Effectively Using KPIs to Measure and Improve Revenue Cycle Performance

August 20, 2013
10:00 – 11:00 a.m. Central (8:00 – 9:00 am Pacific/9:00 – 10:00 am Mountain/ 11:00 – 12:00 pm Eastern)

HFMA Forum Virtual Networking Webinar

David Hammer
SVP, Rev Cycle Advisory Solutions
MedAssets

Sandra Wolfskill
Director, Healthcare Finance Policy
Revenue Cycle MAP
HFMA

Margaret Schuler
Executive Director, Revenue Cycle
OhioHealth

hfma
healthcare financial management association

Course Agenda and Learning Objectives

- Understanding key performance indicators and performance measurement concepts
- Learning how KPI's drive performance and change behavior in a metric-driven revenue cycle
- HFMA's MAP initiative
- Using KPI's to drive denial reductions
- Questions and answers

hfma

1

Key Performance Indicators: Performance Measurement Concepts

David Hammer
SVP, Revenue Cycle Advisory Solutions
MedAssets

hfma
healthcare financial management association

Polling Question #1

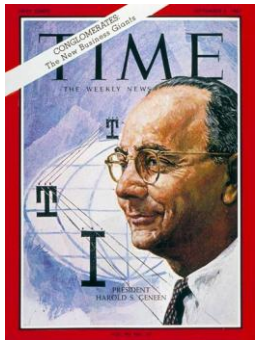
How would you describe your current ability to develop internal revenue cycle KPIs?

- Proficient at developing revenue cycle KPIs.
- Able to develop revenue cycle KPIs, but have some challenges.
- Having significant difficulty developing revenue cycle KPIs.
- Have never tried to develop revenue cycle KPIs.

hfma

Even the VERY BEST Keep Score!

"In business, words are words, explanations are explanations, promises are promises, but ***only performance is reality***."



Harold S. Geneen
Former President / CEO of ITT

hfma

Even the VERY BEST Keep Score!

"If you can't measure it, ***you can't manage it***."

Michael Bloomberg
Mayor of New York City and CEO of Bloomberg, Inc.

hfma

Key Performance Indicators
Performance Measurement Concepts

What is a Key Performance Indicator?

- Numerical factor
- Used to quantitatively measure performance
  - Activities, volumes, etc.
  - Business processes
  - Financial assets
  - Functional groups
  - The entire revenue cycle

SOURCE: BearingPoint, Key Performance Indicators

hfma

6

Key Performance Indicators
Performance Measurement Concepts

Purposes of KPIs

- View a snapshot of performance at an individual, group, department, hospital, or regional level
- Assess the current situation and determine root causes of identified problem areas
- Set goals, expectations, and financial incentives for any individual or group
- Trend the performance of the selected individual or group over time

SOURCE: BearingPoint, Key Performance Indicators

hfma

7

Key Performance Indicators
Performance Measurement Concepts

Why Use KPIs?

- Keep a record and tell a story
- Benchmark against your goals and industry best practices
- Identify and manage trends, not single-period results
- Illustrate relationships between KPIs

Key Performance Indicators
Performance Measurement Concepts

Implementing KPIs

- Emphasize relative, not absolute KPIs
- Enable non-manual data extraction
- Remember, ***measures drive goal achievement***
- Minimize “budget goal” approach
- Embrace “stretch goal” approach
- Link incentive comp to stretch goals

Key Performance Indicators
Performance Measurement Concepts

Implementing KPIs

- Measure processes that "matter"
- Evolve measures over time
- Measure only as often as you will act
- Remember, rate of improvement is most vital
- Align individuals' and groups' KPIs with functional-result measures
  - Cash
  - Aging
  - A/R days
  - Bad debt

Key Performance Indicators
Performance Measurement Concepts

Implementing KPIs

- Use external, verifiable info sources
- Share the same data with everyone
  - Board
  - Senior management
  - Peers
  - Subordinates
- Report both "good" and "bad" results

Key Performance Indicators

Performance Measurement Concepts

Benefits of Using KPIs

- Increases management awareness
- Focuses attention on improvement opportunities, such as:
  - Increasing cash flow
  - Improving liquidity
  - Reducing costs
  - Identifying problem areas
  - Benchmarking
  - Illustrating trends
  - Scoring performance
  - Reducing denials
  - Developing consistent processes
  - Developing "best practices"
  - Improving/accelerating management reporting
  - Monitoring staffing levels

hfma

SOURCE: BearingPoint, Key Performance Indicators

12

Key Performance Indicators

Sample KPI Hierarchies

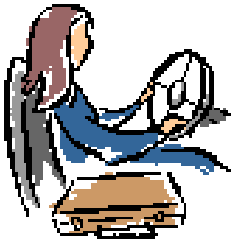
- **Level I**: Board members, senior execs, financial and clinical directors, and internal reporting for all revenue cycle managers, supervisors, and employees
- **Level II**: CFO, finance directors and employees, and internal reporting for all revenue cycle managers, supervisors, and employees
- **Level III**: CFO plus internal reporting for all revenue cycle managers, supervisors, and employees
- **Level IV**: Internal comparisons of different payers plus external reporting for third party payers

- **Level I**: Overall revenue cycle performance reporting for all levels within the organization
- **Level II**: Departmental performance reporting
- **Level III**: Associates performance and revenue cycle partners' performance

hfma
healthcare financial management association

13

Where's Your Focus?



hfma
healthcare financial management association

How KPIs Drive Performance and Change Behavior: A Metric-Driven Revenue Cycle

August 20, 2013

Margaret Schuler
Executive Director, Revenue Cycle
OhioHealth

hfma
healthcare financial management association

Polling Questions #2

What tools do you use to track revenue cycle KPIs?

- Dashboards.
- Scorecards.
- Excel reports.
- My organization doesn't track revenue cycle KPIs.

hfma

16

OhioHealth Revenue Cycle

- OhioHealth - Largest healthcare system in central Ohio
- Comprised of five hospitals supported by a consolidated revenue cycle operation: Riverside Methodist Hospital, Grant Medical Center, Doctors Hospital, Dublin Methodist Hospital, and Grady Memorial Hospital
- Revenue cycle organizational structure includes all of patient access services, health information management, and consolidated business office operations
- Revenue Cycle is responsible for collections of approximately $2B annually

hfma

17

OhioHealth Revenue Cycle

Revenue Cycle Awards:

- 2010 HFMA MAP Award Winner
- 2012 HFMA MAP Award Winner
- 2013 HFMA MAP Award Winner

hfma

18

OhioHealth Revenue Cycle

FY12 Revenue Cycle KPIs:

Category	KPI
POS Cash Collections % of Gross Revenue	18,630,763 0.33%
Cash to Net Rev (60 Day Lag) Cash as % of Net Coll Rev	100.5%
Net Bad Debt % of Gross Revenue	71,084,565 1.24%
Charity % of Gross Revenue	427,251,497 7.47%
Denials % of Gross Revenue	6,231,295 0.11%
Total AR > 90 % of AR	102,534,465 16.12%
Gross AR Days	39.7
DNFB	5.68

hfma

19

Level I KPIs- Overall Revenue Cycle Performance

Overall Revenue Cycle - Monthly and Year-to-Date Reporting

- Cash by major payer category daily and month-end
- Cash to net %
- Discharged not final billed – days in A/R (include failed claims)
- Accounts receivable aging
- Self pay A/R (include % of total A/R)
- Gross A/R days and net A/R days
- Bad debt write-offs as % of GPR
- Charity write-offs as % of GPR
- Denial write-offs as % of GPR
- Denial A/R
- Payment variance A/R

hfma

Example-Overall Revenue Cycle Performance

Revenue Cycle
Hospital X Operations Report Highlights
December 2012

Revenue	Current Month	Prior Month	YTD		
	$35,588,223	$32,511,143	$198,817,514	$30,391,076	MTD 06/30/12
				$352,032,927	YTD 06/30/12

