

Operations Upgrade Enhances Physician Network



A premier regional physician network faced severe operational issues after the departure of its administrative operations director, a long-time veteran of the organization. No one else in operations had the depth and breadth of knowledge and experience to assume the departed director's role.

Problem to Solve

Due to an ongoing shortage of experienced, quality talent in many knowledge-intensive industries, including health care, several organizations are just a key staff member departure from facing a critical disruption to their business operations. [Healthcare staff shortages](#) are now a top emerging organizational risk, according to a [recent survey](#) of senior business executives.

That was the issue faced by a premier regional physician network, after the departure of its administrative operations director. The director, a long-time veteran of the organization, oversaw the network's claims, eligibility, and enrollment and encounters operations. No one else in operations had the depth and breadth of knowledge and experience to assume the departed director's role.

Faced with a potentially negative disruption to its operations, including additional staff member departures, the physician network turned to Freed Associates (Freed) to provide interim leadership, strategic operational insight and functional support while the organization sought a permanent, full-time replacement for the director's role.

Freed was selected based on its prior experience with this organization as well as its specific expertise in health care administrative operations.

Strategy and Tactics

Broadly, Freed's primary role would be to lead the physician network's administrative operations team, which included more than 30 full-time employees, vendors and temporary staff members. As part of this leadership, Freed would also be expected to ensure the continuity of the team's operations, maintain compliance with all pertinent regulatory and contractual requirements, and facilitate the department's transition to a new full-time director.

Specifically, Freed's work covered team operations and functions over five broad functional categories:

1. **Minimizing staff turnover disruption** – Besides the director, operations had also lost more than 20 percent of its team, including staff members in senior roles. Freed immediately began working to provide hands-on support for team functions lacking sufficient resources, including claims compliance, business analysis and issue resolution, claims operations, and claims vendor management. In conjunction with the physician network's human resources department, Freed worked to fill many of the department's non-director staff openings, developing job descriptions, reviewing resumes and screening, interviewing and evaluating candidates.
2. **Optimizing claims and audit compliance** – Perhaps the most critical function of this administrative operations department is claims compliance oversight. The loss of key personal and associated operational knowledge created compliance risks with the 10 different commercial HMO and Medicare Advantage contracts which the department supported. Thus, Freed quickly created a new set of optimal processes and then drove the department's monthly, quarterly and yearly compliance reporting efforts, as well as all supported CMS, state and health plan audits.
3. **Improving organizational structure** – By engaging Freed, the physician network gained an objective third-party perspective, which it required to properly revamp administrative operations. Previously, the department's performance was challenged by a misalignment between the department's goals and its available resources and skills. This included the realization that just one person, without backup, was primarily responsible for much of the department's key functions and process knowledge. This needed to be addressed.
4. **Improving process and knowledge documentation** – With significant organizational turnover and resulting knowledge gaps, the department needed to vastly improve its process and knowledge documentation. Freed's efforts in this area would focus particularly on claims compliance reporting, audit management support, claims department performance reporting, and claims coordinator team desk-level procedures, detailing base-level claims functions used to train incoming managers and line staff members

5. **Transitioning to a new full-time director** – To allow the department’s new director to immediately get up-to-speed when hired, Freed created a comprehensive, multi-week onboarding and training curriculum. This ensured that all processes were understood and that all in-flight work, open issues, known risks, key meetings and evergreen topics would be properly handled in transition.

Results and Conclusion

Freed’s efforts to stabilize and [improve the healthcare administrative operations](#) department paid off on all fronts, leaving the department in much better shape than when Freed’s engagement began. Among multiple “wins” Freed helped the client achieve:

- **Improved compliance and audit activities** – through more effective preparation and submission of compliance reports and activities and overall improved project management
- **Developed a future-state structure for the department** – better aligning resources and skills with the department’s goals
- **Improved continuity of department operations** – through stabilizing staff turnover and filling new key positions to fulfill the future-state vision for the department
- **Developed new process and knowledge documentation standards** – focusing on claims compliance reporting, performance dashboard reporting and claims coordinator team functions
- **Onboarded a new long-term interim director** – facilitating a shorter transition and providing the new director with a detailed, extended overview of all aspects of the department’s work

The revamped and improved administrative operations department now stands much better-prepared to fulfill the physician network’s core operational, regulatory and business functions. This work also set the stage, through multiple documented best processes and practices, for the department to make additional, recurring improvements to its operations.