



San Antonio Health Case Study: 5% Sustainable Decrease in Cash Leakage

The Organization:

“San Antonio Health Medical Center” has 1128 licensed beds across their 5 hospital system in the heart of Texas. They operate a consolidated business office for all the facilities. Patient Access, Health Information Management and Patient Financial Services report into the Revenue Cycle Director.

The Problem:

The insured cash realization of the organization was 84.8% during the 12 month baseline of discharges December 2008 – November 2009. This resulted in \$80,000,000 leakage against insured net revenue of \$524,000,000. The organization had just added another facility and was concerned about the overall impact of this on the financial health of the organization.

The Solution:

The organization made the decision to implement a revenue cycle model based on Toyota Production System (TPS) principles. A significant number of changes were implemented within 60 days of the decision. Toyota Production System provides an organization the capability to continuously improve by attacking the organizational structure, process, technology and performance management system simultaneously. The end result, beyond the financial improvement, is a culture of engagement that is capable of handling change from both internal and external business forces. The project is currently underway.

The Implementation:

The leadership team worked with HEI to plan the overall transformation. The starting point for the implementation was a complete overhaul of the PFS area. Two large Kaizen events were held to cover commercial and government billing, validation and collections. The associates were trained how to assess their own processes and completed a corresponding self-assessment. Together, Kaizen leaders from HEI and the associates created new standardized processes built around high performance work teams and implemented the new process along with daily shift briefings to continuously monitor results. The associates found that accounts were not being handled in a timely manner contributing to a three month backlog on validation and a six month backlog on account research. Account follow up was poor and inconsistent, time of service collections was almost non-existent and there was no communication or coordination between groups. Most managers spent their days fighting the fires involving patients, physicians and HR issues. Associate involvement lays the foundation for the culture change required for continuous improvement at the associate level.

The teams also began using CollectLogix, which drives standardized collection processes using a 9-factor multivariate algorithm. HIM and Patient Access areas were targeted next and implementation is underway. Monthly performance reviews are now standard alongside the Revenue Cycle Academy training. This training teaches Directors, Managers and team leads how to perform root cause and corrective action analysis to drive continuous improvement. Each month that their teams do not make goal the managers are responsible for completing audits from ScoreLogix lists of rollover accounts. A Pay for Performance plan was put in place to encourage the associates to support the changes and continue to generate ideas for improvement through the “Issues, Problems & Opportunities” process. These changes allow each associate to be more engaged in helping solve problems vs. continuing the cycle of reworking accounts or allowing them to be incorrect and unpaid.

The Results:

The results were immediate and sustainable. Within 30 days cash leakage had decreased by 3.5% and it has continued to improve as other areas move through the transformation process. Associates and leadership continue to find ways to make the process better even after the initial redesign. Current cash leakage is at an all time low at 10%. Monthly analysis of rollover accounts continue to provide the information needed to prioritize and take appropriate action.