I Cash Collections					
Revenue Cycle	Actual	Cash Refunds	Target	Variance Target	Prior Year Month Dec11
Monthly Total	12,402,167	(141,489)	13,777,000	(1,339,805)	12.5
HealthReach	0				0.0
+/- Cross Facility Cash	35,028				0.1
Adjusted Cash Receipts	12,437,195				12.6
YTD With X-Facility	76,921,183	(947,691)	77,173,000	(251,817)	68.1
*Includes Agency Cash	141,300				0.1

II Cash To Net Rev	Current Month	Rolling 12 Month 60 Day Lag	* ACTUAL YTD * 60 Day Lag	No Lag	Target	Prior Year Month Dec11
Cash Collected In Period Minus Refunds	12,296	147,859	75,973	75,973		12,479
Net Collectable Revenue	14,564	149,745	77,132	78,462		13,517
Cash as % Net Coll Rev	84.4%	98.7%	98.5%	96.8%	100.00%	92.3%

III Unbilled - Gross	Actual $	Actual Days	Prior Month $	Prior Month Days	FAV (UNF) $	Variance Days	Prior FY 06/30/12 $	Prior FY 06/30/12 Days
Host Revenue Cycle	5,609,329	4.886	5,667,899	5.230	58,571	0.344	5.0	4.922
Host Operation Issues	87,590	0.076	45,533	0.042	(42,057)	(0.034)	0.1	0.117
Reference Lab	0	0.000	0	0.000	0	0.000	0.0	0.000
Subtotal Host	5,696,919	4.962	5,713,432	5.272	16,514	0.310	5.1	5.040
Failed Claims	94,929	0.083	111,830	0.103	16,901	0.021	0.2	0.205
ePremis Information Hold	0	0.000	0	0.000	0	0.000	0.0	0.012
ePremis Bill Hold	0	0.000	0	0.000	0	0.000	0.0	0.000
ePremis Reference Lab	0	0.000	0	0.000	0	0.000	0.0	0.000
ePremis ED Holds	0	0.000	0	0.000	0	0.000	0.0	0.000
TOTAL	5,791,848	5.045	5,825,262	5.375	33,415	0.330	5.3	5.257
Unbilled Without Reference Lab & ED Holds	5,791,848	5.045	5,825,262	5.375	33,415	0.330	5.3	5.257

hfma

Example-Overall Revenue Cycle Performance

Revenue Cycle
Hospital X Operations Report Highlights
December 2012

IV Bad Debt Activity	Current Month	Percent Gross Rev	Year To Date	Percent Gross Rev	Rolling Monthly Average 3 months	6 months	Prior FY 06/30/12
Bad Debt Transfers	989,909	2.78%	5,781,657	2.91%	1,030	964	2.82%
Reactivations(BD to AR)	(227,879)	-0.64%	(1,452,904)	-0.73%	(260)	(242)	-0.87%
Net AR Transfers	762,030	2.14%	4,328,753	2.18%	770	722	1.95%
Recoveries	(151,945)	-0.43%	(817,536)	-0.41%			-0.40%
Total Bad Debt	610,086	1.71%	3,511,217	1.77%			1.55%
V Charity/HCAP Activity							
HCAP	613,976	1.73%	3,551,329	1.79%			1.75%
Hardship	17,440	0.05%	28,418	0.01%			0.01%
Charity	676,422	1.90%	4,494,429	2.26%			2.44%
Disability Assistance	0	0.00%	0	0.00%			0.00%
Personal Bankruptcy	28,215	0.08%	186,714	0.09%			0.14%
Total Charity/HCAP	1,336,052	3.75%	8,260,891	4.16%			4.34%
HCAP RetroActive Adj Incl	0	0.00%	7,003	0.00%			0.16%
VI Denial Adjustments							
LMRP Radiology	3,076	0.01%	11,870	0.01%			0.01%
LMRP Laboratory	122	0.00%	21,216	0.01%			0.01%
LMRP Heart Services	0	0.00%	0	0.00%			0.00%
LMRP Diagnosis Behavioral	0	0.00%	0	0.00%			0.00%
LMRP Endoscopy	0	0.00%	0	0.00%			0.00%
LMRP Diagnosis Other	557	0.00%	26,089	0.01%			0.00%
LMRP Pharmacy	30	0.00%	746	0.00%			0.00%
Research Projects	0	0.00%	0	0.00%			0.00%
All Other	4,124	0.01%	49,350	0.02%			0.02%
Unbillable Accounts	1,200	0.00%	7,061	0.00%			0.01%
Billed and Denied	3,260	0.01%	26,283	0.01%			0.02%
Admin Adjustments (Efforts Exhausted)	0	0.00%	0	0.00%			0.00%
One Day Stays	0	0.00%	0	0.00%			0.00%
Total Denials	12,368	0.03%	142,614	0.07%			0.06%
LMRP Therapy Caps	0	0.00%	0	0.00%			0.00%

VII FC Y AR (Clinical Denials)	Current Month	% of AR	Prior Month	Incr/(Decr)	Prior FY 06/30/12
FC Y AR Balance	1,041,918	2.41%	760,276	281,642	811,351
FC Y AR > 90 Days	657,810	9.33%	498,465	159,344	523,992
VIII FC V AR (Payment Variance)					
FC V AR Balance	70,409	0.16%	70,690	(281)	71,658
FC V AR > 90 Days	69,716	0.99%	68,815	901	71,658

hfma

Example-Overall Revenue Cycle Performance

Revenue Cycle
Hospital X Operations Report Highlights
December 2012

IX Contractual Adjustments	Current Month $	Current Month % of Gross Rev	YTD $	YTD % of Gross Rev	Prior FY 06/30/12 $	Prior FY 06/30/12 %
Uninsured Discount	181,432	0.51%	927,050	0.47%	1,764,133	0.50%
Uninsured Discount SP only	59,531	0.17%	(78,394)	-0.04%	222,079	0.06%
Policy Adjustments	6,257	0.02%	66,287	0.03%	180,613	0.05%
Payer Bankruptcy	0	0.00%	(729)	0.00%	0	0.00%

X A/R Aging - Debit Balances	Current Month $	Current Month % of Total AR	Prior Month $	Prior Month % of Total AR	Variance $	Variance %	Prior FY 06/30/12 $	Prior FY 06/30/12 %
InHouse	924,023	2.14%	1,722,738	4.41%	798,715	2.3%	1,456,561	3.82%
Unbilled	5,696,919	13.18%	5,713,432	14.64%	16,514	1.5%	5,105,251	13.39%
0-30	21,542,481	49.83%	17,555,182	44.99%	(3,987,299)	-4.8%	17,322,774	45.42%
31-60	5,502,952	12.73%	4,498,882	11.53%	(1,004,070)	-1.2%	5,110,683	13.40%
61-90	2,512,241	5.81%	2,654,237	6.80%	141,996	1.0%	2,808,984	7.37%
91-365	6,523,074	15.09%	6,463,106	16.56%	(59,968)	1.5%	5,963,382	15.64%
>365	525,982	1.22%	412,628	1.06%	(113,354)	-0.2%	368,903	0.97%
TOTAL	43,227,672	100.00%	39,020,206	100.00%	(4,207,465)	0.00%	38,136,537	100.00%
	>90 = 16.31%		>90 = 17.62%		1.31%		>90 =	16.60%

XI Self Pay AR	Current Month $	Current Month % of AR	Prior Month $	Prior Month % of AR	FAV (UNF) Variance $	FAV (UNF) Variance %	Prior FY 06/30/12 $	Prior FY 06/30/12 %
Fin Class S (Self Pay)	2,494,371	5.8%	2,280,043	5.8%	(214,328)	0.1%	2,379,388	6.2%
Fin Class Self Pay-Client Vendor	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Fin Class SC (Charity Plans)	24,061	0.1%	70,317	0.2%	46,257	0.1%	3,497	0.0%
Fin Class SP (Charity Pending)	331,236	0.8%	191,847	0.5%	(139,390)	-0.3%	499,757	1.3%
Fin Class DP (Caid Pending)	404,457	0.9%	312,174	0.8%	(92,283)	-0.1%	161,625	0.4%
Fin Class MR (Residuals)	105,634	0.2%	104,160	0.3%	(1,475)	0.0%	112,102	0.3%
Fin Class TR (Residuals)	3,365,753	7.8%	3,685,005	9.4%	319,253	1.7%	4,187,684	11.0%
Total Self Pay Fin Classes	6,725,511	15.6%	6,643,545	17.0%	(81,966)	1.5%	7,344,053	19.3%

