

Health System Improves Registration Accuracy and Utilization Review; Reaps Large Financial Gains



As with many major health systems, a California health care provider was struggling severely with its inpatient and outpatient registration and utilization review (UR) processes — and losing millions annually across all of its facilities due to unpaid and uncollectible patient debt and UR-related payer denials. The health system engaged Freed Associates to improve its patient access (PA) and UR processes and staunch its financial hemorrhaging.

You often never get a second chance to make a first impression — or to correctly gather vital registration and insurance information from patients. That's why Patient Access (PA) — the department charged with handling patient registration and insurance verification — has never been more important than it is today.

PA has risen in significance financially as more patients owe balances, even after insurance reimbursement. According to the Advisory Board Company, more than two-thirds of patients will owe more than a simple copayment and over one-third have annual deductibles exceeding \$1,000.

Additionally, PA factors significantly into patient satisfaction, as it's typically the first department that patients encounter when visiting a health care facility. For patients, the ripple effect of a negative PA experience can extend throughout their care experience and even into their post-care survey responses.

Similar to PA, the Utilization Review department (UR) also plays a key role in patient satisfaction – and a hospital's

revenue cycle. When done well, UR ensures that payers quickly receive sufficiently accurate and complete clinical reviews of inpatient care to properly determine medical necessity and approve inpatient stays for payment. However, if UR is done incorrectly or inefficiently, it can significantly disrupt a hospital's revenue stream and negatively impact patient satisfaction.

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Goal

Freed helped the health system identify its most critical PA and UR-related goals:

- * Reduce registration errors through improved staff training and education
- * Implement a short-term quality improvement solution and identify a potential long-term quality improvement solution
- * Create a central data repository to assist staff with day-to-day registration needs
- * Decrease the UR errors worklist via improved workflow and assignment of accountability among all department members
- * Implement a denial monitoring tool to log, track, trend and follow inpatient concurrent and retrospective (prior to billing) denials
- * Identify and implement a process to facilitate timely inpatient appeals and decrease inpatient denials

Strategy

In addition to engaging and working with the PA department, Freed also identified a need to include the health system's Patient Financial Services (PFS) department in dialogue and help ensure that these two departments would work collaboratively in the future. The health system's PA and PFS departments historically did not work well together — a common occurrence with many large health systems — and often blamed each other for collection and reimbursement problems stemming from registration and UR issues.

Freed consultants quickly discerned that PA processes required improved quality controls, to identify, intercept, and prevent insurance and payer errors. Additionally, the department needed to improve its assessment of staff competencies and/or skill set deficiencies involving registration and UR practices, as well as improve its training and education programs for new hires and existing staff.

Tactics

Based on the health system's goals, Freed worked with system employees in four critical areas:

1. Augment current training and education plans and activities to focus on registration and UR errors
2. Develop a short-term quality assurance (QA) solution to track and trend PA procedural errors
3. Develop a central repository of educational tools and department policies and procedures to help PA staff perform their duties
4. Implement and document new UR processes, including follow-up activities, reporting and trending focus, as well as imposing timelines for resolving and closing UR work queue edits

With a focus on high-volume PA errors and challenges, Freed's recommended enhancements to the department's training efforts included expanded and mandatory training sessions, increased error transparency to staff, and a new staff competency examination. Thus, for instance, all 150+ PA staff members were required to attend training sessions reviewing the top 15 PA errors and collaboratively discuss ways to eliminate these errors.

Based on these sessions, Freed developed revised education and training policies and procedures to facilitate training, post-training evaluation and ongoing education requirements. This included adding monthly "refresher sessions" as needed to focus on recurring errors, as well as adding continuing education classes during months when refresher training would not be offered.

Critically, Freed drafted and delivered a new competency examination for PA staff, to be modified and administered annually, to help health system and department leadership identify development needs during evaluation periods.

With PA department leadership and an external technology vendor, Freed helped create an automated QA tracking tool for compiling and trending registration errors prior to billing. The system, which included a comprehensive list of data elements and fields, identified trends by user and department (to identify high-volume errors), and generated critical quality and performance reports. Prior to this system, the department's QA data was compiled manually and done only sporadically.

Freed and the PA department created an online data depository containing all pertinent correspondence, training materials, policies and procedures, and general information. Now, department staff members could all be on the same page at the touch of a button. Besides creating this depository, Freed also established department standards for filing, transferring, inventorying, and standardizing all documentation, including policies and procedures.

Freed also worked with the health system to achieve all of its UR goals, including decreasing the UR error worklist, decreasing inpatient concurrent and retrospective denials, improving documentation requirements and standards

and creating new UR operations reports. Freed assisted UR management in clearly outlining roles and responsibilities of office and nursing staff and identifying detailed workflows for each staff member, as well as measured and improved UR staff productivity.

Results

Freed's collaborations with the PA and UR departments succeeded on all fronts. Overall, the system's patient registration and UR errors dropped significantly — from approximately \$25 million to \$6 million. And the system's UR error worklist decreased from \$15 million to \$6 million within just a few months of the new UR work stream implementation.

PA staff satisfaction, including interactions with the PFS department, improved significantly, as did overall UR staff satisfaction. Similarly, clinical staff and even patients noted and expressed appreciation for the improvements made in the health system's PA and UR processes.

Conclusion

Thanks to the input and engagement of the health system's PA and UR staff, Freed's assistance with developing and implementing PA and UR department improvements was a success and was easily extended throughout several of the facilities in the health system. Given the critical importance of the PA and UR departments to the health system's finances and reputation, investing in Freed's external counsel reaped exponentially beneficial rewards.