

CASE STUDY: LAKE HEALTH PHYSICIAN GROUP

Revenue cycle assessment uncovers “aha” moments and drives improvements

About the client

Lake Health Physician Group (LHPG) is a physician network comprised of family practitioners, internists, obstetricians, gynecologists, pediatricians, orthopedics, sports medicine specialists, an ophthalmology practice, general surgeons and a vascular access surgeon. The group is part of Lake Health, a private, not-for-profit leader in community health care in Northeast Ohio. Founded in 1902, Lake Health includes 600 physicians, 2,900 health care professionals, almost 1,000 volunteers and multiple facilities.

Background and approach

RSM US LLP consultants began working with LHPG when it was determined the physician network wanted to evaluate the performance of its existing provider-based billing methodology. LHPG worked with RSM previously on another engagement; and this time, the organization turned to the firm's dedicated health care industry professionals to complete an initial assessment of its billing processes and revenue cycle. Given the size and practice diversity, as well as the current regulatory climate affecting the revenue cycle, it was a precautionary move to assess LHPG's systems and processes. According to Cathy Jefferson, MBA, manager, Revenue Cycle Operations, while eager to see what RSM might uncover, there were some initial doubts there would be much to improve upon.

“When RSM began working with us, we were skeptical. We thought there would not be many *aha* moments about our billing process,” Cathy said. “However, through the course of the assessment and engagement, we discovered our processes needed to be updated, our edits needed to be increased in the billing system, our claims could be automated and uniform billing claims could be released sooner.” In addition, she said it was determined that LHPG's staffing model needed revamping creating two new team lead positions and adding two new coders. According to Cathy, the entire update provided key transparency into the physicians' practices.

"Prior to working with us, LHPG was reviewing all of their claims manually," said Dan Clark, health care advisory services director at RSM and engagement lead. "This caused a bottleneck in billing and cash flow. In collaboration with LHPG, we automated several key billing functions plus improved visualization and provided dashboards to identify areas to improve upon further." Dan added that if LHPG couldn't measure its performance, it couldn't improve, so RSM set in motion the following for its client:

- Designed and developed dashboards and visualization tools for practices and the billing office to track physician productivity, staff efficiency and billing and accounts receivable effectiveness
- Optimized existing electronic medical record software
- Assessed and recommended staff workflows, enhancements and training
- Developed data-driven metrics and key performance indicators to drive performance

Cathy said her LHPG team worked hand in hand with RSM and shared any information requested of them throughout the engagement. She indicated the RSM professionals listened to their issues and with the proposed changes, always stressed the *why* to the LHPG team to help reinforce the reasons behind the optimizations. "Stressing the why helped our team accept and adapt to the changes." Cathy said.

Outcomes

The engagement was completed on time and key dashboards have been put in place to provide LHPG the following success metrics:

- Incidental vendor findings resulting in savings of more than \$250,000
- Decrease of \$1 million in held claims
- Billing editor activated increasing staff efficiency (120 claims per day vs. 270 prior)
- Reorganization of revenue integrity and posting

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