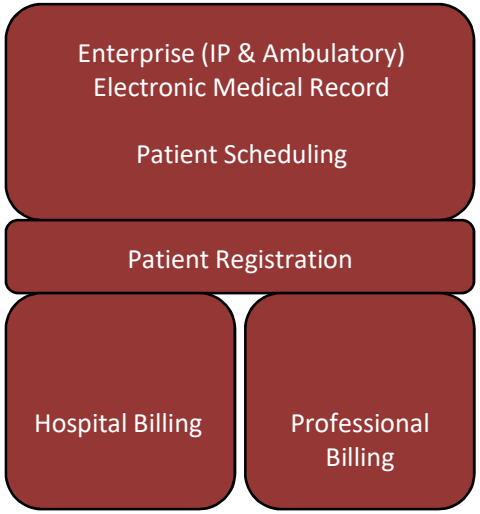
HMC Current State



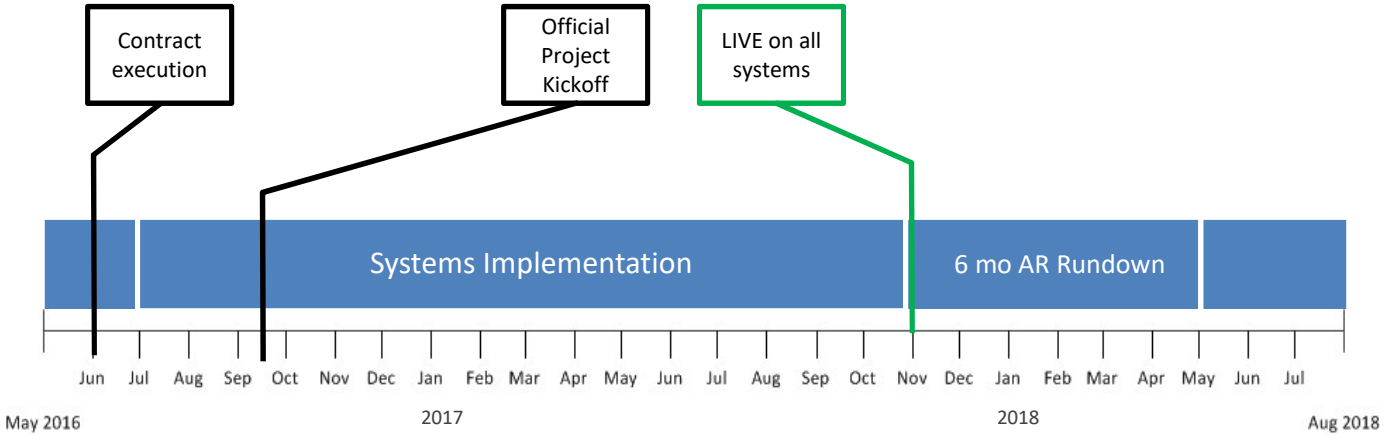
SJ Current State



PSH Future



Original Project Timeline and Scope



Large scope, transformational project which will effect all clinical and non-clinical personnel

Early Project Work

- Vendor Resources
- Penn State Health Resources
- External Project Management
- External Financial System Management

First BIG issues

- Professional Revenue system intricacies
- Experience with application and experienced clients
- LEAN PROJECT Management

Timeline Change

- Original timeline was aggressive
- Additional product development needed
- Resource experience with the product
- First Integrated Testing session insufficient

Considerations & Implications of Delay

- Effect on people, project resources
- Logistics of testing, and training for 1000s
- Operational and contractual factors
- Impact to end of year financial reporting and legacy AR rundown
- Impact to other projects
- Budget implications
- Added resources and expertise on Rev Cycle Site

