

Lean Techniques for Revenue Cycle Management (RCM)

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Financial Disclosures

- RetinAI – Consultant
- Johnson & Johnson - Consultant


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Executive Summary

- **Conceptual Leap: Assembly Line → Healthcare Delivery → RCM**
 - Lean Make Workflows Efficient by Eliminating Waste
- **Current State = Excessive Patient Waiting Time.**
- **Lean Tools Make Clinical Processes More Efficient.**
 - Value-Stream Mapping (VSM): Find & Eliminate waste!
 - A3 Template & Plan-Do-Check-Act (PDCA): Structured Problem-Solving.
 - Standard Operating Procedures (SOPs) = Output from PDCA Cycle.
- **Desired Future State = Less Patient Waiting Time (120-240m → 45-90m).**
 - Patients, Staff, and MDs Less Stressed!
 - Gain Time Back to Reboot & Reconnect (Reduce Burnout)
 - Quality & Safety: Reduce Medical Errors & Patient Harm
 - Pays For Itself! See More Patients, Thereafter...

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*"I Don't Have Time For This!"
"Change is Hard and Scary!"
"Where Would I Even Start?"*




**"WAIT!!!
Gimme a second."**

**"Problems cannot be solved at the same level of awareness that created them."
--- attributed to Albert Einstein**

"The practice doesn't run itself."

Making the Case for Structured Problem-Solving

**Structured Problem-Solving:
S.O.A.P. Charting**



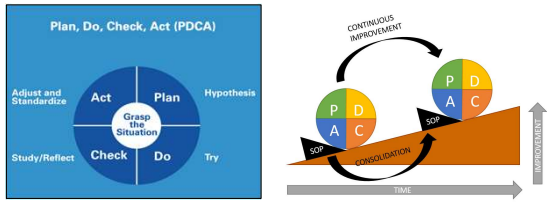
S Subjective
Subjective information the client provides.

O Objective
Factual information or history the client provides.

A Assessment
Clinical interpretations based on the information provided thus far.

P Plan
What is the treatment plan and next steps?

Structured Problem-Solving of Lean:



PDCA Cycles, SOPs Consolidate Gains

What Is Your Practice Culture?

Non-Lean <ul style="list-style-type: none">• Ensure people working hard• Maintain tautness• Control the person	Lean <ul style="list-style-type: none">• Recognize obstacles early• Problem-solving• Improve the process• Work together on a common objective
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Toyota Kata: Managing People for Improvement, Adaptiveness, and Superior Results
-- Mike Rother (2010)

7 Wastes of Healthcare

7 wastes

defects/mistakes

wasting

transportation

overproduction

overprocessing

inventory

motion

<https://accelerate.uofuhealth.utah.edu/improvement/the-seven-wastes-in-health-care>

