



Revenue Cycle Transformation Plan

Curtis Haley

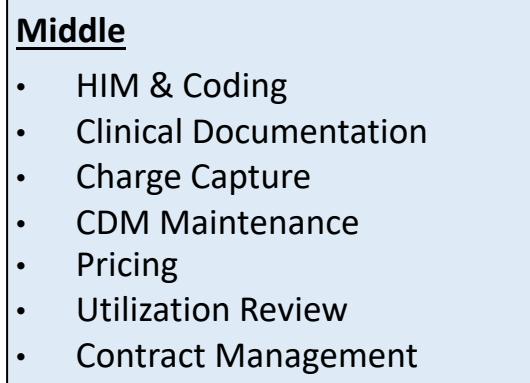
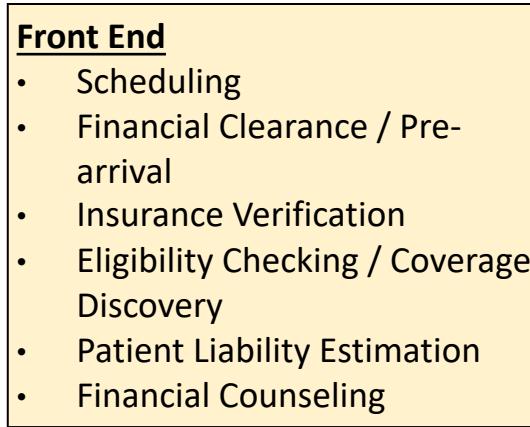
Chief Revenue Officer

