JPS Physician Group

- JPS Health Network is a $700-million tax-supported healthcare system and Level 1 trauma center with 537 licensed beds that employs more than 6,000 people.
- JPS Physician Group (JPS PG) is a subsidiary of JPS Health Network.
  - The group is managed by its own Board of Directors, but has reporting responsibility to the JPS Health Network.
  - It includes a total of 200 family medicine, multispecialty, urgent care, and pediatric physicians and midlevels.
- JPS PG leverages an administrative services contract for functions such as HR, information technology (IT), billing, and accounting.
  - The group converted to Epic Ambulatory and Resolute Professional Billing in May 2012.
  - JPS PG took over management responsibilities of physician billing in February 2013.
ECG Management Consultants, Inc.

For over 40 years, ECG has served as a trusted adviser to some of the nation’s leading healthcare providers.

- ECG is a national consulting firm focused on offering realistic, implementable solutions to healthcare providers.
- Our staff of approximately 135 consultants operates out of offices in Boston, Dallas, San Diego, San Francisco, Seattle, St. Louis, and Washington, D.C.
- We have a strong team of experts to assist IT strategy, revenue cycle management, physician network enhancement, and data analytics.

Our firm is committed to delivering smart and practical resolutions to critical issues, on time and within budget, across the spectrum of healthcare organizations.

Agenda

I. Introduction
II. Project Overview
III. Optimization Strategy
IV. Results
V. Key Takeaways
I. Introduction
System Implementation Overview

JPS PG was detached from the implementation of Epic.
• Leadership was not engaged during the implementation planning phase.
• Hospital resources led the system implementation, but didn’t necessarily understand ambulatory or professional billing work flow nuances.
• Key stakeholders were not actively involved in work flow design and system validation/testing.
• The system was not customized to meet the physician group’s billing requirements.
• End-user training lacked guidance on common back-end billing processes.
• Implementation checkpoints were not leveraged to track progress and ensure the solution would meet end-user needs.

And as a result ...

I. Introduction
Summary of Issues

Key financial and operational performance declined rapidly and did not rebound as quickly as anticipated. A summary of the post-live issues are outlined below.

Financial Pressure
Operational Inefficiencies

Lack of Operational and Financial Visibility

Need for Revenue Cycle Optimization

Difficulty Maintaining Accountability

Today’s presentation is designed to outline the IT infrastructure, processes, and management controls implemented to improve operational efficiency and financial performance.
## I. Introduction

### Summary of Key Findings

JPS PG anticipated temporary declines in revenue cycle performance due to system implementation; however, metrics had not stabilized 1 year following go-live.

### Summary of Key Indicators Compared to Benchmarks

<table>
<thead>
<tr>
<th>Metric</th>
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Net collection rate, days in A/R, the percentage of A/R aged over 90 days, and denials metrics all regressed aggressively.

## I. Introduction

### Results Preview

However, by implementing a number of processes and standards, financial and operational performance recovered rapidly.

### Summary of Key Indicators Compared to Benchmarks – Results

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Don’t worry – we will explain …
Addressing the revenue cycle holistically is important to clearly define issues and next steps. The revenue cycle works like a conveyor belt, and a breakdown in one area will lead to other problems downstream.

Historically, addressing issues globally has been a challenge for JPS PG, as a number of the key functions report through hospital channels.

II. Project Overview
Revenue Cycle Assessment

To define a strategy to stabilize revenue cycle performance, ECG and JPS PG performed an assessment of billing operations and IT capabilities.

Collected, reviewed, and assessed revenue cycle performance.

Evaluated Epic configuration, usage, and training.

Identified opportunities for enhanced efficiency and performance.

Implemented solutions.
III. Optimization Strategy

Define Suitable Reporting Capabilities

A brief analytics assessment found that leadership did not have the operational and financial reporting capabilities in place to maintain adequate visibility over the revenue cycle.

- Many of the desired management reports were in place, but they were difficult to interpret due to a variety of technical issues, as described below.
  - Required revisions to include the appropriate location data.
  - Lacked key operational and financial metrics.
  - Necessitated reorganization to allow appropriate end-user access.
- JPS reporting resources were deployed to complete the following tasks:
  - Perform gap analysis between current functionality and ECG’s analytics assessment.
  - Develop omitted management dashboards and reports.
  - Revise Epic tools and reporting capabilities to include JPS PG billing locations.
  - Validate reporting findings.

Creating reliable management reporting capabilities was the #1 priority. Initial analysis identified $1.2 million in unmanaged claims/patient statements.

III. Optimization Strategy

Reporting Structure

- Separated professional and hospital billing oversight responsibilities.
  - Transitioned management and staff to roles focused on professional billing.
  - Developed a position for Professional Billing Operations Manager (Mike).
- Hired a Director of Finance (Tammy).
- Revised policies and procedures to more accurately reflect desired operating targets.
- Developed measurable work standards to guide staff expectations.
III. Optimization Strategy

Epic Work Group

The Epic Work Group was formed to bring all key stakeholders from JPS PG, JPS IT, and Epic together to work proactively toward optimizing the revenue cycle.