Value-Stream Mapping of Retina Clinic

Wait

Check-in

Move Wait

Imaging

Move Wait

Screening, Numbing, and/or Dilation

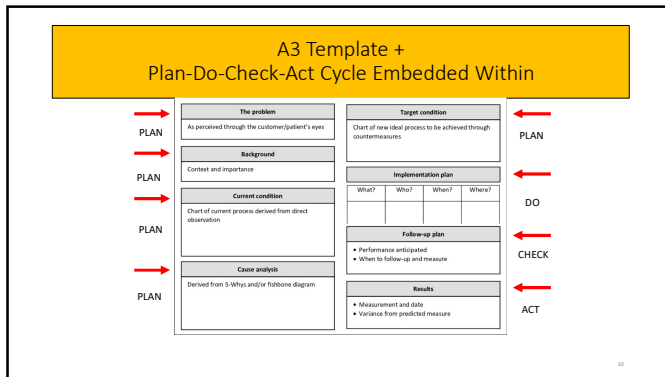
Move Wait

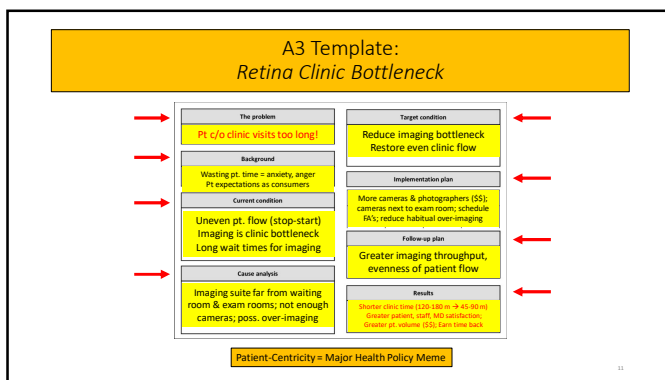
MD Visit, H&P, Discussion, Injection

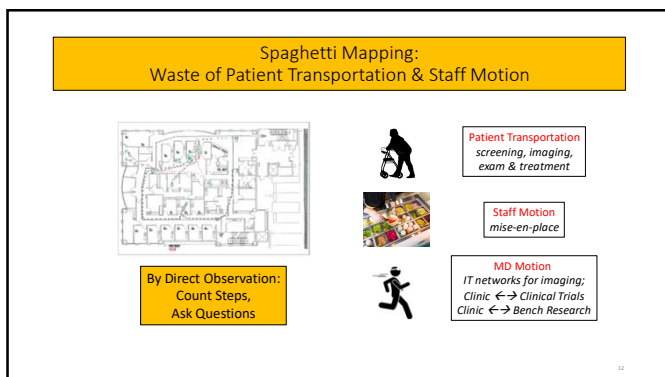
Move Wait

Checkout

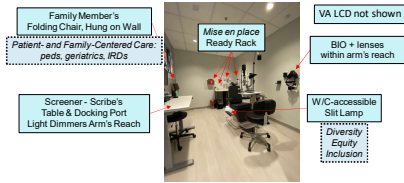
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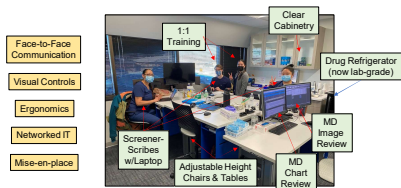
Standardized, Multi-Function, Clinic Rooms:



Screen Patient in the Same Exam & Treatment Room

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MD-Team Pod On-Stage, Off-Stage



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Summary

- **Reframe: Think of Retina Clinic as a String of Process Steps**
- **Lean's Structured Problem-Solving Tools**
 - A3 Template + PDCA Cycle + SOPs
- **Lean Culture: Lean Thinking is Invisible**
 - Are You Allowed to Even Name the Problem?
 - Discipline Prevents You From Leaping to the First Solution
 - "Mistakes" Occur in Any Creative Process, But Continuous Learning Improves the Organization
 - Lean tools: Inertial, Status Quo → Continuous Learning to Improve
- **Lean is Fungible → Apply to Revenue Cycle Management...**

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Examples of Waste - RCM

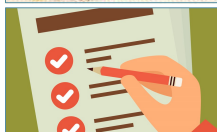
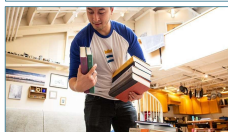
- Time
 - Manual spreadsheets vs. automated tasks
 - Failure to identify root cause issues
 - Example: consolidate and categorize all denial codes
- Money
 - Failure to utilize system functionality you are paying for
 - Postage in lieu of automated payment notifications
 - Processing virtual credit card payments instead of EFT
 - Example: Credit card fees *and* time
- Duplicative work
 - Multiple people touching the same claims

A3

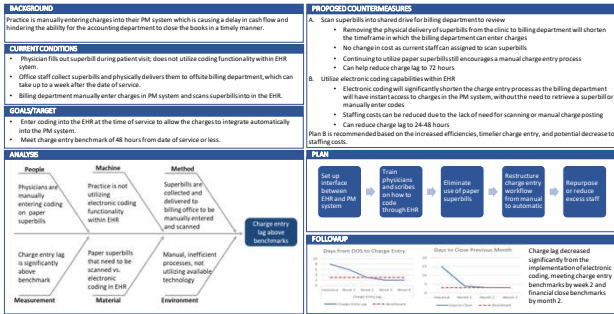


5S: SUSTAIN

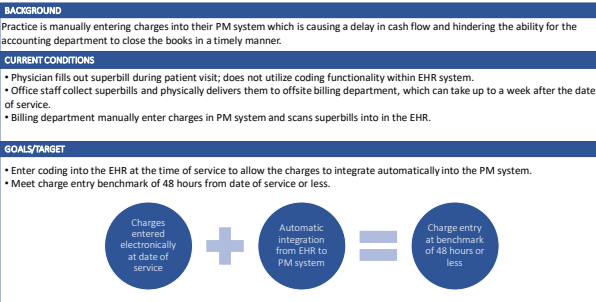
Make 5S a way of life by forming the habit of always following the first four S's.