September, 2021



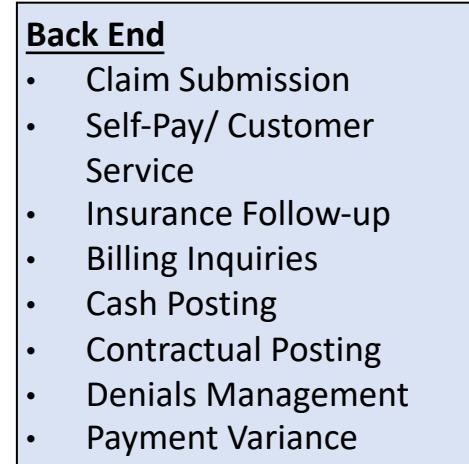
COOK COUNTY
HEALTH

Revenue Cycle Process Chain

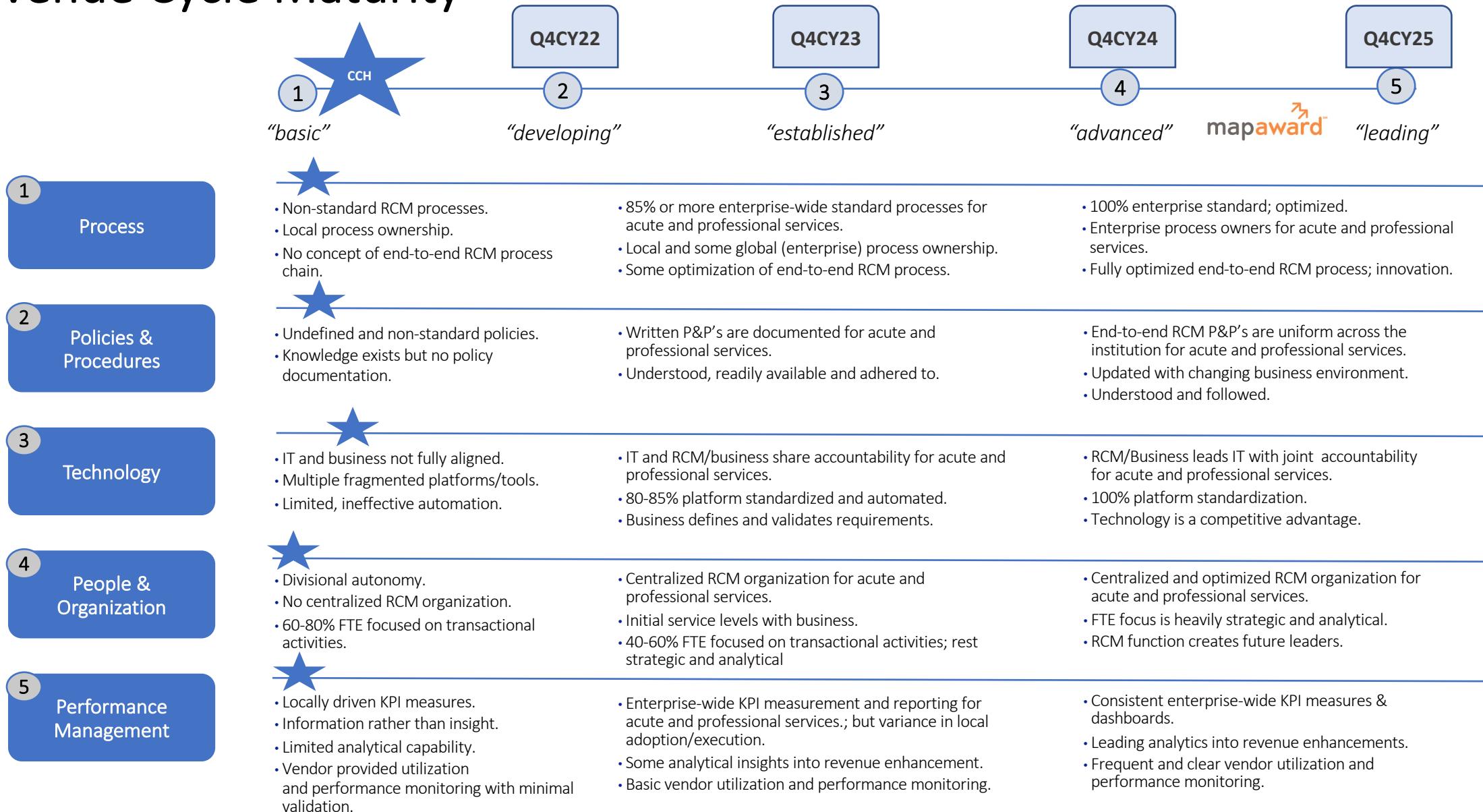


Strategic Commentary:

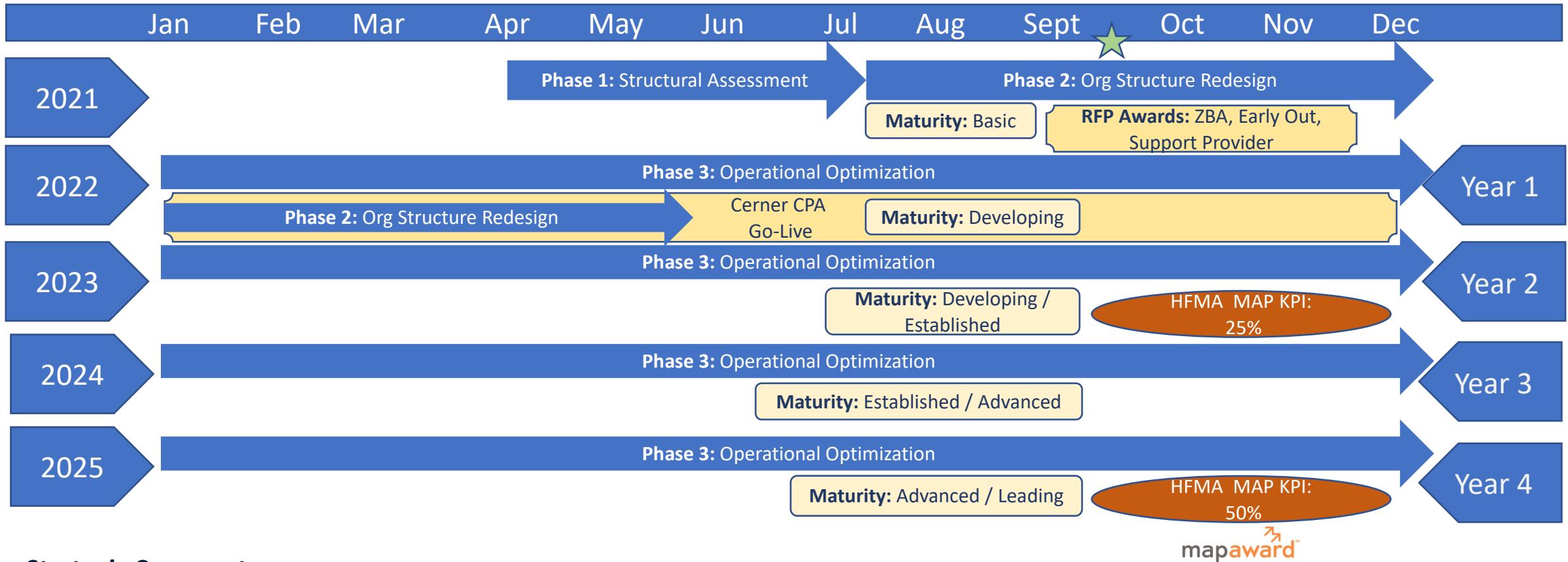
- Multiple areas underperforming due to minimal or missing functions/programs needed to fully operate as intended (red). (ie, prior-authorization, financial clearance, pre-registration, self-pay / customer service, revenue integrity.)



