

CASE STUDY

# Standardize, Optimize, and Simplify: Professional Billing Operations

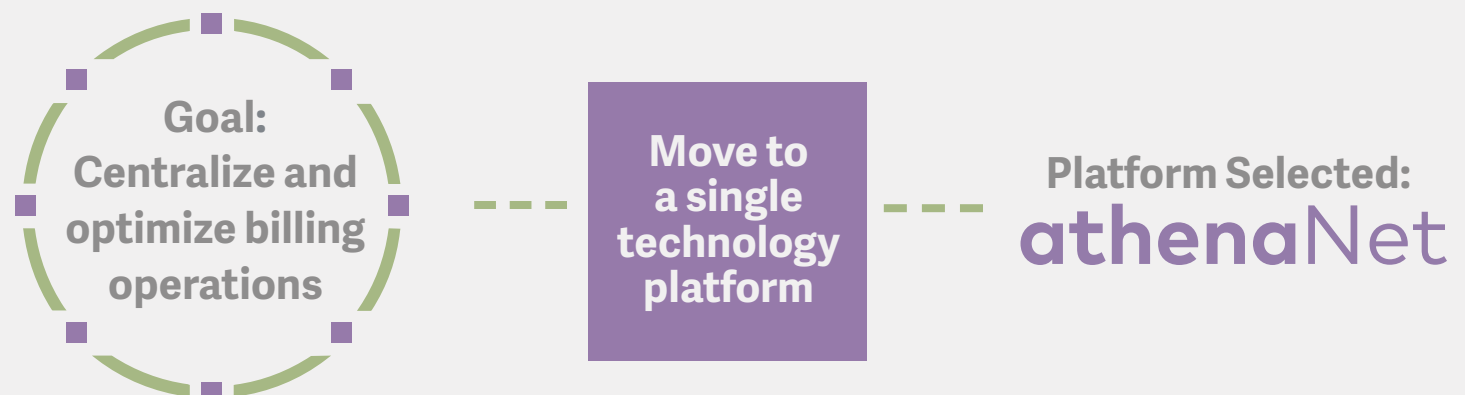
Adventist Health System (AHS) is a healthcare system headquartered in Altamonte Springs, Florida. It employs approximately 2,000 providers and serves five million patients per year at its 45 hospital campuses across nine states. Historically, the AHS Physician Enterprise (PE) has operated in a fairly decentralized manner, organized within seven regions spanning the eastern half of the United States. Each region resembled a federated group of independent physician practices, lacking consistency of policy, procedure, and governance. Moreover, the organizational structure and governance model limited the PE's ability to effectively collaborate across regions and operate at maximum efficiency. This was especially true for PE professional billing operations, which operated autonomously by region, leading to duplication of effort and significant cost inefficiencies.



To address operating challenges, the PE leadership team set out to improve performance through standardizing and simplifying operations, controls, and procedures and to transform the physician groups in support of an organizational initiative termed Vision 2020. Vision 2020 was developed with the intention of AHS becoming a top-quartile performer nationwide for all competencies, including quality, safety, patient experience, employee engagement, and employed physician practice operations, by the year 2020. An evaluation revealed that achievement of this high performance was more likely if professional billing operations were centralized and optimized. This organizational redesign and movement to a central billing office (CBO) would allow the PE to address the biggest challenges it had faced within the revenue cycle, including the following:

- A high cost of collection from maintaining six billing offices
- A high volume of avoidable claim denials for reasons such as unverified insurance or lack of a necessary referral
- Repeat coding errors resulting in recurring denials
- A lack of standardized policies, procedures, and work standards to guide billing operations
- Ambiguous performance expectations and insufficient management reporting
- An absence of accountability for managers and staff

A critical first step of the organizational redesign, which served as the foundation for achieving the high performance described in Vision 2020, was the implementation of a single technology platform across the physician groups. In September 2015, AHS selected athenahealth's athenaNet platform for its electronic health record and practice management (PM) solutions. While this decision signaled a change for the entire organization, physician billing operations were expected to experience the biggest impact given that the transition would also represent a revised operating structure. Because athenahealth is a unique vendor that operates exclusively under a cosourced billing model, its staff perform a subset of billing duties on behalf of their clients, thus playing a critical role in the success of their clients' revenue cycle operations. To most effectively operate within this cosourcing model and establish a new revenue cycle organizational structure that supported top-quartile performance, PE would have to transform both the way it works internally and how it interacts with and relies on vendor partners. Given ECG's ability to successfully lead organizations through large-scale transformations and manage performance improvement throughout all aspects of the revenue cycle, AHS engaged ECG to assist in the organizational redesign and oversee the PM system implementation and go-live.