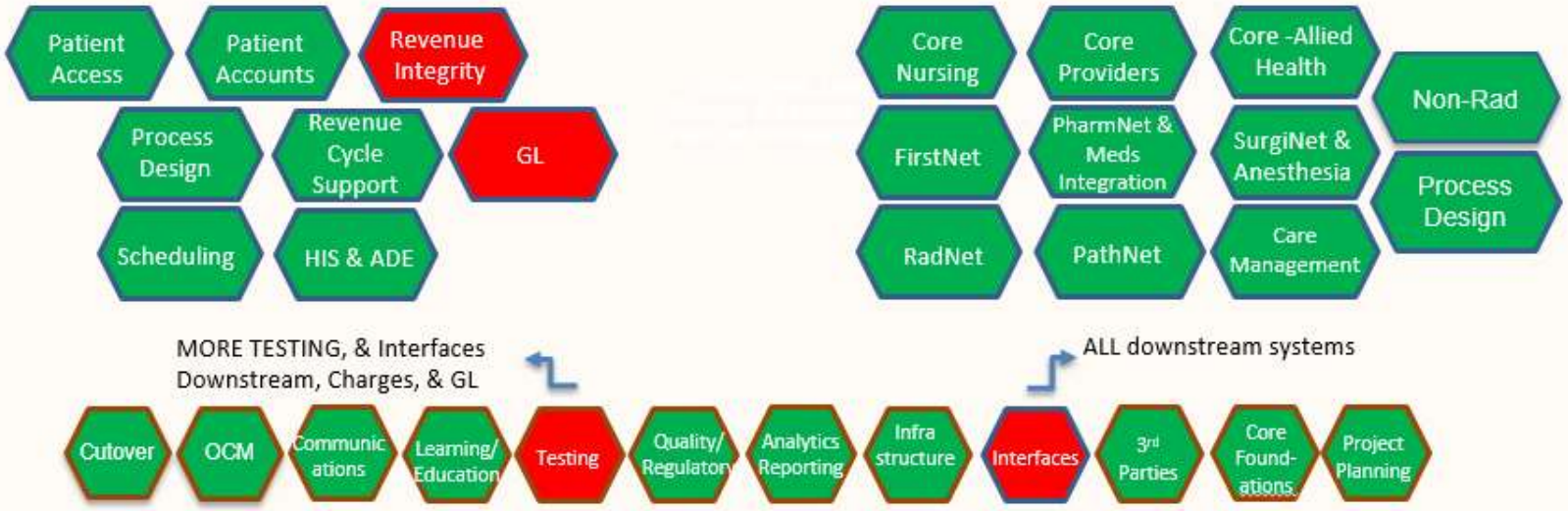
Next BIG issues

- Revenue systems
  - Build completeness
  - Accuracy of shared Codesets and divisions
- Few clinical gaps
- Build not ready for interface and reporting work
- NEEDED additional Integration Testing
  - Did 1,2,3
  - Needed 5 and 6

New Go Live

Decision to delay the Go Live until the weekend of June 2nd

Go Live Risk Areas:



Required Training for EVERYONE

- 2,4,8 hr classes for providers
- CBT and classroom for ancillaries
- Day long for Revenue cycle
  - Registration
  - Professional coders
  - Hospital charges

Project Impact

- Project Duration:
  - 17 months from January, 2017 when the teams were put in place
- Team members:
  - 357 from across departments and roles
- Project Hours:
  - 196,000 hours (at latest count!) recorded by the team members over the duration of the project…and BEFORE Go-Live coverage
- Individuals Trained:
  - 9,000 individuals trained including 2,150 physicians
- Radiology appointments:
  - 30,000 preloaded into the system
- Patient visits (and subsequent "Consolidated billing statements")
  - Approximately 100,000 a month moving forward
- Go-Live Support
  - Command Centers & At The Elbow Support
  - 700 individuals (at peak) for 24x7 x 4 weeks
  - Total: as many as 700 individuals supporting the Go-Live

Contracted Support

Resource Type/Location	Combined Resources Week 1	Combined Resources Week 2	Combined Resources Week 3	Combined Resources Week 4
HMC Ambulatory Reg/Sched	100	0	0	0
HMC Inpatient Reg/Sched	38	0	0	0
HMC Inpatient Clinicals	47	47	25	15
HMC Ambulatory Clinicals	69	69	50	25
HMC Inpatient Radiology	66	40	0	0
SJR Inpatient Reg/Sched	15	14	8	0
SJR Ambulatory Reg/Sched	9	13	0	0
SJR Ambulatory Clinical	4	11	6	4
SJR Providers	36	34	27	24
SJR Inpatient Clinicians	41	46	23	12
SJR Inpatient Radiology	12	0	0	0
SJR PathNet	8	0	0	0
Totals	**445**	**274**	**139**	**80**