XII Credit Balances	$	Days	$	Days	$	Days	$	Days
	(830,742)	0.7	(749,528)	0.7	81,214	-0.1	(683,598)	0.7

XIII Net A/R Days	Current Month	Prior Month	FAV (UNF) Variance from Prior Month	Prior FY 06/30/12
Days-Net	40.1	37.3	(2.8)	39.5
Days - Gross	37.7	35.3	(2.4)	37.7
Gross vs Net Spread	-2.4	-2.1	0.4	-1.8

hfma

Example-Daily Cash Posted Report

Cash Posted Report												Target:	$12,440,000.00	
	Date	Medicare	Managed Medicare	Medicaid	Managed Medicaid	HMO/ PPO	Work Comp	Compass	Patient	BD Recovery Ins	BD Ins Retractions	BD Recovery PT	Total	Average Per Day
	Jan-13	$657,525	$339,705	$45,641	$271,048	$8,530,731	$168,097	$545,697	$209,810	$23,683	(1,807)	$87,554	$10,877,682	$639,864
	Dec-12	$924,206	$578,991	$62,489	$340,893	$9,237,828	$394,440	$469,558	$318,328	$68,643	(29,421)	$102,078	$12,468,032	$623,402
	Nov-12	$1,052,351	$790,057	$68,722	$376,660	$9,615,658	$479,849	$440,457	$313,544	$47,135	(26,933)	$100,129	$13,257,629	$662,881
	Oct-12	$1,040,311	$518,073	$97,150	$409,795	$10,786,123	$552,842	$482,038	$370,490	$86,663	(72,789)	$108,038	$14,378,734	$625,162
	Sep-12	$1,054,468	$593,918	$64,078	$387,937	$8,348,651	$317,331	$512,601	$369,366	$74,798	(26,020)	$75,946	$11,773,075	$619,636
	Aug-12	$1,052,369	$607,874	$71,236	$380,938	$9,161,728	$482,001	$526,808	$401,679	$48,140	(27,843)	$81,428	$12,786,359	$555,929
	Jul-12	$794,922	$710,121	$71,785	$366,081	$8,929,758	$322,046	$557,928	$346,378	$112,646	(79,321)	$92,505	$12,224,848	$582,136
Fiscal Year to Date		$6,576,151	$4,138,740	$481,102	$2,533,352	$64,610,476	$2,716,606	$3,535,087	$2,329,595	$461,708	(264,135)	$647,678	$87,766,360	$613,751
	Jun-12	$936,552	$557,642	$81,251	$374,386	$9,098,267	$275,675	$487,260	$342,348	$91,084	(52,010)	$100,872	$12,293,325	$585,396
	May-12	$979,287	$523,306	$95,273	$376,723	$9,403,498	$583,798	$519,722	$405,411	$85,036	(13,101)	$91,984	$13,050,937	$593,224
	Apr-12	$750,333	$395,785	$51,796	$418,197	$7,579,104	$363,336	$577,213	$388,365	$31,733	(27,986)	$103,672	$10,631,550	$506,264
	Mar-12	$1,281,355	$588,302	$76,656	$388,873	$9,233,177	$418,776	$598,928	$442,131	$55,176	(43,026)	$126,215	$13,166,563	$598,480
	Feb-12	$564,737	$824,197	$55,886	$321,288	$7,732,194	$491,764	$497,305	$340,272	$76,545	(54,343)	$126,036	$10,975,881	$522,661
	Jan-12	$819,194	$451,673	$109,393	$455,256	$9,679,183	$267,883	$466,378	$324,615	$95,426	(56,581)	$100,293	$12,712,814	$605,372
12 Month Total		$11,250,084	$7,139,938	$905,716	$4,597,027	$108,805,168	$4,949,841	$6,136,197	$4,362,927	$873,025	(509,373)	$1,209,186	$149,719,746	$589,448
12 Month Average		$937,507	$594,995	$75,476	$383,086	$9,067,097	$412,487	$511,350	$363,577	$72,752	(42,448)	$100,766	$12,476,646	
Percent of Average - January		70.1%	57.1%	60.5%	70.8%	94.1%	40.8%	106.7%	57.7%	32.6%	4.3%	86.9%	87.2%	
	01/01/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/02/2013	$86,899.90	$30,443.08	$0.00	$0.00	$934,823.54	$0.00	$28,086.38	($895.18)	$0.00	$0.00	$5,999.64	$1,085,357.36	
	01/03/2013	$74,797.34	$20,352.69	$0.00	$358.39	$322,529.04	$19,704.90	$24,029.14	$14,993.33	$1,107.75	($1,107.75)	$1,398.55	$478,163.38	
	01/04/2013	$12,398.57	$40,706.33	$0.00	$21,970.71	$355,826.95	$0.00	$32,459.03	$20,968.26	$1,547.88	$0.00	$11,194.70	$497,072.43	
	01/05/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/06/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/07/2013	$67,397.79	$3,847.50	$18,922.81	$66,461.82	$704,951.23	$725.52	$48,130.42	$14,890.88	$0.00	$0.00	$6,639.39	$931,967.36	
	01/08/2013	$65,081.78	$20,196.44	$0.00	$0.00	$703,011.86	$51,212.22	$25,926.71	$15,264.10	$1,739.00	($178.54)	$857.09	$883,110.66	
	01/09/2013	($17,466.01)	$13,498.33	$0.00	$16,354.02	$495,996.65	$0.00	$24,337.75	$13,797.05	$1,571.31	$0.00	$5,069.99	$553,159.09	
	01/10/2013	$19,925.23	$964.47	$14,289.21	$380.54	$621,065.52	$19,817.66	$30,337.76	$11,854.85	$3,504.38	$0.00	$2,302.67	$724,442.29	
	01/11/2013	$42,980.64	$11,621.88	$0.00	$0.00	$224,199.32	$3,753.78	$22,417.67	$6,346.67	$1,000.00	$0.00	$8,077.52	$320,397.48	
	01/12/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/13/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/14/2013	$80,285.21	$46,936.11	$0.00	$62,170.15	$117,699.68	$9,704.62	$48,194.18	$18,347.23	$1,411.28	$0.00	$5,358.58	$390,107.04	
	01/15/2013	$59,178.30	$9,133.34	$0.00	$0.00	$865,183.68	$0.00	$37,144.33	$4,586.19	$0.00	$0.00	$5,085.73	$980,311.57	
	01/16/2013	$435.20	$33,077.57	$0.00	$25,804.85	$796,407.65	$11,460.51	$48,035.82	$14,013.79	$4,354.32	$0.00	$3,877.39	$937,467.10	
	01/17/2013	$30,563.59	$26,912.90	$0.00	$0.00	$464,179.01	$730.28	$29,452.87	$11,291.78	$2,215.21	($408.90)	$2,829.87	$567,766.61	
	01/18/2013	$58,018.21	$19,511.48	$9,757.05	$0.00	$299,940.41	$663.32	$25,836.10	$10,609.62	$0.00	$0.00	$16,858.61	$441,194.80	
	01/19/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/20/2013	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
	01/21/2013	$0.00	$4,590.43	$0.00	$0.00	$71,735.96	$43,901.82	$43,365.55	($1,780.81)	$2,963.95	$0.00	$1,669.84	$166,446.74	
	01/22/2013	$50,648.56	$2,291.11	$0.00	$51,239.11	$224,431.17	$0.00	$24,346.12	$20,950.04	$0.00	$0.00	$2,004.24	$375,910.35	
	01/23/2013	$25,161.81	$42,877.79	$0.00	$26,264.38	$790,831.67	$5,827.34	$26,417.45	$11,587.11	$2,267.47	($112.21)	$4,760.47	$935,883.28	
	01/24/2013	$1,218.70	$12,744.00	$2,671.90	$44.02	$537,917.32	$594.61	$27,179.42	$22,984.79	$0.00	$0.00	$3,569.51	$608,924.27	
Month to Date		$657,524.82	$339,705.45	$45,640.97	$271,047.99	$8,530,730.66	$168,096.58	$545,696.70	$209,809.70	$23,682.55	($1,807.40)	$87,553.79	$10,877,681.81	$639,863.64
UnPosted Receipts													$48,129.39	
Total Cash													$10,926,811.20	$642,753.60
Percent of Target													87.8%	
Month Projected		$850,914.47	$439,618.82	$59,064.78	$350,767.99	$11,039,769.09	$217,536.75	$706,195.73	$271,518.44	$30,648.01	($2,338.99)	$113,304.90	$14,076,999.99	
Month Projected w/ unposted Cash													$14,125,129.20	

