case study

ACHIEVING ROI FROM EHR:

An Agile Approach to Cash Acceleration and Margin Improvement

Large, enterprise electronic health record (EHR) implementations have long been touted the panacea for improving efficiency and quality of care. Why then, have so many health systems failed to realize these expected benefits from their multi-million-dollar investments?

FOR MORE INFORMATION ON HOW TO DRIVE EHR ROI:

visit www.impact-advisors.com or call 800-680-7570

Why EHRs Fail to Deliver ROI

EHR implementations fall short of expectations for a variety of reasons, but, generally, they boil down to just a few key categories.

1 Implementation Too Generic

Many health systems opt for implementing generic "foundation" or "model" systems based on recommendations from EHR vendors as a way to increase speed of deployment and decrease costs. Although this approach often does decrease overall program costs, it can also yield serious consequences. In a rush to get to implementation, little time and few resources are allocated to investigating and optimizing workflows and building the system to support the improvements.

2 Lack of Formal Benefits Realization Program

For some organizations, EHR implementation took place long enough ago that value-based payment models — and the role their EHRs would play in enabling improved value — weren't even on the radar. Now facing extensive optimization requests to meet regulatory requirements, many health systems do not have a formal benefits realization program or the appropriate governance in place to decide which projects to tackle.

3 Pulling Resources or Measuring Results Too Soon

Finally, many organizations commit resources to optimizing workflows and using technology to enable the workflows as a part of implementation — but stop there. Benefits take time to realize, in some cases years. If work on benefits realization ceases when implementation is complete, or final measurements are taken too soon after go-live to determine if ROI has been achieved, the result is often significant disappointment.

How to Maximize EHR ROI

It's never too late to optimize and generate value from the EHR. To achieve benefits through EHR optimization, health systems must do two things:

1. Select high-value optimization targets that are aligned with organizational goals.
2. Utilize a comprehensive approach to performance improvement that focuses on opportunity identification, root cause analysis, and "speed-to-value" benefit delivery.

Impact Advisors' Revenue Cycle Improvement Model is an agile-based multidisciplinary approach that delivers both cash acceleration and margin improvement through the alignment of process workflows and system functionality designed for maximized performance. Utilizing a series of "sprints" over a 6-to-9-month period focused on post-live optimization and Revenue Cycle improvement, Impact Advisors develops a comprehensive set of initiatives aimed at evaluating people, processes, and technology, achieving improvements in performance, adopting industry best practices, and maximizing investment.

Post-live Optimization Activities:

- Resolution of system and workflow break/fixes
- Analysis and optimization of workqueue logic
- Assignment of accountable owners for workqueues
- Improved understanding of performance dashboards
- Development of metric-based action plans
- Creation and/or standardization of processes

Revenue Cycle Improvement Initiatives:

- Reduction in Candidate for Billing (CFB) Days
- Reduction in A/R Days
- Reduction in Open Denials
- Reduction in Write-offs
- Reduction in workqueue backlogs
- Increase in use of system automation

Our Client Impact

Client A

is a nationally recognized academic medical center, comprised of a 650-bed main campus hospital and network of outpatient healthcare centers.

Key Value Delivered:

- Reduced CFB by 7.5 days and **$72M**
- Reduced Hospital Billing A/R Days by 6.9 days
- Reduced Professional Billing A/R Days by 8 days
- Reduced Outpatient Retail Pharmacy A/R Days by 21.1 days
- Reduced Hospital Billing Open Denials by **$17M**
- Eliminated **$8.1M** backlog of remittance posting/ reconciliation

Client B

is a private, not-for-profit clinical research center, hospital, and graduate medical school.

Key Value Delivered:

- Improved Cash Collections by **$96M**
- Increased Avg Daily Cash by 4%
- Reduced A/R Days by 8 days
- Reduced First Pass Denials by 2%
- Reduced Patient Access Unbilled A/R by **$8.5M**
- Standardized workflows

Client C

is a health system consisting of 14 hospitals, 230 ambulatory facilities, urgent care centers, and long-term care and hospice facilities.

Key Value Delivered:

- Reduced A/R by **$62M**
- Reduced A/R >90 Days by **$37M**
- Reduced Open Denials by **$54M**
- Reduced DNFB by 5.2 days
- Improved Monthly Charge Capture by **$7M**
- Reduced Open Claim Edits by **$16M**