Key Responsibilities

- Analyze data to identify, diagnose, and resolve billing issues expeditiously.
- Provide input on decisions regarding IT system optimization and prioritize efforts.
- Enforce leadership's performance and productivity standards.
- Exercise influence throughout the organization to implement system revisions and deploy staff training.
- Ensure appropriate visibility of front-end processes that have an impact on the revenue cycle.
- Deliver project updates to senior leadership and the JPS Board of Directors.

More simply, the work group was a vehicle to drive change.
III. Optimization Strategy  
*Epic Work Group Retreats*

Work group progress was accelerated by inviting all key stakeholders to participate in two separate retreats.

- Epic Work Group retreats were structured similar to that of a Kaizen event.
  - Gathered all key stakeholders into a common area.
  - Crafted targeted agendas.
    - Clearly defined the issues of focus and assigned homework to complete prior to the event.
    - Developed measurable targets.
    - Coordinated schedules with support resources (e.g., JPS PG experts).
  - Summarized progress and next steps for all agenda items.
  - Created a short-term action plan describing remaining issue scope, timeline, and task ownership.

Surely not as relaxing as a tropical retreat, but highly productive nonetheless.

III. Optimization Strategy  
*Letter of Understanding and Policies*

To solidify progress and formally outline role expectations for all key stakeholders, JPS PG implemented a Letter of Understanding (LOU) for IT support services.

- The LOU outlined the following expectations:
  - Support requirements for the professional billing application.
    - Staffing levels.
    - Roles, responsibilities, and competencies.
  - IT management, training, and change control policies.
  - Software enhancement and/or upgrade requirements.
  - Communication standards.
  - Issue prioritization principles.
  - Escalation procedures and hierarchy.
    - Resolution and communication framework.
  - Key performance indicators.
IV. Results
Summary of Progress

So what’s the point?

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JPS PG has seen a significant increase in its revenue cycle performance, productivity, and end-user satisfaction.

IV. Results
Other Key Accomplishments

Although challenges arose following the Epic system implementation, the JPS PG team pulled together and achieved other results, including the following:

Revenue – Recovered over $500,000 through payor leniency agreements.

Charge Lag – Reduced from 8 days to 1.5 days by automating physician open-encounter reminders.

Unmanaged A/R – Adjudicated an additional $1.2 million self-pay A/R.

“If there is no struggle, there is no progress.”
– Frederick Douglass
IV. Results

Next Steps

System optimization is an ongoing process, and JPS PG continues to identify opportunities to improve revenue cycle performance.

- The Epic Work Group has remained in tact to identify opportunities for improvement in registration, charge capture, and billing work flows. Next steps include:
  - Reevaluate physician level of service calculation tools.
  - Refine processes to enable more accurate demographics and insurance information data entry.
  - Improve capabilities to identify claim denials and clearinghouse rejections within Epic.
  - Increase professional fee co-payment collections by enhancing registration tools and enforcing patient responsibility policies.
  - Further automate contract management to seamlessly identify payor underpayments.
  - Streamline (and eliminate in some instances) charge review processes.

V. Key Takeaways

What do I need to do to make sure this doesn’t happen to me?

Pre-Implementation
- Collaborate during planning to ensure shared vision.
- Communicate timeline and goals to all key stakeholders.
- Contingency plan for unforeseen challenges.

System Design
- Engage the correct end-users.
- Validate future-state design prior to system build.

Pre-Live
- Garner key stakeholder engagement in testing and validation.
- Mandate thorough end-user training.
- Develop a strong communication strategy and stick to it.

Post-Live
- Manage dashboards/financial metrics.
- Enforce accountability standards and feedback mechanisms.
- Maintain leadership and project management engagement.
V. Key Takeaways
Continuously Evaluate Implementation Progress

What should you do if you are headed down the wrong path?

- Don’t be afraid to “push pause” and take a step back to reevaluate next steps.
  - Converting before the organization is ready is not a good idea. Worse yet, vendors may pressure you to transition now and fix issues later.
  - It is vital to put key milestones in place throughout the implementation to continually gauge readiness.
- Ensure the right skill sets are in place to drive the implementation internally.
  - Internal resources are needed to ask the right questions and evaluate the future-state vision and system capabilities.
  - Organizational and vendor goals are not always harmonious. Take control of the project because it is your end users who will be left with the final product.

V. Key Takeaways
Ways to Optimize Your System

“I have already implemented. What can I do to begin optimizing my system?”

- Define and measure desired outcomes.
  - Dashboard.
  - Frequent metrics review and follow-up.
- Enhance the system.
  - Add-on products and functionality.
  - Upgrades.
- Assess and redesign work flows.
  - Process flows are not a point in time; keep them fluid to eliminate non-value-added time wasters.
  - Don’t be afraid to make radical changes, including staff realignment.
- Provide ongoing training and feedback.
  - Brown-bag lunchtime presentations by peer staff members (not IT or project team).
  - 5- to 10-minute video clips on resolution of frequently asked questions.

Achieving desired outcomes via optimization isn’t accidental. It requires a structured and methodological approach that is appropriately resourced.
<table>
<thead>
<tr>
<th>Ms. Tammy Walsh</th>
<th>Mr. Trent C. Iden</th>
</tr>
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