Level II KPIs- Departmental Performance

Patient Access Services (PAS) – Monthly Scorecard

- Point of service collections
- Press Ganey (customer service) inpatient and outpatient
- Registration error rate (%)
- Pre-registration of scheduled procedures (%)
- Same day success (%)
- Central scheduling - % of calls answered < 10 seconds

hfma

Example-Monthly Patient Access Scorecard

Revenue Cycle Scorecard for Patient Access

Category	FYE 12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
POS Cash							
POS Cash Collections	13,891,199	1,249,517	1,325,503	1,064,701	1,141,665	988,427	894,032
Target	12,208,574	843,916	896,828	830,721	845,768	874,480	896,952
OHNC POS Cash	3,359,253	286,608	336,281	244,319	296,572	234,562	211,270
Target	2,766,922	182,236	222,052	194,897	204,739	231,560	245,898
Total	17,250,452	1,536,125	1,661,784	1,309,020	1,438,237	1,222,989	1,105,302
Target	14,975,496	1,026,152	1,118,880	1,025,618	1,050,507	1,106,040	1,142,850
Press Ganey							
Inpatient Overall Admission Rating	81%	84%	81%	77%	80%	80%	83%
Outpatient Registration Rating	85%	73%	77%	80%	78%	82%	81%
ER Overall Personal/Insurance Info Rating	84%	85%	79%	85%	96%	93%	89%
Neighborhood Care Overall	81%	81%	86%	89%	89%	86%	86%
Target	80%	80%	80%	80%	80%	80%	80%
AhiQa QA							
Error Rate	1.62%	1.54%	1.67%	1.35%	0.78%	0.83%	0.93%
Target	N/A	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Pre-Services							
Total % Pre Registered	96%	96%	97%	97%	98%	96%	97%
Target	96%	96%	96%	96%	96%	96%	96%
Central Scheduling							
Sameday Success Percentage		99.55%	99.71%	99.82%	99.70%	99.72%	99.94%
Target for Sameday Success Percentage		98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
Percentage of Abandoned Calls After 10 Seconds		1.45%	1.12%	1.21%	1.31%	1.12%	0.91%
Target Percentage of Abandoned Calls After 10 Seconds		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Reschedule Percentage		1.67%	1.61%	2.17%	2.07%	N/A	N/A
Target Reschedule Percentage		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Initial Outpatient Denials		279	213	231	271	290	251
Target Initial Outpatient Denials		230	230	230	230	230	230

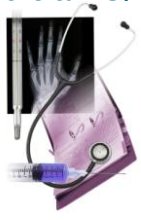
hfma

26

Level II KPIs– Departmental Performance

Health Information Management (HIM) – Monthly Scorecard

- $ delayed in HIM
- Failed bill accounts > 6 days
- Combined DNFB days (including failed claims)
- Transcription turnaround time
- Clinical chart turnaround time



hfma

27

Example-HIM Scorecard

Revenue Cycle Scorecard for Health Information Management (HIM)

Coding						
Category	**YTD FY12**	**Jul-12**	**Aug-12**	**Sep-12**	**Oct-12**	**Nov-12**
DNFB Days	4.7	4.7	5.3	4.9	4.6	5.4
Target-DNFB Days	5.6	5.2	5.2	5.2	5.2	5.2
HIM Delayed without T-Codes	$41,492	$283,980	$16,691	$69,689	$15,404	$81,412
Target-Avg/Mo Delayed $ without T-Codes **(<$75,000)**	$24,080	$75,000	$75,000	$75,000	$75,000	$75,000
Failed Bill Accts >6 Days; Exclude Lab* & T codes	$41,534	$50,929	$64,678	$14,560	$17,334	$6,151
Target - $75,000	$56,000	$75,000	$75,000	$75,000	$75,000	$75,000
Failed Claims-ePremis	$43,660	$50,192	$3,581	$0	$0	$153,877
Target- $50,000	$120,000	$50,000	$50,000	$50,000	$50,000	$50,000
Operations						
Category						
Release of Information	1	0.5	0.3	0.2	0.3	0.4
Target-Release of Information	4	4	4	4	4	4
TAT-24 hrs from Discharge to Release to HPF(RMH, GMC, DH and Grady only)	6	5	5	7	8	8
Target-TAT-24 hrs from Discharge to Release to HPF	24	24	24	24	24	24

hfma

28

Level II KPIs- Departmental Performance

Central Business Office (CBO) – Monthly Scorecard(s)

- A/R > 90 days by payer
- Credit balances in GPR days
- Clean claim rate
- Initial denials by category and payer $ and % of GPR
- Final denials by category and payer $ and % of GPR
- Patient cash $ and % GPR
- Bad debt and charity write-offs and % GPR
- Call center abandonment rate %
- Medicaid conversion rates
- Return mail rates

hfma

29

Example-Monthly CBO Scorecard

Revenue Cycle Scorecard for Third Party Billing

Category	YTD FY11	YTD FY12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD FY13
A/R DAYS	June-11	June-12							
Gross Days Actual	39.02	39.68	40.30	40.16	41.33	39.83	39.64	40.37	
Gross Days Target	43.00	39.02	39.70	39.70	39.70	39.70	39.70	39.70	
AR Over 90 Days (Includes unbilled)	June-11								
Commercial (C)	14.79%	10.22%	8.49%	11.75%	14.08%	14.62%	10.16%	12.98%	12.01%
Commercial Target	15%	15%	10%	10%	10%	10%	10%	10%	10%
HMO (H, U)	4.33%	4.85%	4.30%	3.97%	4.43%	4.31%	3.99%	4.77%	4.29%
HMO Target	8%	8%	5%	5%	5%	5%	5%	5%	5%
Medicaid (D)	38.50%	36.06%	30.36%	35.69%	34.88%	34.05%	31.72%	34.14%	33.47%
Medicaid Target	38%	38%	38%	38%	38%	38%	38%	38%	38%
Mgd Care Medicaid (DH)	5.77%	6.81%	5.77%	5.83%	6.24%	6.16%	5.94%	7.13%	6.18%
Mgd Care Mcaid Target	8%	8%	6%	6%	6%	6%	6%	6%	6%
Medicare (M)	3.49%	3.75%	4.01%	3.45%	3.56%	4.76%	4.14%	3.87%	3.96%
Medicare Target	5%	5%	4%	4%	4%	4%	4%	4%	4%
Mgd Care Medicare (MH, MP)	6.22%	8.24%	6.48%	5.67%	5.87%	5.43%	7.15%	6.11%	6.12%
Mgd Care Medicare Target	9%	9%	8%	8%	8%	8%	8%	8%	8%
Workers Compensation (W)	13.38%	14.55%	17.40%	17.19%	18.23%	17.90%	16.95%	18.66%	17.72%
Workers Compensation Target	13%	13%	13%	13%	13%	13%	13%	13%	13%
Veterans Administration (VA)	5.39%	33.84%	31.46%	22.79%	24.71%	30.07%	34.39%	43.29%	31.12%
Veterans Administration Target	8%	8%	10%	10%	10%	10%	10%	10%	10%
Total Excluding Self Pay	10.21%	11.92%	11.22%	11.03%	11.55%	11.90%	12.15%	12.56%	11.74%
Total Target Excluding Self Pay	10%	10%	10%	10%	10%	10%	10%	10%	10%
Total Including Self Pay	15.34%	16.12%	16.04%	15.59%	16.07%	15.97%	16.65%	16.89%	16.20%
Total Target Including Self Pay	18%	18%	16%	16%	16%	16%	16%	16%	16%
Credit Balances	June-11								
Credit Balances in Days	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8
Target-Credit Balances in Days	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clean Claims	June-11								
Clean Claims without manual intervention	85.33%	85.69%	88.93%	87.40%	87.74%	87.49%	88.87%	88.81%	88.21%
manual intervention	88.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Clean Claims with Medicare	72.72%	71.30%	72.29%	72.22%	74.02%	73.62%	72.23%	74.79%	73.19%
Clean Claims w/o Medicare	88.11%	88.36%	92.10%	90.26%	90.38%	90.13%	91.95%	91.36%	91.03%
Clean Claims LAB			N/A	89.25%	89.16%	89.54%	91.89%	92.21%	75.34%
Electronic Transactions	June-11								
Electronic Transactions Posted	95%	96%	96%	98%	98%	99%	97%	97%	