Revenue Cycle Maturity



Journey to Transformation



Strategic Commentary:

- *Phase 1: Structural assessment completed in July.*
- *Phase 2: Revenue cycle organizational structure redesign kicked off in August and is scheduled to be completed by Q2CY22.*
- *Phase 3: Operational optimization is scheduled to kick off Q1CY22 with a focus on centralizing, standardizing and expanding current functions where needed.*
- *HFMA performance miles stones; 25% by Q4CY23 ; 50% by Q4CY25.*

Performance Overview



2020 Winner Statistical Data

MAP Award for High Performance in Revenue Cycle Winners

Aggregated data from 18 MAP Award winners in the following categories: Hospitals, Critical Access Hospitals, Health Systems and IDS

		Net Days in A/R	Days in DNSP	Aged A/R 90 Days and Greater	POS Cash Collection	Cash Collection	Bad Debt	Charity Care	Cost to Collect
Percentile	90	34.3	3.1	16.4%	47.5%	103.1%	0.2%	0.5%	1.8%
	75	37.3	4.0	16.8%	40.3%	101.7%	0.4%	0.7%	2.5%
	50	40.4	5.9	19.6%	32.9%	100.1%	0.9%	1.2%	2.9%
	25	44.0	6.8	23.3%	21.0%	98.8%	1.2%	1.4%	3.7%
	10	45.3	8.0	28.1%	11.0%	98.3%	1.8%	3.4%	5.1%

CCHHS 7/31/21:	73.0	10.1	46.3%	0.0%	84.2%	12.1%	14.2%	2.2%
MAP 25% △:	-29.0	-3.3	-23.0%	-21.0%	-14.6%	-10.9%	-12.8%	1.5%

Strategic Commentary:

- Performance gap from current to the 25 percentile is 40%-50%.
- Transformational plan is designed to begin achieving HFMA Map Award 25% performance by Q4CY23.
- Additional investments in revenue cycle needed to achieve performance outcomes.

