



PENN MEDICINE NAVIGATES FOUR-HOSPITAL EHR SYSTEM CONVERSION, IMPROVES REVENUE INTEGRITY

Partnership with Navigant Yields Top Quartile-Performance in Revenue Capture and Claims Submission

THE CHALLENGE

Penn Medicine (Penn) operates a variety of acute and non-acute facilities in the Philadelphia region. Penn is comprised of five hospitals, including the nation's first hospital, Pennsylvania Hospital, and first university-owned teaching hospital, the Hospital of the University of Pennsylvania. It also administers Penn Presbyterian Medical Center, Chester County Hospital, and Lancaster General Hospital (LGH). Taken together, the five hospitals:

- Employ more than 30,000 people, 5,000 physicians, and 2,000 residents and fellows.
- Utilize more than 2,500 licensed beds.
- Generate \$16 billion in annual gross revenue.

In July 2016, Penn engaged Navigant to provide an assessment related to their readiness for their forthcoming hospital Epic electronic health record (EHR) go-lives (excluding LGH, which previously converted). During the assessment, the following risks were noted three months prior to the first go-live wave:

- Charge description master (CDM) consolidation and operational validation were incomplete;
- Charge testing efforts did not include pricing targets, and the timing of CDM validation would necessitate additional testing;
- Accountability structure for revenue reconciliation was not set up with operational departments;
- Billing edit ownership and work drivers were not aligned with best practices; and
- Revenue integrity department was understaffed to support the core functions.

“The most sophisticated system in the world cannot produce outstanding results in the revenue cycle. A system is just a tool. It is the human infrastructure that collaborates, takes ownership and holds themselves accountable that delivers great outcomes.”

THOMAS M. MCCORMICK, JR.
VP OF PATIENT ACCOUNTING, PENN MEDICINE

SOLUTION IMPLEMENTATION

Penn further engaged Navigant to provide revenue cycle support for its four hospitals converting to the Epic hospital billing platform. Navigant partnered with the Penn and Epic implementation teams to mitigate risk of revenue and cash disruption at each go-live, particularly in the areas of charge capture, pre-bill management, and claims integrity.

The Navigant team oversaw risk mitigation campaigns in the following key revenue cycle initiatives:

Charge Capture Strategy

Charge generation was identified as an area of risk, given that the organization's charge capture strategy differed from Epic's best practice and departments were not engaged in the design process. Epic typically integrates its clinical and billing systems to allow for automated charge generation during clinical documentation activities; however, several departments mimicked legacy processes that required manual entry. The departments were provided with charge capture education ahead of go-live and a recommended method most appropriate to their structure to maximize efficiencies.

Navigant was engaged in other charge capture strategy activities, including:

- Implementing iterative CDM validation process with leaders from each department to validate charge accuracy and comprehensiveness;
- Performing CDM audits to validate charging tools (flow sheets, preference lists) were in alignment with the department CDM;
- Developing future-state CDM maintenance process leveraging the recently implemented VitalWare CDM software tool;
- Coordinating training curriculum to educate all back-office charge posters and clinical charging departments on their respective charge generation method; and
- Facilitating best-practice charging dialogue exchange among service line leaders to standardize charge entry methods across the organization.

Revenue Management

Navigant partnered with technical, operational, clinical, and financial stakeholders at each hospital to establish post-live revenue management committees as central forums for short-term revenue stabilization and long-term revenue optimization. The preparation steps included:

- Rolling out revenue reconciliation training to 450 end users;
- Coordinating a system security audit to identify and prioritize security issues prior to the conversion;
- Developing daily reporting packages that included day-over-day revenue trending and department performance compared to legacy system baselines;
- Assigning clear ownership to monitor charge posting performance, identify emerging issues, and drive accountability toward resolution; and
- Collaborating with Penn revenue integrity to position committees as standing institutions for long-term revenue stability.

Discharged not Final Billed (DNFB) Management

Navigant partnered with patient accounting, operational, and system analysts across the continuum of care to establish a DNFB Management Committee to ensure timely claims at go-live and minimize disruption to cash flow. This included:

- Optimizing edit ownership structure based on source area that created the error;
- Aligning system work drivers with edit ownership and department structure, ensuring individual accountability for each work driver;
- Establishing DNFB thresholds for each department and implementing reporting tool to track performance relative to targets;
- Reviewing parallel claims testing process and providing risk assessment and recommendations to leadership; and
- Coordinating system security audit to identify and prioritize security issues before the conversion.

Revenue Integrity Structure

Collaborating with Penn's corporate revenue cycle director, an infrastructure to support conversion and hospital entities long-term was developed, to include such foundational elements as:

- Developing revenue reconciliation management policies and procedures;
- Assessing department personnel and recommended phased approach for resource deployment post-conversion;
- Drafting all job descriptions for revenue integrity positions; and
- Serving as interim revenue integrity director as staff were deployed into their developed positions.

KEY ACHIEVEMENTS

REVENUE MANAGEMENT

102.7% OF
BASELINE REVENUE
WITHIN 30 DAYS
FOR BOTH EHR GO-LIVES

EPIC TOP-QUARTILE RANKING

FOR POST-CONVERSION
REVENUE PERFORMANCE

DNFB MANAGEMENT

3.7 CFB DAYS
WITHIN 60 DAYS
OF FINAL GO-LIVE,
WELL BELOW EPIC'S
TOP-QUARTILE
METRIC OF **7.4 DAYS**

Utilized conversion to further develop long-term revenue integrity structure through skill set assessment and strategic placement to fill core functions.

WHAT'S NEXT

Penn and Navigant are partnering on a yearlong project to support Penn in financial risk mitigation, associated with the EHR conversion of a recent strategic partnership with a health system in the region.

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