hfma

Example-Monthly AR Trend Report

Hospital X -AR Trend of $$

FC	Financial Class	Last PostDate	Type	DNFB-Unbilled	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-240	241-365	366+	CR BAL	Totals (Debit Only)	Over 90	% Over 90 Total AR	% Over 90 Billed AR	AR over 180 days
C	Commercial	01/31/12	Balance	$ 26,688	$ 249,173	$ 76,525	$ 40,749	$ 7,019	$ 11,376	$ 28,290	$ 1,639	$ 708	$ 13,369	$ 3,899	$ (48,068)	$ 459,435	$ 66,300	14.4%	15.3%	19,615
C	Commercial	02/29/12	Balance	$ 8,556	$ 228,891	$ 107,190	$ 37,884	$ 7,286	$ 9,922	$ 9,756	$ 2,828	$ 43	$ -	$ 344	$ (34,355)	$ 412,700	$ 30,179	7.3%	7.5%	3,215
C	Commercial	03/31/12	Balance	$ 33,704	$ 89,659	$ 173,984	$ 58,722	$ 11,852	$ 9,447	$ 7,544	$ 9,756	$ 188	$ -	$ 344	$ (35,390)	$ 395,200	$ 39,131	9.9%	10.8%	10,288
C	Commercial	04/30/12	Balance	$ 16,033	$ 120,102	$ 68,013	$ 77,541	$ 9,713	$ 4,784	$ 9,996	$ 298	$ 156	$ 5,541	$ 3,627	$ (36,705)	$ 315,804	$ 34,115	10.8%	11.4%	9,622
C	Commercial	05/31/12	Balance	$ 17,461	$ 155,147	$ 76,423	$ 43,694	$ 59,452	$ 5,300	$ 6,674	$ 3,970	$ 22,618	$ 3,857	$ -	$ (46,165)	$ 394,596	$ 101,671	25.8%	27.0%	30,445
C	Commercial	06/30/12	Balance	$ 7,407	$ 205,388	$ 51,467	$ 37,929	$ 8,553	$ 737	$ 343	$ 1,641	$ 248	$ 1,532	$ -	$ (27,445)	$ 315,245	$ 13,054	4.1%	4.2%	3,421
C	Commercial	07/31/12	Balance	$ 23,175	$ 172,629	$ 131,408	$ 43,033	$ 28,386	$ 9,626	$ 26,885	$ -	$ -	$ 706	$ 3,578	$ (34,752)	$ 439,426	$ 69,181	15.7%	16.6%	4,284
C	Commercial	08/31/12	Balance	$ 20,898	$ 85,480	$ 122,366	$ 34,359	$ 35,373	$ 8,758	$ 3,598	$ 3,279	$ -	$ 313	$ 2,458	$ (26,674)	$ 316,882	$ 53,779	17.0%	18.2%	6,050
C	Commercial	09/30/12	Balance	$ 20,383	$ 133,148	$ 77,698	$ 63,068	$ 29,154	$ 25,980	$ 3,735	$ 2,657	$ 3,749	$ 248	$ 2,431	$ (26,953)	$ 362,251	$ 67,954	18.8%	19.9%	9,085
C	Commercial	10/31/12	Balance	$ 9,383	$ 106,727	$ 123,548	$ 49,036	$ 22,659	$ 8,617	$ 4,227	$ 3,686	$ -	$ 1,750	$ 2,431	$ (25,592)	$ 332,064	$ 43,370	13.1%	13.4%	7,867
C	Commercial	11/30/12	Balance	$ 19,195	$ 86,203	$ 78,803	$ 55,278	$ 37,754	$ 7,502	$ 7,221	$ 10,349	$ 1,016	$ -	$ 1,519	$ (34,823)	$ 304,840	$ 65,361	21.4%	22.9%	12,884
C	Commercial	12/31/12	Balance	$ 4,983	$ 60,924	$ 59,791	$ 25,468	$ 30,373	$ 2,172	$ 23,338	$ 6,398	$ 93	$ 1,512	$ 16,229	$ (37,595)	$ 231,281	$ 80,115	34.6%	35.4%	24,232
C	Commercial	01/31/13	Balance	$ 232,523	$ 132,353	$ 47,458	$ 19,693	$ 18,596	$ 8,202	$ 65	$ 4,992	$ -	$ 3,320	$ 2,079	$ (46,665)	$ 469,281	$ 37,254	7.9%	15.7%	10,391
			Variance	$ 227,540	$ 71,429	$ (12,333)	$ (5,775)	$ (11,777)	$ 6,030	$ (23,273)	$ (1,406)	$ (93)	$ 1,808	$ (14,150)	$ (9,070)	$ 238,000	$ (42,861)			
			% Variance	4566%	117%	-21%	-23%	-39%	278%	-100%	-22%	-100%	120%	-87%	24%	103%	-53%			
CE	CommError	01/31/12	Balance	$ 36,233	$ 205,483	$ 133,112	$ 51,888	$ 105,755	$ 37,197	$ 63,730	$ -	$ -	$ -	$ -	$ (13,002)	$ 633,398	$ 206,682	32.6%	34.6%	0
CE	CommError	02/29/12	Balance	$ 26,710	$ 72,990	$ 212,870	$ 83,691	$ 31,772	$ 81,888	$ 17,350	$ 31,523	$ -	$ -	$ 1,022	$ (11,910)	$ 559,826	$ 163,565	29.2%	30.7%	32,555
CE	CommError	03/31/12	Balance	$ 48,772	$ 62,556	$ 84,887	$ 132,691	$ 130,415	$ 26,916	$ 55,713	$ 9,579	$ 5,060	$ -	$ -	$ (19,932)	$ 556,589	$ 227,683	40.9%	44.8%	14,639
CE	CommError	04/30/12	Balance	$ 19,157	$ 170,322	$ 86,040	$ 74,899	$ 116,310	$ 121,241	$ 13,831	$ 39,576	$ 4,375	$ -	$ -	$ (17,430)	$ 645,751	$ 295,333	45.7%	47.1%	43,951
CE	CommError	05/31/12	Balance	$ 17,206	$ 163,010	$ 145,991	$ 80,267	$ 63,486	$ 117,371	$ 82,076	$ 1,906	$ 5,752	$ -	$ 344	$ (23,907)	$ 677,409	$ 270,935	40.0%	41.0%	8,002
CE	CommError	06/30/12	Balance	$ 27,048	$ 149,584	$ 169,902	$ 124,417	$ 76,707	$ 56,112	$ 27,478	$ 3,890	$ -	$ -	$ -	$ (27,493)	$ 635,138	$ 164,187	25.9%	27.0%	3,890
CE	CommError	07/31/12	Balance	$ 42,965	$ 139,578	$ 164,746	$ 166,456	$ 122,996	$ 73,423	$ 51,757	$ 4,479	$ -	$ 150	$ -	$ (24,242)	$ 766,550	$ 252,805	33.0%	34.9%	4,629
CE	CommError	08/31/12	Balance	$ 21,979	$ 158,879	$ 187,899	$ 146,809	$ 184,250	$ 118,604	$ 67,647	$ 7,834	$ -	$ -	$ -	$ (29,650)	$ 893,901	$ 378,335	42.3%	43.4%	7,834
CE	CommError	09/30/12	Balance	$ 24,711	$ 182,734	$ 175,925	$ 175,418	$ 146,870	$ 173,621	$ 98,664	$ 22,599	$ -	$ -	$ -	$ (27,398)	$ 1,000,542	$ 441,754	44.2%	45.3%	22,599
CE	CommError	10/31/12	Balance	$ 28,989	$ 229,017	$ 169,317	$ 140,922	$ 171,078	$ 154,422	$ 130,974	$ 1,517	$ -	$ -	$ -	$ (30,109)	$ 1,026,236	$ 457,991	44.6%	45.9%	1,517
CE	CommError	11/30/12	Balance	$ 40,957	$ 157,480	$ 195,585	$ 135,694	$ 126,797	$ 158,584	$ 70,377	$ 5,480	$ -	$ -	$ -	$ (34,131)	$ 890,954	$ 361,238	40.5%	42.5%	5,480
CE	CommError	12/31/12	Balance	$ 5,891	$ 99,556	$ 146,483	$ 165,992	$ 126,545	$ 74,762	$ 73,651	$ 16,005	$ -	$ 3,228	$ 2,059	$ (31,914)	$ 734,172	$ 296,250	40.4%	40.7%	21,292
CE	CommError	01/31/13	Balance	$ 9,105	$ 188,770	$ 99,499	$ 133,331	$ 152,905	$ 49,569	$ 5,078	$ 16,620	$ -	$ 4,045	$ -	$ (25,913)	$ 658,922	$ 228,217	34.6%	35.1%	20,665
			Variance	$ 3,214	$ 89,214	$ (46,984)	$ (52,661)	$ 26,360	$ (25,193)	$ (68,573)	$ 615	$ -	$ 817	$ (2,059)	$ 6,001	$ (75,250)	$ (68,033)			
			% Variance	55%	90%	-32%	-28%	21%	-34%	-93%	4%	#DIV/0!	25%	-100%	-19%	-10%	-23%			