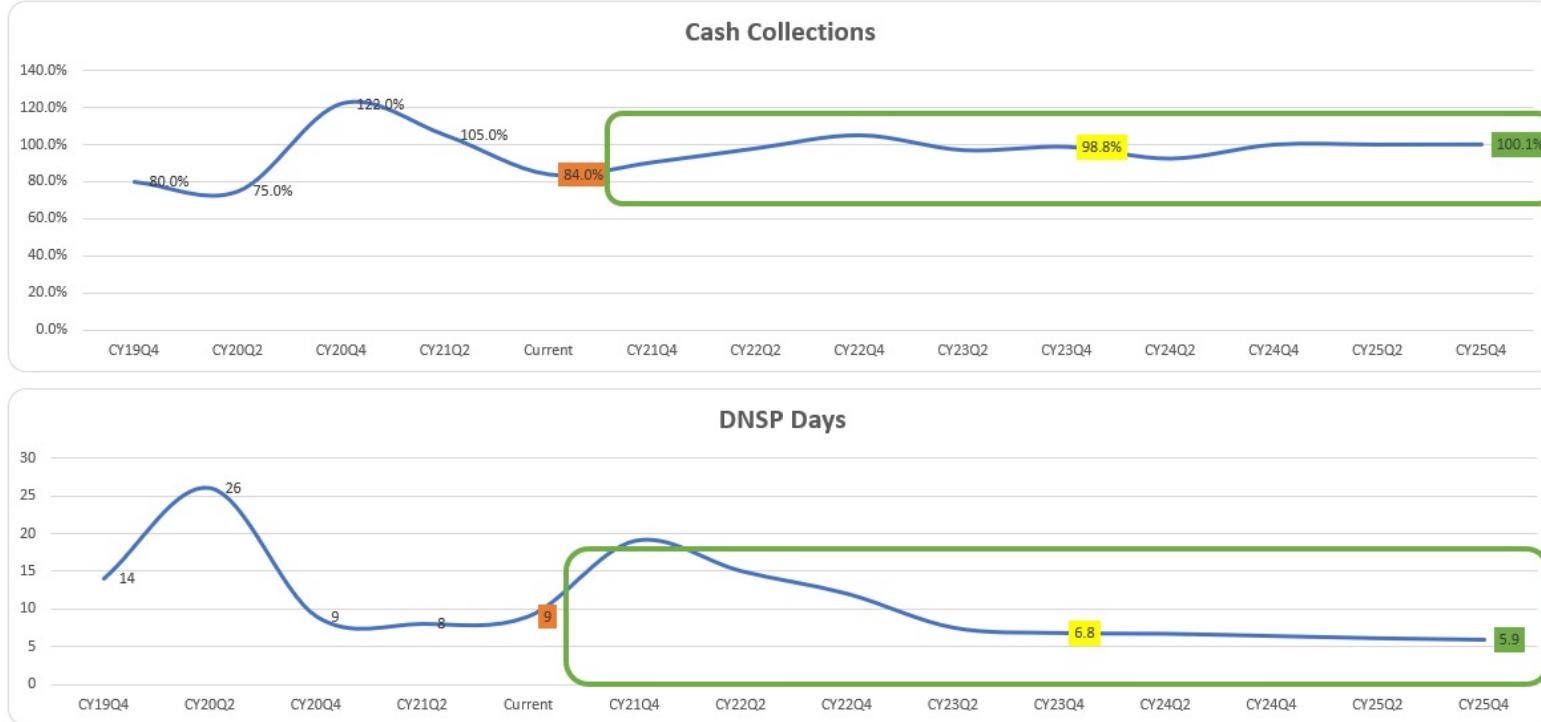
Performance Forecasting



Strategic Commentary:

- **AR Days:**
 - Design and implement comprehensive, integrated RI department focused on charge capture, CDM, pricing, audits, denial trends / root causes and other key revenue driving activities.
 - Fully implement Cerner CPA across the health system to optimize workflow management.
- **Aged AR > 90:**
 - Create an integrated Financial Clearance Shared Service business unit with a strong focus on coverage discovery and prior authorization.
 - Focus on proactive denial avoidance and alignment with UR/CM.

Performance Forecasting



Strategic Commentary:

- Cash Collections:
 - Address system wide staffing needs, centralize and standardize operations across facilities. Implement data derived approaches toward denial and payment variance management (ie. ZBA).
 - Fully implement Pre-Service / POS Collections programs, Outbound Call Campaigns, and Bad Debt Management.
- Discharged Not Sent to Payers:
 - Improve the coding production and accuracy through increased frequency of training and quality audits.
 - Improve the clean claim rate through the creation of a Billing Steering Committee that is focused on additional claim edit creation and implementation of AI.

RFP Support Request

Pending Award

RFP# H21-0025: Zero balance insurance account recovery service provider

- Purpose: This vendor will provide services to review accounts that are at a zero balance and attempt to collect additional missed reimbursement. This service will also identify process gaps in our collection process while we navigate through the CPA workflow implementations and legacy run down.
- Financial Impact: A standard contingency rate for these services is 25%-35%. One-time gross lookback recovery is estimated around \$1.7M, and the annual gross recurring recover is \$4.5M. Year 1 we could conservatively expect a net recover of **\$4.0M** and recurring net recoveries every year thereafter would be around **\$2.9M**.

RFP# H21-0026: Revenue Cycle end-to-end service provider

- Purpose: This vendor will provide operational support services to improve our revenue cycle KPIs and outcomes.
- Financial Impact: This contract will replace the current "Third party aged accounts" vendor (Salud) that has an annual expense cap of \$4M. A conservative annual cost of the new contract will not exceed \$3.75M. This would provide a net expense savings around \$0.25M.

PRF# H21-0027: Self-Pay early out collections and customer service provider

- Purpose: This vendor will provide services to review self-pay accounts with AI and propensity data to determine likelihood to pay in full, affordable payment plan amounts or align with other financial assistance programs. This service would add collaborative and flexible payment options to our patients and accompany our current statement collection process.
- Financial Impact: A standard contingency rate for these services is around 5%. Based on an annual bad debt amount of \$85M (with no out bound collection efforts), I conservatively anticipate a gross annual recovery of \$7.2M and a net annual recovery of **\$6.84M**.

Executive Summary

Current State

- Performance gap from current to the MAP award 25% performance level is 40%-50%.
- Additional investments in revenue cycle needed to achieve performance outcomes.

Performance Timing

- Projected to begin achieving MAP award 25% performance by Q4CY23.
- Projected to begin achieving MAP award 50% performance by Q4CY25.

RFP Support

- Pending Award:
 - Zero Balance Recovery Services Provider
 - Self-Pay Collections/ Customer Service Provider
 - Revenue Cycle End-to-End Service Provider
- **Under Review** to be published:
 - Credit Balance Service Provider
 - International Insurance & Self-Pay Service Provider
 - Workman's Compensation & Liability Service Provider

Questions?



COOK COUNTY
HEALTH