



Grady Health System

**IMPROVING PERFORMANCE AT A PREMIER TRAUMA
CENTER WITH A REVENUE CYCLE PROJECT DESIGN**

CASE STUDY



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CUSTOMER PROFILE

Grady Health System (GHS) is one of the largest public hospital-based health systems in the southeast. Licensed for 953 beds, the system’s Grady Memorial Hospital is the largest hospital in the state of Georgia, one of the largest public hospitals in the United States, and one of the busiest Level I trauma centers in the country. GHS’s mission is to improve the health of the community by providing quality, comprehensive healthcare in a compassionate, culturally competent, ethical, and fiscally responsible manner.

SITUATION ANALYSIS

As the largest safety-net hospital in the state of Georgia, Grady Memorial Hospital faces formidable challenges financially with a large portion of its patients being uninsured. With roughly 66 percent of its patient population either uninsured or on Medicaid, the hospital struggles to receive adequate payment for the healthcare services it provides. In addition to payer mix and reimbursement challenges, GHS had recently undergone significant enterprise technology implementations. With the implementation of Epic, PeopleSoft and an enterprise-wide IT infrastructure redesign, GHS was struggling in the aftermath of operational and technological workflow changes, which were negatively impacting revenue cycle operations and cash flow management. The resulting impact for GHS was an increase in accounts receivables and a decrease in cash.

OUR SOLUTION

Vitalize Consulting Solutions, Inc., an SAIC company, soon to be Leidos, was engaged to assist GHS with a Revenue Cycle Optimization Project designed to significantly improve the performance of the GHS revenue cycle by addressing processes, roles and responsibilities, tools, and training necessary to improve and sustain performance. VCS was confident that GHS could improve net revenue, accelerate cash flow, increase productivity, and

boost customer satisfaction. It would, however, be necessary to fully understand and monitor performance drivers, standardize and control processes, optimize Epic and other technical tools, as well as collaborate across the organization to effectively manage priorities. With those objectives, the experienced VCS revenue cycle optimization team organized and led a nine-month engagement effort in three phases.

PHASE I: Rapid Assessment and Project Initiation

The engagement kicked off with a four-week rapid assessment of the following:

- › Current processes
- › Stakeholder input
- › Revenue cycle data
- › Workflow observations

The goal of this assessment was to identify areas of opportunity with a focus on identifying process barriers, utilizing technology tools, evaluating workload assignment/distribution and understanding integrated revenue cycle issues. The scope of work included a vast number of processes, people, and technology-related activities spanning the entire revenue stream.

PHASE II: Detailed Remediation Development

The team collaboratively analyzed and compiled the quantitative and qualitative data to develop detailed information highlighting significant improvement opportunities in the following areas:

CASH ACCELERATION	SUSTAINABLE NET INCOME IMPROVEMENT
Insurance Underpays	Underpayment Avoidance and Recovery
Medicaid Eligibility	Eligibility and Uninsured Redesign
Targeted Coding and Follow-up	CDM Structure/Charge Integrity



PHASE III: Remediation Solution Design, Development, and Implementation

By leveraging the team’s collective experience and information gathered throughout the project, the VCS revenue cycle optimization team created a set of detailed recommended action plans. These plans were designed to leverage existing technologies, maximize process efficiencies, and optimize resources. This was achieved vertically within each revenue stream area and horizontally across the entire revenue stream. Key remediation efforts were focused on the following:

CASH ACCELERATION	SUSTAINABLE NET INCOME IMPROVEMENT
Identify and submit claims for eligible Medicaid Pending accounts	Streamline front-end revenue cycle operations to increase accuracy and timeliness of information collected
Implement a Medicaid Outlier workflow	Redesign processes and optimize technology across the revenue cycle that impact the ability to receive full payment for services provided
Modify coding approach	Redesign eligibility operations to ensure successful and sustainable tracking, monitoring, and coverage identification for uninsured patients
Improve follow-up approach and activities	Optimize charge master and charging practices
Eliminate backlog and improve claims submission cycle	<ul style="list-style-type: none"> › Identify key performance metrics, dashboards, and reports to ensure ongoing monitoring and focus on best practices › Communication infrastructure across the revenue cycle

“We reduced our accounts receivable days by 21 percent and significantly reduced our AR balance with the assistance of the VCS team. Not only did they help us focus on improving cash acceleration and sustainable net income improvements, but also helped us increase cash collections and optimize our IT systems.”

— **CINDY CHARYULU**
 Vice President, Revenue Cycle
 Grady Health System

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RESULTS

The focused efforts on improving cash acceleration and ensuring sustainable net income improvement resulted in a significant reduction in both the number and balance of accounts in AR, increased cash collections, and IT system optimization. In addition, daily and monthly metrics allow management to monitor and identify opportunities for improvement, and the automated work queues allow management to assess the backlogs and issues within teams and departments.

SPECIFIC GHS REVENUE CYCLE IMPROVEMENTS

- › 21 percent decrease in days in AR
- › Record cash collections with an average increase of 30 percent

- › \$21M decrease in AR balance within three months post implementation of follow-up redesign
- › Qualitative data to date indicates a decrease of Medicaid Pending AR and an increase in coverage identification and associated net revenue for uninsured patients

HIM operations benefited from significant improvements such as a 63 percent reduction in Medicaid ROI requests, a .75 day reduction in coding days, and a reduction of transcription error reports from 10,000 to fewer than 5,000.

FOR MORE INFORMATION

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