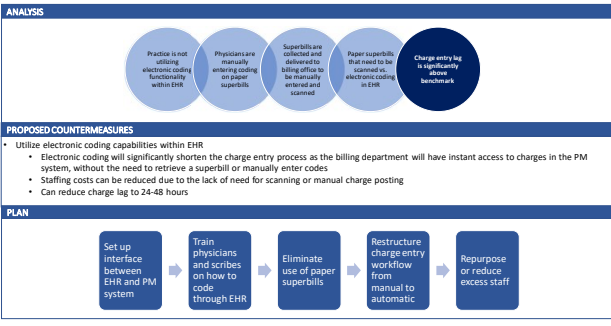
A3 Exercise 1 – Reducing DOS/ DOP



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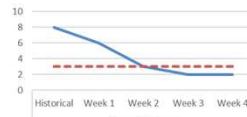
A3 Exercise 1 – Reducing DOS/ DOP



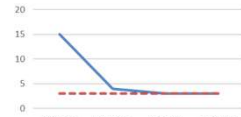
A3 Exercise 1 – Reducing DOS/ DOP

FOLLOWUP

Days from DOS to Charge Entry



Days to Close Previous Month



- Charge lag decreased significantly from the implementation of electronic coding, meeting charge entry benchmarks by week 2 and financial close benchmarks by month 2.
- Close monitoring of charge lag and days to close should be maintained to ensure benchmarks are met continuously.

A3 Exercise 2 – Reducing % of AR > 90 Days

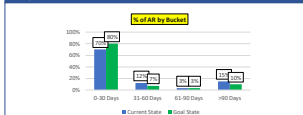
BACKGROUND

• After value stream mapping and 5S exercises, which led us to move our manual process to a task-based system, our AR > 90 was reduced by 5%, but there is still a threat that we may lose money to timely filing if we can't reduce further.

CURRENT CONDITIONS

- AR > 90 days is still 5% above benchmark.
- Tasks not evenly distributed, some duplicated.
- Uneven employee productivity.

GOALS/TARGET



ANALYSIS

Billing Specialist	Completed	In Progress	Not Started	Total	% Completed
Billar 1	3248	397	403	4048	80%
Billar 2	3100	72	2119	4491	69%
Billar 3	3504	290	789	4583	76%
PT Assistance Specialist	1529	800	691	3020	77%
Billing Lead	2843	40	1127	4010	71%
Billing Supervisor	1886	128	768	2782	72%
Grand Total	18466	2687	4698	25851	71%

PROPOSED CHANGES/ISSUES

- Remove duplicate tasks
- Identify root cause of denial and AR issues
- Direct the work - highest to lowest dollar balance sorted by oldest to newest
- Mass appeal payer specific issues

PLAN

- RCM Director/ Manager
- Revisit tasks - work with vendor to ensure all duplicate task triggers have been removed
- Analyze denials and AR to identify bulk payer issues and appeal,
- Billing Supervisor
- Address biller with productivity issues - ensure he/she is properly trained and possibly put on a PIP
- Ensure cross communication with denial and AR specialists to quickly identify potential issues that could later lead to increase in AR > 90 Days
- Billers - required to work a certain number of tasks per week

FOLLOWUP

- Create monthly physician productivity reports, including top 10-15 high dollar accounts > 90 days - **HOLD YOURSELVES ACCOUNTABLE!**
 - Sometimes a handful of patients with recurring month over month issues encompass a large percentage of AR
 - By looking at the account level, you're much more likely to figure out what the issue is, and prevent it going forward
 - We all remember finding a patient with a 5-figure balance, only to learn we were billing the wrong person!
- What issues can be anticipated?**
- Employees out sick - is there a plan for coverage?
 - Payer issues - these can't be prevented, but with excellent team communication and weekly denial reviews, they can be caught early

A3 Exercise 2 – Reducing % of AR > 90 Days

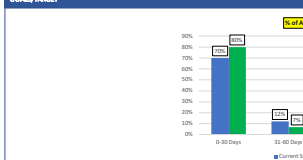
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A3 Exercise 2 – Reducing % of AR > 90 Days

ANALYSIS

Billing Specialist	Completed	In Progress	Not Started	Grand Total	% Completed/In Progress
Billor 1	3248	357	463	4068	89%
Billor 2	3105	72	1459	4636	69%
Billor 3	3924	100	789	4903	84%
PT Assistance Specialist	1329	800	691	3820	77%
Billing Lead	2663	80	517	3260	84%
Billing Supervisor	1896	128	768	2792	72%
Grand Total	14865	1667	4693	21225	79%

PROPOSED COUNT MEASURES

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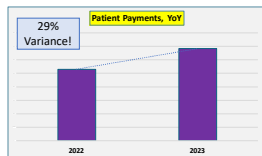
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RCM – POST LEAN

LEAN provides you with one of the world's most precious commodities: TIME!

- Renegotiate your payor contracts / bring contracting back in-house
- Continue to fine tune your processes, track additional KPIs
- Utilize even more tools/ automate as much as possible
 - One group that moved to an automated payment module saw a 29% increase in patient payments, YoY, and saved tens of thousands of dollars on postage



What would you
focus on with more
time?

A New Day is Dawning