Reimagining the Revenue Cycle: Our Quest for Excellence

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The MetroHealth System
Today's Speaker

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Craig came to MetroHealth in 2010 following a career of leadership positions at national accounting and consulting firms. During that time, he has led many healthcare organizations through financial and operational improvement strategies within areas of revenue enhancement, expense reduction, electronic health record optimization, and overall performance transformation.

At MetroHealth, Craig leads the health system’s financial operations, including financial reporting, planning and budgeting, revenue cycle, internal audit, and treasury. In addition, he is responsible for information technology and the newly created Department of Integration and Transformation (“DoIT”). Craig also serves on the boards of the Ronald McDonald House of Cleveland, HealthComp Foundation, and the Center for Arts-Inspired Learning. He was appointed to serve on the Healthcare Financial Management Association’s National Advisory Council for 2015–2017.

Most recently, Craig received the Smart Business 2016 Smart 50 Award, which recognizes northeast Ohio’s top executives for ability to effectively build and lead savvy organizations. He also was honored with the 2015 CFO of the Year Award for Large Non-Profit by Crain’s Cleveland Business and named to Becker’s 150 Hospital and Health System CFOs to Know in 2015 and 2016.
Organizational Spotlight

The MetroHealth System, consisting of an academic medical center and 30 community health center locations, is Cleveland’s only verified Level I Adult Trauma Center, and is one of two pediatric Burn Care Centers in Ohio. The system provides nearly 1.2 million patient visits annually.

- 742 staffed beds (490 inpatient acute)
- $1.1 billion total operating revenues
- 615 employed physicians
- 7,388 employees
Learning Objectives

• This presentation will highlight:
  – Identifying actionable strategies to help adjust one’s mindset from that of maintenance to one focusing on **creative optimization**
  – Considering areas in which revenue cycle performance may be standard, above standard, and/or in need of **innovation**
  – Creating a culture that **empowers** healthcare professionals to **disrupt** the status quo
The Origin of Our Quest

“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.”

~Charles Darwin, 1809
Bringing Management Out of the Industrial Age

- Taylor’s four principles of management:
  - Replace working by simple habit and use scientific method to study work
  - Match workers to their jobs based on capability and motivation and train as needed
  - Monitor worker performance to ensure most efficient ways of working are being used
  - Allocate the work between managers and workers so that managers spend their time planning and training
Bringing Management Out of the Industrial Age (Cont.)

• Taylor’s principles have yielded success in healthcare, but the needs of employees and patients are evolving and new methods are needed.
Bringing Management Out of the Industrial Age (Cont.)

• The major principles of business from the industrial age are no longer fully relevant to the goals and needs of best-in-class healthcare providers.
Business Needs for the “Knowledge Age”

- The major tenets of management have shifted from viewing employees as a commodity to recognizing the value they bring to an organization and leveraging their individual skills and talents to help reach narrow and broad goals.
Business Needs for the “Knowledge Age” (Cont.)

• To meet these evolving needs, revenue cycle leaders need to help flip the health system, transforming from a traditional hierarchy that is based on seniority, experience, and publications to an innovative, collaborative model of “flattened” relationships that are not common.

Traditional Hierarchy

Collaborative Relationships
Advocating for Disruption

• An industry is disrupted when the old ways of operating become obsolete, and there are numerous examples to consider, including:

**BlackBerry**

• Ignored touchscreen technology

• Insisted their phones would remain the standard

• Had 50% market share in 2007, now less than 1%

**Blockbuster**

• Netflix sent videos to your home with no late fees or due dates

• Had opportunity to buy Netflix for $50 million in 2000

• Filed for bankruptcy in 2010
Taking Risks and Failing

• A team’s success can depend on having the psychological safety necessary to be willing to fail when trying new approaches to old problems or innovating solutions to new challenges.

  – Frame work as a learning problem rather than an execution problem
    • Make sure it is known that there is enormous uncertainty ahead and enormous interdependence
  
  – Acknowledge your own fallibility
    • Encourage peers and subordinates to speak up: “I may miss something—I need to hear from you.”

  – Model curiosity by asking a lot of questions
    • This creates a necessity for voice because team members need to answer

Failing Effectively

✓ Fail small
✓ Fail fast
✓ Fail forward
Modeling Adaptive Leadership

- Adaptive leadership is a style of management and problem solving that encourages the development of innovative responses to challenges.
  - Displaces, reregulates, and rearranges old DNA
  - Builds on the past instead of discarding it
  - Incorporates diversity

Adaptive Leadership in Action

1. Essential vs. Expendable
2. Experimentation & Risk-Taking
3. Disciplined Assessment

Source: Cambridge Leadership Associates
Disruption – MetroHealth’s Strategy to DoIT

**Department of Integration and Transformation (DoIT)**

**DORA**
Division of Operations Research and Analytics
- Shared service
- Helps cultivate ideas
- Enables data-driven decisions

**DARE**
Center for Disruptive and Radical Experimentation
- Helps you get the results you need
- Standardizes and improves processes

**RMO**
Results Management Office
- In-house advisors
- Process-oriented

Many organizations produce data, but few are using it to its full potential.

Analytics advances from “What happened?” to “What will happen?” and “What’s the best that can happen?”
Setting the Department’s Course
Getting Staff Involved

- Idea Lab
- Think Tank
- Game Changer
- Advocates
- Meeting-Free Fridays
Success Through Collaboration

• Through the DoIT mentality and framework, MetroHealth staff developed a new patient access model in two days.
  – This was achieved with engagement at all levels of the organization
  – The new model is patient-centric, efficient, and standardized
  – The team also developed early implementation steps to launch the new model
Revenue Cycle Paradigm Shift

Throughout the healthcare industry, significant attention is shifting to how to promote a positive, successful patient experience through efforts on the front end.
Our Shift and Making Progress

Current State

Pre-Service

- Scheduling and pre-registration
- Financial counseling
- Financial clearance
- Registration
- Denial prevention

Post-Service

- Charge capture
- Pricing transparency
- Health information management
- Clinical documentation improvement
- Coding
- Revenue integrity

Service

• Claims processing
• A/R management
• Payment posting
• Denial resolution
• Managed care contracting
Need for Outreach Redefines Revenue Cycle

Revenue Cycle Management

Function
- Patient Education & Awareness

Pre-Encounter
- "Patient Access" or "Front End"

Encounter
- "Revenue Integrity" or "Middle"

Post-Encounter
- "Patient Financial Services" or "Back End"

Process
- Outreach and Enrollment

Scheduling
- Pre-Registration & Financial Counseling
- Financial Clearance
- Walk-Ins Express Care
  - ED Arrival & Registration

Documentation
- Charge Capture & Charge Entry
- HIM & Coding

Claims Processing
- Account Collections & Denial Management
- Payment Posting
- Managed Care Contracting

Patient-Centric

Technology-Enabled

Metric-Driven
Transformation Has Many Moving Parts

- Organizational
- Physical
- Economical
- Operational
Closing Thoughts

“You Miss 100% of the Shots You Never Take”

– Wayne Gretzky
Questions?

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