To support the conversion to athenahealth and manage the operational redesign, ECG evaluated front- and back-end revenue cycle work flows, policies, procedures, reports, and work standards and recommended standard practices throughout the enterprise. ECG supported executive leadership in visioning and implementing best practices throughout the organization.

**Specifically, ECG managed the following responsibilities:**

Established multidisciplinary project task forces responsible for all revenue cycle related aspects of the implementation.

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Facilitated the evaluation of the six regional billing offices, developed a work plan to consolidate to a single CBO, and oversaw the consolidation efforts.

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Evaluated the professional coding support model and guided the organization through the implementation of a centrally managed coding model to better allocate and share resources.

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Served as a check and balance during the implementation to ensure that design decisions fit within the scope of athenahealth's cosourced model.

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Ensured that all operational components of the revenue cycle were included in the redesign and that functional responsibilities were clearly defined.

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Collaborated with the PE project leadership committee to ensure that important design decisions were properly vetted, project updates and associated organizational changes were consistently communicated, and stakeholders not directly involved in the implementation and/or redesign had an opportunity to provide feedback.

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Created an inclusive, collaborative approach to process redesign and future-state work flow development to maintain stakeholder engagement across all PE regions.

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Ensured that project timelines were met, tracked project risks and issues, and championed resolution efforts.

**“ ECG has not only been instrumental but absolutely critical to the success of our athenahealth implementation. I worked closely with them on the revenue cycle transformation, and they have been dedicated and competent professionals.”**

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**KELLY PETTIJOHN**  
VICE PRESIDENT/CHIEF FINANCIAL OFFICER  
ADVENTIST HEALTH SYSTEM, PHYSICIAN ENTERPRISE

**ECG also assisted with the design and execution of the change management strategy by:**

Developing the strategy for managing legacy (pretransition) accounts receivable (A/R).

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Providing recommendations on industry best practice billing work flows and developing the supporting work flow documentation.

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Developing a suite of standardized policy and procedure documents to guide billing operations.

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Designing an end-user training curriculum to provide an even balance of systems, policies, and process training and education.

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Developing a comprehensive end-user training manual to highlight the areas of organizational change and provide rationale for the changes.

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Coordinating and deploying rapid-response training teams to assist with challenges that providers and staff faced after go-live.

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Supporting four athenahealth implementation go-live events, which served as the main resource for all revenue cycle related questions and issue escalation.

The AHS CBO began billing from the athenaNet platform in June 2016, and by March 2017, it had assumed all responsibilities that had previously been tasked to the six regional billing offices. An

analysis of the first eight months of operations showed that the organization had already realized the following improvements in key revenue cycle performance indicators:

- **Decreased charge lag across the organization from seven to five days** by establishing a standardized open encounter policy with clearly defined escalation pathways to ensure timely charge entry and claim creation
- **Maintained cash collections throughout the organizational redesign** and system implementation, as average monthly payments have remained stable across the regions
- **Reduced days in A/R from 51 to 41**, increasing the speed at which the organization is receiving payment for services

In addition to the quantifiable performance indicators, the following changes in organizational culture were viewed by AHS leadership as equally critical to the success of the transformation:

- **Established a “common language” for the revenue cycle**, aligning expectations and standards for all stakeholders
- **Increased organizational awareness at all levels** by improving transparency and creating shared accountabilities for success
- **Elevated the importance of revenue cycle performance** within the organization, ensuring it is viewed as a core component of operations

As a result of the engagement, AHS is better positioned to manage professional revenue cycle operations more efficiently through lower expenses and improved collections practices. By successfully implementing and partnering with athenahealth; redesigning work flows, policies, procedures, and controls; and reinforcing through performance standards, AHS has improved financial performance and advanced its goal of achieving Vision 2020.

**Decreased charge lag across the organization from seven to five days**



**Maintained cash collections through implementation**

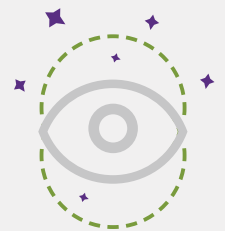
**Reduced days in A/R from 51 to 41**

**51**  
**41**



**Established a “common language” for the revenue cycle**

**Increased organizational awareness**



**Elevated the importance of revenue cycle performance**