



# NAVIGANT

## On Healthcare

HEALTHCARE

## CHANGE IS GROWTH

### Transforming your Revenue Cycle

**Announcer:** Welcome to Navigant On Healthcare, offering insights for healthcare leaders striving for success in an evolving industry.

**Host:** Hello. I'm your host, Bob Kim. Today we are speaking with Kristin Greenstreet. Kristin is the managing director and a national leader for revenue cycle with the healthcare team at Navigant. She has extensive experience in the management and the completion of revenue cycle improvement initiatives, including financial and operational assessments, prioritization of strategic revenue cycle initiatives and process and tool implementation.

Her experience spans acute, physician practice and post-acute services, and has a black belt in Lean Six Sigma. Kristin also focuses on the strategic design and implementation of leading practice models that improve efficiency, financial performance, and customer satisfaction.

Hi, Kristin. Thanks for joining us today on Navigant On Healthcare podcast series.

**Kristin Greenstreet:** Hey Bob, thanks for having me.

**Host:** Wonderful. Let's get started.

Healthcare is constantly transforming, as we know ... the move from volume to value, ICD-9 to ICD-10, ongoing mergers and acquisitions ... we've heard of all of these things happening. They're just a few of the changes threatening the financial sustainability of healthcare providers today. What are other influences, can you speak of Kristin, that are impacting the industry from a revenue cycle perspective?

**Kristin:** I think from a revenue cycle perspective, there's three or four key things that jump out when we think about transformation. One is we're seeing this tremendous shift in the industry on the need to focus on the patient. So, we hear terms like consumerism and patient transparency and patient-driven healthcare, and these are not new terms. I think as we're looking at revenue cycle and at healthcare in general, we're seeing organizations really see the necessary impact of a need, if you will, to focus on what that means and how they're going to have to change their processes and access to the organizations and how they're going to effectively engage and keep patients within the

## SPEAKER



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health system. Revenue cycle is really a core part of many of those processes. I think one is really that need to focus on the patient.

The second, you did mention the shift from fee-for-service to value, and I think just evolving payment models in general. So, if we think of revenue cycle today, we know that many organizations continue to struggle under the fee-for-service model. There's millions of dollars lost related to denials and denial write-offs and leakage. Now we're in a world where we're still juggling that fee-for-service, but we see all these other evolving payment models. Things like the severity of the patients, quality indicators, risk adjusted contracts, HTC scores, many of these are topics that are being talked about holistically. I'm not sure there's a lot of discussion happening about all the steps, all the skills, the technology, the infrastructure, that will need to be changed in order for organizations to really adapt to those new payment models. Even within revenue cycle, if you think of things like bundle payments, or payment based on documentation across all services, not just inpatient-focused and CMI-focused, you really see a need for a lot of change from an infrastructure perspective. Once again, revenue cycle is going to have to be core in that change.

The third bucket is recapitalization and technology overhaul. We know as our facilities have continued to age of our health systems, as there's a lot of mergers and acquisitions happening, we see more and more organizations having to figure out the most ideal processes, the most ideal ways, of getting patients through of the front to back visit from a revenue cycle perspective. How are we going to really attack some of that facility change and shared service consolidation needs across the organizations? And then, of course, every time you think of capital you think of technology. I think we all know that systems like Epic are storming the nation. We have a lot of geographies for Cerner taking foothold, we see more and more organizations focusing on either replacing their EHR, or getting ready for that, or organizations that have recently replaced and are now needing to focus on the aftermath of that system replacement ...so large investments, really huge, huge process implications, and financial downside or upside opportunities from those EHR implementations.

Definitely, from a rev cycle perspective, this impact of these technology overhauls has been significant. In addition to the EHRs, we know that we're still lacking when it comes to new age technology. Rev cycle is not immune to that. If you know that our patients are looking for more and more ease of access and one-click type of processes, we know that the rev cycle continues to be riddled with high-cost, high-touch processes. How this new age technology is going to impact our health systems and how we need to integrate that is definitely something that is starting to impact the way we think and the way our health systems have to think about the implementation of new processes.

I think the last switch is always hand-in-hand with revenue cycle is just fiscal pressure. We continue to see our clients have more and more pressure, there's new market competition, there's these shifting payment models, there's impacts that they're having to their volumes and the referral bases, and revenue cycle is kind of always an area that everyone goes to for net revenue and balance sheet improvement. That will not stop. If anything, there's probably even more angst and more need to squeeze as much as you can out of the efficiency of the revenue cycle to really help support some of the deficiencies in some of these other areas. Now, more than ever, organizations are looking for ways to really squeeze every penny, collect every penny, for every service that's been delivered.

So, I think, in short, some of these buckets are not necessarily unique to revenue cycle. I think what's unique is many people aren't really fearing or talking about the implications, the need to change, and what this will do to revenue cycle. I really think that's a key thing that we need to focus on.

**Host:** How do they prioritize, how do they organize around this, and what do they need to do to improve financial performance now and effectively prepare for future success?

**Kristin:** First, you want to assess and really understand what are your current key areas of opportunity for your organization. So, we know everyone's journey is a little different and some of our healthcare providers may or may not be at different places in preparation for some of the challenges that I mentioned.

So, first, taking kind of that true look at yourself, the assessment, the prioritization of your opportunities. Then, I think they need to link it into a strategic vision for revenue cycle. This sounds so obvious, and it may not seem like

it's different than anything that organizations would do, but I have to say, this is typically one of the biggest mistakes we see, the biggest steps that we see is skipped in many revenue cycle initiatives. What I mean by that, is we tend to be, in revenue cycle, very focused on this is this year's budget number that we have to hit, and these are some of the individual initiatives that we're going to attack to get at that number. While that's still important, and there will always be annual budget numbers and initiatives to focus on, I think the challenges without that overall strategic vision of what will your revenue cycle be, and what does it need to be two to three years out, or three to five years out, from a transformation perspective. I think without that longer-term vision, there's a couple things that happen to organizations.