hfma

Level III KPIs – Associate Performance

- PAS - individual productivity and quality scores; POS collections per associate
- HIM – coding quality and productivity; imaging quality and productivity
- CBO – individual agings; productivity and quality monitoring
- CBO Customer Call Center – individual credit card collections and quality of account resolution

hfma

Example-Financial Aid Application Associate Score Card

Financial Assistance Monthly Scorecard

Associate Monthly Evaluation	Name: John Smith	Month: December 2012

Quality (50%)

	Total Monthly Errors	0

Quality Scoring		
4	0 Errors	4
3	1-2 Errors	
2	3-4 Errors	
1	5+ Errors	
0	Critical Error	
	Quality Score	4

Processing Applications (50%)

	Monthly Average	3.43

Processing Applications Scoring		
4	3 and up	4
3	2.9-2.5	
2	2.4-2.1	
1	2.0-1.5	
0	1.4 and below	
	Applications per Hour Score	4

Total Scoring		
Quality	50 X (Score)	200
Production	50 X (Score)	200
		400

Monthly Score	
Points	400
Scoring Level	4

Scoring Levels	
400	4
399-350	3
349-300	2
299-250	1
249 and below	0

Manager Comments:
Great Job!

Employee Comments:

Employee Signature: _____ Date: _____

Manager Signature: _____ Date: _____

hfma

Level III KPIs- Business Partner Scorecard

Business Partner– Monthly Scorecard(s):

- Bad debt agencies
- Medicaid eligibility vendor
- Estate vendor
- Motor vehicle vendor
- Transcription vendor
- Denial vendor

hfma

34

Example-Agency Scorecard

Collection Agency Performance Review
FY13

Primary													
Agency 1	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	YTD Total
Placements	4,544,877	6,824,946	5,265,928	6,044,188	5,355,785	4,845,859							32,881,583
Close & Returns	3,708,459	5,029,451	4,774,134	4,191,841	4,890,224	5,050,166							27,644,275
Net Placements	836,418	1,795,495	491,794	1,852,347	465,561	(204,307)	0	0	0	0	0	0	5,237,308
Insurance Recoveries	126,864	90,568	102,278	258,482	69,289	122,204							769,685
Pt Cash Collections	130,983	152,869	197,879	208,515	192,270	232,172							1,114,688
Total Recoveries	257,847	243,437	300,157	466,997	261,559	354,376	0	0	0	0	0	0	1,884,373
Fees	41,977	41,931	47,691	55,669	44,090	41,767							273,125
Minimum Cash Target	313,389	339,373	312,717	317,421	313,389	345,197	393,581	401,869	407,469	356,861	379,917	434,021	1,941,486
Recoveries % of Gross Placements	6%	4%	6%	8%	5%	7%	0%	0%	0%	0%	0%	0%	6%
Recoveries % of Net Placements	31%	14%	61%	25%	56%	-173%	0%	0%	0%	0%	0%	0%	36%
Recoveries % of Net Placements minus fees	26%	11%	51%	22%	47%	-153%	0%	0%	0%	0%	0%	0%	31%
YTD Recoveries % Net Placements	31%	19%	26%	25%	28%	36%							36%
Agency 2	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	YTD Total
Placements	5,133,870	6,208,237	5,107,204	6,859,742	5,212,025	4,235,737							32,756,815
Close & Returns	4,382,115	4,260,143	4,245,322	4,511,659	4,821,274	4,133,189							26,353,702
Net Placements	751,755	1,948,094	861,882	2,348,083	390,751	102,548	0	0	0	0	0	0	6,403,113
Insurance Recoveries	88,413	97,627	73,605	116,109	94,590	121,584							591,928
Pt Cash Collections	208,931	228,731	188,840	248,351	235,319	238,790							1,348,962
Total Recoveries	297,344	326,358	262,445	364,460	329,909	360,374	0	0	0	0	0	0	1,940,890
Fees	45,213	56,400	47,198	66,296	58,771	56,569							330,447
Minimum Cash Target	313,389	339,373	312,717	317,421	313,389	345,197	393,581	401,869	407,469	356,861	379,917	434,021	1,941,486
Recoveries % of Gross Placements	6%	5%	5%	5%	6%	9%	0%	0%	0%	0%	0%	0%	6%
Recoveries % of Net Placements	40%	17%	30%	16%	84%	351%	0%	0%	0%	0%	0%	0%	30%
Recoveries % of Net Placements minus fees	34%	14%	25%	13%	69%	296%	0%	0%	0%	0%	0%	0%	25%
YTD Recoveries % Net Placements	40%	23%	25%	21%	25%	30%							30%
Primary Combined Total	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	YTD Total
Placements	9,678,747	13,033,183	10,373,132	12,903,930	10,567,810	9,081,596	0	0	0	0	0	0	65,638,398
Close & Returns	8,090,574	9,289,594	9,019,456	8,703,500	9,711,498	9,183,355	0	0	0	0	0	0	53,997,977
Net Placements	1,588,173	3,743,589	1,353,676	4,200,430	856,312	(101,759)	0	0	0	0	0	0	11,640,421
Insurance Recoveries	215,277	188,195	175,883	374,591	163,879	243,788	0	0	0	0	0	0	1,361,613
Pt Cash Collections	339,914	381,600	386,719	456,866	427,589	470,962	0	0	0	0	0	0	2,463,650
Total Recoveries	555,191	569,795	562,602	831,457	591,468	714,750	0	0	0	0	0	0	3,825,263
Fees	87,190	98,331	94,889	121,965	102,861	98,336	0	0	0	0	0	0	603,572
Minimum Cash Target	626,778	678,746	625,434	634,842	626,778	690,394	787,162	803,738	814,938	713,722	759,834	868,042	3,882,972
Recoveries % of Gross Placements	6%	4%	5%	6%	6%	8%	0%	0%	0%	0%	0%	0%	6%
Recoveries % of Net Placements	35%	15%	42%	20%	69%	-702%	0%	0%	0%	0%	0%	0%	33%
Recoveries % of Net Placements minus fees	29%	13%	35%	17%	57%	-606%	0%	0%	0%	0%	0%	0%	28%
YTD Recoveries % Net Placements	35%	21%	25%	23%	26%	33%							33%
* Note: Batch reconciliation completed quarterly													