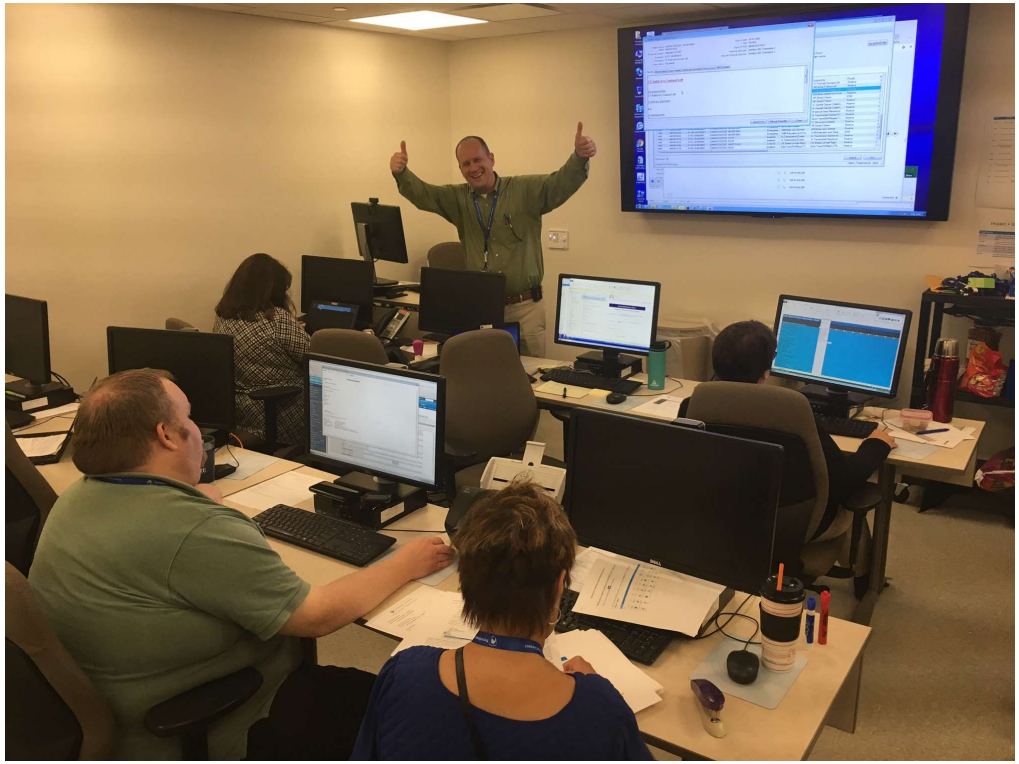
Logistics: Command Center Rooms

The Command Center has a presence across both facilities and is broadly distributed. A table for each:

HMC		
Location	**Room #**	**Team**
Hospital	TG200	Education
	HG517	RadNet
	HG520	RadNet
	HG013	Lab Team
ASB	1400	Registration/Scheduling (Overflow)
	1401	Registration/Scheduling/Charge Services
	3000B	Millennium Group* (incl. HIM)
	3200	DIT & Pharmacy
	3203	Central Command Center
	4000B	Rev Cycle
Granada	116 & 118	ETL
	1116	Specialty Applications

SJR		
Location	**Room #**	**Team**
Hospital	1076	Command Center Leads
	1077	Infrastructure
	1079	3rd Party
	1080	Nursing/Allied Health
	1081	Registration/Scheduling
	1082	Providers
	1083	Gen Lab/BBT
	1084	ED / Case Management
	1085	Micro/CoPath
	1086	Radiology
	1088	ED/Care Mgmt – Rx
	1089	HIM
	1090	Surgery

June 3, 2018
0706



Daily Meetings – For Awareness – No Expectation to Attend

Time	Event Name	Description	Location
6am	AM Status Report	High-level summary report: major issues, number of issues open/closed, dashboards, staffing/communications updates, general command center updates	Will be distributed via email
8am	CAB Meeting	Provide feedback/approval for change requests submitted by solution teams	HMC ASB 3rd floor Suite 3200 ITCR1 (3203)
9am	Command Center AM Briefing	Each solution team will present their top 3 issues to the Command Center Dial 1-877-568-4106 and enter Access Code: 817-475-517	HMC ASB 3rd floor Suite 3200 ITCR1 (3203)
10am	CAB Meeting Minutes	Minutes from 8am CAB Meeting	Will be distributed via email
11am	AM Briefing Minutes/End User Community Update	Minutes from AM Briefing; technical and non-technical versions to be distributed	Will be distributed via email; posted to infonet

Impact + Urgency = Priority

Impact/Urgency	
1/1 Critical	A problem that involves a catastrophic event. Our goal is to respond/acknowledge awareness, and take ownership, within 15 minutes and our goal is to resolve within 4 hours.
2/2 High	A service or device is known to be down. The outage is causing a significant impact to multiple users and/or multiple areas and there is no workaround available.
3/3 Medium	A service or device is known to be down. The outage is causing a significant impact to a single user and/or a single area and there is no workaround available, or a service or device is known to be down and is affecting multiple users and/or multiple areas but there is a workaround available.
4/4 Low	A problem happens occasionally, but the device or service is functioning. There is a workaround but the problem is causing inefficiency.

DON'T Over Engineer

Revenue Cycle Lessons Learned

- Test, Test, Test as much as possible
- Additional resources will be needed early after go live. (Patient Access, DNFB, Cash Posting)
- Hire consultants to support the work surrounding implementation

Revenue Cycle Lessons Learned

- LEAN project is efficient, but needs consolidated later in the project

- Resources that KNOW the applications
  - Vendor v 3rd party