One, they end up really redoing every year. They make short term decisions and then the next year, with another initiative, they often end up redoing things, which is costly and ineffective and really hampers getting to more of a transformational state. By really taking a step back and understanding your current state, but then establishing that strategic vision of where you want to be, that's really a key step that I would absolutely recommend to all of our health system clients.

Then, I think once you have that vision, then you're going to plan your journey. What I mean by that ... well, like I said in the beginning, everyone is at a different starting point. So, when you're looking at your IT strategy, your process, your people, all the things that need to change from a revenue cycle structure perspective, you'll need to determine your steps, your timing, your budget, to determine is this vision a one-year, a two-year, a three-year endeavor. The key is planning and making sure you understand what really needs to go in to these initiatives to prepare for that transformational event.

Then finally, execution. So, over 50% of organizations fail just by not linking their plan with their execution approach. I think in terms of focusing on the significance of the changed management, the communication, the steps that need to go in to execution, really dedicating the resources and establishing the accountability, those are all key things that will help with the overall execution of the plan.

**Host:** So, when you think about all the changes that are happening in healthcare, these are all pretty universal things, ICD-10, all the things that I mentioned before, payment model transformation, things like that. They impact everybody differently. There's not a one-size-fits-all solution, I would imagine. Is it a matter of scale, or is it a matter of scope?

**Kristin:** In the list of things that I listed off, you're absolutely right, Bob. The reality is, it will impact everyone. There's no providers that will be immune to the changes. So, if you're a physician practice, you'll have impact just as much as the hospitals down the street will. What you need to adapt to, what you need to implement, the scale and scope of what you need to do to address that may be different depending on what kind of provider you are. I do think there are key elements that really rain through on anyone to be successful for these projects. I think there's keys for success that no matter what kind of provider you are, you would certainly need to address.

**Host:** Can you share with us an experience where an organization was able to go through that journey?

**Kristin:** Yeah, absolutely. I think in terms of highlighting an example that would be applicable to many of the types of clients and providers that we have, we work with a lot of health systems, which have heavy concentration on all walks of... over the whole continuum of care, so strong acute, the outpatient ambulatory business, physician practices, both employed and the community docs, as well post-acute footprints. I think there's a few health systems that actually recently have embarked on, what I would consider sort of the leading practice journey, and I think, in general, there's a couple key things that I would highlight that they did on why I would emphasize the fact that I think they're on this journey that I talked about.

They did follow, and many of them are still on the journey of following the cadence that we just went through. They really started with that detailed assessment and prioritization and then really sat down with a vision and now they're still planning and executing on an ongoing basis, since it is a multi-year journey for them. I think here are a few key things that this particular health system has done very well.

I think--first of all--they are an example of an organization that had implemented a new EHR system. I think both the dedication and focus on risk mitigation efforts prior to implementation, meaning before they turned the system on, they put the necessary time and resources into effectively planning, building, understanding how the build and the process fit together, and that when they really rolled this out to their revenue cycle team and all the key stakeholders across the organization, they really took the time to marry leading practice process change with the technology. So, that together they were building a process that the users really understood the implications and the process and what needed to be done to not only turn the system on, but really sustain ongoing performance improvement.

I think linked with that pre-implementation risk mitigation, this particular organization then also continued on what we would consider an EHR optimization journey. After going through successful risk mitigation planning and then having a very successful go-live where they really mitigated financial risk and downturns in their financial performance, they immediately went into an EHR optimization journey, where they were looking at ongoing further improvements that needed to be done in order to further enhance and emphasize the system. So, moving into more elaborate work queues scoring, productivity tracking, linkages across the organization of how people were using work queues within and outside of revenue cycle, how their data and trending and dashboards were effectively utilized and implemented, really, this heavy focus on how do we reduce high-touch, high-cost processes. I think from a technology footprint they really dedicated the resources, the time, the planning, and the ongoing effort needed to have a very successful EHR optimization.

Coupled with that, quickly to give you a few examples of what I meant by marrying process and technology, is they didn't just embark on their EHR journey, but they also coupled with that, that vision that I talked about. That vision included a lot of shared service consolidation. With the opportunity to be efficient across a very large multi-hospital system with a very large medical group, so a big footprint, they looked at this as an opportunity to also say, so with the implementation of this new age EHR system, we're also going to rethink how we do revenue cycle. We're going to create these efficient shared services where we break down the silos between acute and physician, and post-acute services, and we build consolidated efforts around how patients access the system, how we charge for things, how we code and transcribe, how we bill, how we work with the patient from a customer service perspective.

They really tied this together in non-traditional ways, meaning they broke down the silos between your acute and your physician services. I think in essence, by marrying the vision of where they needed to be from a revenue cycle infrastructure perspective and then partnering that with a new EHR system process, this organization is now on their journey to really demonstrate that they're a leading practice revenue cycle shop.

**Host:** All right, well thank you Kristin. This is very, very insightful information. I hope our listeners have found this conversation useful. I know I've learned a lot more about revenue cycle and all the different aspects of it as a result of this brief conversation.

**Announcer:** That concludes today's episode. Be sure to check in with us for future installments of the Navigant On Healthcare podcast series on [Navigant.com/healthcarepodcasts](http://Navigant.com/healthcarepodcasts). Navigant On Healthcare is a podcast series produced by Navigant's healthcare practice. If you enjoyed this episode, please share with friends and colleagues on social media. Learn more at [navigant.com](http://navigant.com).

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