35

Level III KPIs- Business Partner Scorecard

Payer Performance Scorecards:

- Comparative data by payer
- Denial rates
- Types of denials
- Overturn rates
- Appeal turn-around time
- Average days to pay
- A/R Aging
- # and $ outstanding appeals over X days old
- # and $ outstanding overturn denials over X days old

hfma

HFMA's MAP Initiative

Sandra Wolfskill, FHFMA
Director, Healthcare Finance Policy, Revenue Cycle MAP
HFMA

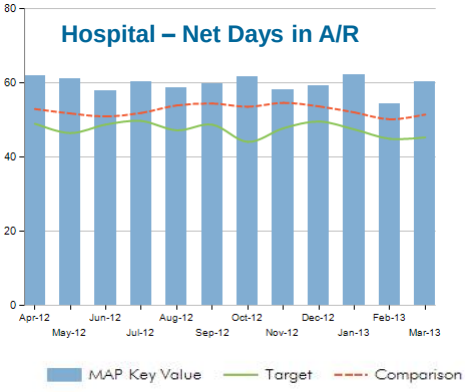
HFMA's MAP Approach

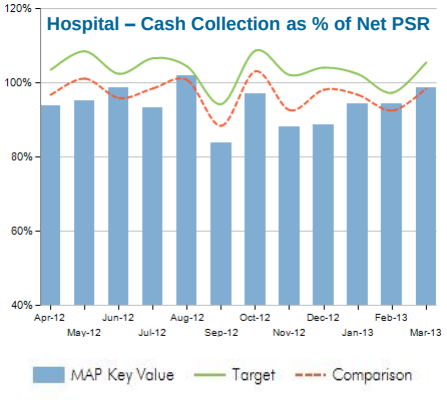
- **M**easure, **A**pply, **P**erform concept
- Task Force developed **m**easurements and definitions vetted with BOD and advisory councils; providers responsible for the **a**pply and **p**erform activities
- MAP APP hospital data categorized into four major areas:
  - Patient access (5 Keys)
  - Revenue integrity (4 Keys)
  - Claims adjudication (6 Keys)
  - Management (10 Keys)

hfma

38

Sample Hospital Peer Data





hfma

39

HFMA's MAP Approach

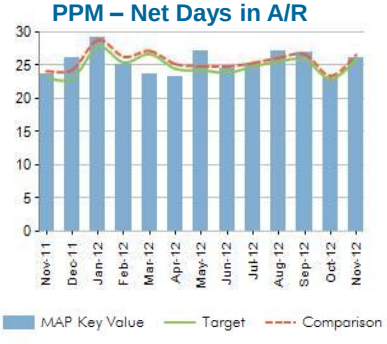
MAP APP physician data categorized into four major areas:

- Patient access (2 Keys)
- Revenue integrity (1 Key)
- Claims adjudication(2 Keys)
- Management (9 Keys)

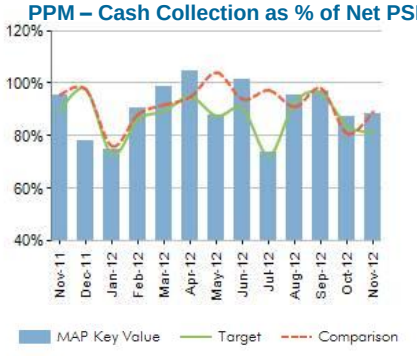
hfma

Sample Physician Peer Data

PPM – Net Days in A/R



PPM – Cash Collection as % of Net PSR



hfma

Ohio Health Denial-Reduction Case Study

Margaret Schuler
Executive Director, Revenue Cycle
OhioHealth

hfma
healthcare financial management association

Polling Question #3

My organization communicates revenue cycle KPI information in the following ways. (Check as many as apply.)

- Through regular reports sent to senior executives and staff.
- At regularly scheduled staff meetings.
- During performance reviews.
- We don't share revenue cycle KPI information with others in the organization.

hfma

43

HFMA's "MAP" Strategy on Denials

- Defining and identifying payer denials **Measure**
- Reducing payer denials **Apply**
- Achieving process improvement **Perform**

MAP = Results

hfma

44

Quantify and Communicate

Data is powerful and changes behavior!!!!!

- Awareness is key **–** critical
- Quantify initial and final denials by denial codes and write-off adjustments
  - # of accounts
  - Total gross charges
- Distribute denial reports weekly/monthly to key stakeholders via email, including:
  - CFOs
  - Directors of finance
  - Controllers
  - Revenue cycle leadership
  - Clinical department leadership

hfma

45

Quantify and Communicate

Data is powerful and changes behavior!!!!!

- Examples:
  - Case management gets all inpatient “no auth/medical necessity” denials
  - Precert team gets “missing precert” denials
  - Business office gets all “timely filing” denials
- Transparency – include all stakeholders on same e-mail
- Educate/train stakeholders how to use and interpret the data
- Develop hospital/health system teams that include stakeholders from various departments

hfma

46

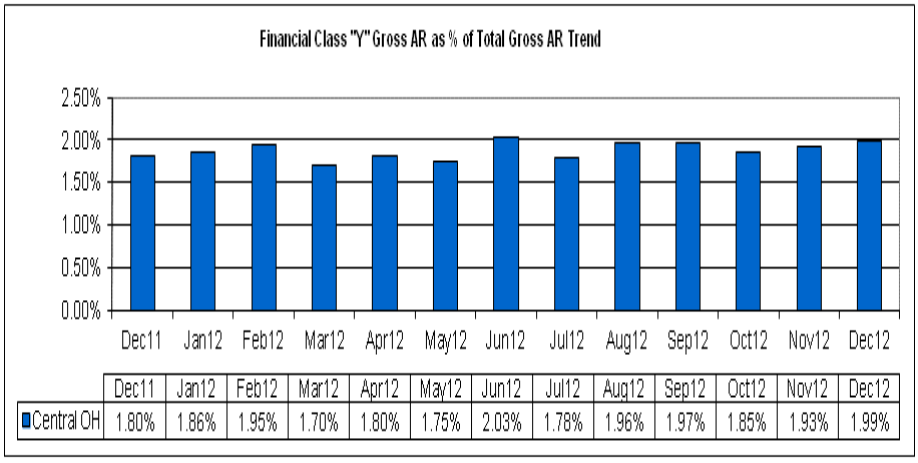
Monthly Initial Denials

Initial Denials Scorecard FY13 & FY12
Volume

Category		Dec11	Jan12	Feb12	Mar12	Apr12	May12	Jun12	Total FY12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12	Total FY13	FY13 Annualized
IP	EMER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	EXCE	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2
	MNEC	5	1	2	3	2	1	5	34	2	1	1	1	0	2	7	14
	OUTN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NPREC/R	7	13	6	8	2	9	10	77	11	11	3	5	9	10	49	98
	PREEX	0	1	1	0	2	0	1	8	0	0	1	1	0	1	3	6
IP TOTAL VOLUME		12	15	9	11	6	10	16	119	13	12	5	7	9	14	60	120
OP	EMER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	EXCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	MNEC	3	3	8	3	6	8	4	56	5	5	3	6	7	3	29	58
	OUTN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NPREC/R	20	21	21	19	23	24	29	259	30	23	20	22	28	27	150	300
	PREEX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OP TOTAL VOLUME		23	24	29	22	29	32	33	315	35	28	23	28	35	30	179	358
ED	EMER	0	0	0	0	0	0	1	1	2	2	3	1	2	0	10	20
	EXCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	MNEC	1	2	0	0	4	1	0	14	1	1	2	3	0	1	8	16
	OUTN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NPREC/R	0	4	0	1	0	3	3	16	13	2	1	2	0	6	24	48
	PREEX	0	1	0	0	0	1	0	2	0	1	0	0	0	1	2	4
ED TOTAL VOLUME		1	7	0	1	4	5	4	33	16	6	6	6	2	8	44	88
OBS	EMER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	EXCE	0	0	0	0	0	0	0	0	0	1	0	1	0	1	3	6
	MNEC	1	1	1	2	1	1	2	13	1	1	1	4	0	1	8	16
	OUTN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NPREC/R	3	1	3	1	0	1	1	12	1	1	2	2	1	1	8	16
	PREEX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OBS TOTAL VOLUME		4	2	4	3	1	2	3	25	2	3	3	7	1	3	19	38
Overall	EMER	0	0	0	0	0	0	1	1	2	2	3	1	2	0	10	20
	EXCE	0	0	0	0	0	0	0	0	0	1	0	1	0	2	4	8
	MNEC	10	7	11	8	13	11	11	117	9	8	7	14	7	7	52	104
	OUTN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NPREC/R	30	39	30	29	25	37	43	364	55	37	26	31	38	44	231	462
	PREEX	0	2	1	0	2	1	1	10	0	1	1	1	0	2	5	10

47

Monthly Financial Class "Y" Pending Denials



	Dec11	Jan12	Feb12	Mar12	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12
Central OH	1.80%	1.86%	1.95%	1.70%	1.80%	1.75%	2.03%	1.78%	1.96%	1.97%	1.85%	1.93%	1.99%

hfma

Monthly Final-Denial Write-Offs

Final Denial Scorecard FY13, FY12, FY11, FY10 and FY09

Category	Total FY09	Total FY10	Total FY11	Total FY12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12	Total FY13
LCD Radiology	$2,904,193	$963,466	$577,570	$324,259	$40,354	$3,497	($2,959)	$16,455	$40,495	$31,451	$129,293
LCD Laboratory	$1,184,389	$1,679,564	$1,243,061	$1,213,679	$73,332	$191,968	$95,469	$57,547	$143,875	$61,935	$624,126
LCD Heart Services	$70,899	$47,010	$10,850	$15,434	$0	$0	$48,967	$0	$0	$0	$48,967
LCD Diagnosis Behavioral	$0	$136	$13	$0	$0	$0	$0	$0	$0	$0	$0
LCD Endoscopy	$103,126	$12,691	$15,671	$5,023	$0	$3,391	$1,590	$47	$0	$0	$5,028
LCD Therapy Caps	$0	$0	$0	$0	$0	$0	$0	$0	$557	$0	$557
LCD Diagnosis Other	$1,785,307	$1,197,007	$770,081	$562,685	$19,172	$79,894	$75,851	$23,719	$57,266	$95,786	$351,689
LCD Pharmacy	$0	$189,759	$81,852	$228,402	$31,322	$13,791	$10,044	$4,951	$556	$2,203	$62,866
LCD Total	$6,047,914	$4,089,632	$2,699,097	$2,349,481	$164,180	$292,542	$228,963	$102,718	$242,748	$191,375	$1,222,526
Research Projects	$4,216	$0	$486	$0	$0	$0	$0	$144	$0	$0	$144
Total Misc Denials	2,403,081	903,149	1,204,725	1,619,424	139,638	159,003	138,826	112,064	207,834	100,458	857,823
Payer non-covered Services	518,174	773,524	522,707	590,466	39,665	40,625	20,091	72,871	56,317	63,328	292,898
Sterilization Form	292,327	49,581	14,978	46,866	0	0	0	0	0	14,722	14,722
DNFB no documentation	361,743	510,341	130,990	245,021	105,083	(3,786)	0	(573)	(4,427)	(2,968)	93,330
Total Unbillable Accounts	1,172,244	1,333,446	668,676	882,354	144,748	36,840	20,091	72,298	51,890	75,083	400,950
No Precertification	1,154,804	103,319	3,548	13,991	(369)	2,972	0	(1,322)	0	0	1,281
No UR Information	585,083	361,236	44,971	21,072	(440)	0	0	0	0	3,569	3,129
Out of Network	285,740	30,246	(6,637)	135,448	18,924	7,985	12,507	17,086	9,673	(3,593)	62,581
Lack of Medical Necessity	1,916,297	1,285,291	1,642,314	999,269	114,234	225,242	65,361	56,612	102,554	85,321	649,325
Caved Out Days	4,438	531	0	0	0	0	0	0	0	(140)	(140)
Continued Stay Denial	284,146	83,118	16,378	42,182	0	0	0	0	0	0	0
Dialysis/Outside Composite Rate	0	347	27	0	0	0	0	0	0	0	0
Claim Filing Limit	1,188,061	321,557	92,840	125,846	1,992	10,570	20,905	36,496	9,883	6,473	86,318
Conversion Issues	0	0	0	0	0	0	0	0	0	0	0
Registration Issues	379,274	35,234	0	0	0	0	0	0	0	0	0
Untimely Retraction by Payer	392,258	(128,697)	338	1,274	0	0	0	(546)	0	0	(546)
Payer non-payment of rate var.	20,302	559	5,021	0	0	0	0	0	0	0	0
Payer penalty non-notification	22,742	15,777	23,734	14,500	1,298	1,500	2,500	3,500	500	2,000	11,298
UR Denials< scope	12,422	29,379	20,439	23,294	583	1,250	1,440	1,309	133	2,485	7,200
Denials <$200 not worked by PVT	6,928	1,876	590	3,102	0	353	189	0	111	0	653
Non HIM Coding Delay	102,374	0	406	809	0	0	0	0	0	0	0
AICD Non Covered	1,838,731	148,119	131,706	658	0	0	0	0	0	0	0
Total Billed and Denied	8,193,600	2,287,892	1,975,675	1,381,444	136,222	249,872	102,901	113,135	122,853	96,115	821,098
Insufficient AR Follow Up	(14,988)	(691)	67	0	(34)	24,228	0	0	0	0	24,194
Total Admin Adjustments	(14,988)	(691)	67	0	(34)	24,228	0	0	0	0	24,194
One Day Stay	527,259	(1,681)	0	(1,408)	0	0	0	0	0	0	0
Total One Day Stay	527,259	(1,681)	0	(1,408)	0	0	0	0	0	0	0
Total Denials as a % of GPR	0.44%	0.19%	0.13%	0.11%	0.12%	0.14%	0.10%	0.07%	0.12%	0.09%	0.13%
Total Denials	$18,333,325	$8,611,746	$6,548,725	$6,231,295	$584,755	$762,485	$490,782	$400,358	$625,326	$463,030	$3,326,735
Target Denials	0.00%	0.24%	0.18%	0.13%	0.08%	0.11%	0.09%	0.07%	0.17%	0.13%	0.11%
FC Y AR (Clinical Denials)											Avg
FC Y AR Balance	$10,091,848	$9,694,260	$11,485,372	$11,460,611	$11,655,852	$13,076,735	$13,542,255	$12,660,594	$12,997,806	$13,461,451	$12,815,483
FC Y as a % of AR		1.84%	1.88%	1.26%	1.78%	1.96%	1.97%	1.85%	1.93%	1.99%	1.91%

OhioHealth's Results

- Cut denials by 0.33 percentage points / 75%
  - From 0.44%/$18M of gross revenue in FY09
  - To 0.11%/$6M of gross revenue in FY12
- Overall, OhioHealth reduced denials by $12M in gross write-offs

hfma

50

Conclusion

- Metrics drive performance and change behavior when supported by structure and accountability
- HFMA MAP: Measure, apply, and perform
- Don't forget to celebrate and thank those who made the results possible ☺

hfma

51

Questions & Answers

Ask the speakers a question or share your KPI challenges and solutions. Just type your question or comment into the Q&A box on your computer screen.

hfma

52

Presenter Contact Information

David Hammer
SVP, Revenue Cycle Advisory Solutions
MedAssets
dhammer@medassets.com

Margaret Schuler
Executive Director, Revenue Cycle
OhioHealth
mschule2@OhioHealth.com

Sandra Wolfskill
Director, Healthcare Finance Policy, Revenue Cycle MAP
HFMA
swolfskill@hfma.org

hfma

53

To Complete the Program Evaluation

The URL below will take you to HFMA on-line evaluation form.
You will need to enter your member I.D. # (can be found in your confirmation email when you registered)

Enter this Meeting Code: 13AT50
URL: http://www.hfma.org/awc/evaluation.htm

Your comments are very important and enables us to bring you the highest quality programs!