The Montana Flex Program: Improving Operations

Presented by:
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Montana Flex Program: A bit of background

- In square miles, Montana is the fourth largest state, behind Texas, Alaska, California
- Montana reached 1 million in population in 2016
- 70% of Montana's population in 7 cities/towns
- Montana was instrumental in the development of the Medical Assistance Facility (MAF) demonstration in 1987 which spawned the Critical Access Hospital "movement" in 1997. Montana was also involved in the development of the Rural Hospital Flexibility Program in support of newly converted Critical Access Hospitals.
- Montana has 60 hospitals, 48 of which are Critical Access (2 Indian Health Services (IHS) CAHs)

Montana CAHs: The smallest of the small

- Of 48 CAHs in Montana, 18 are “Frontier and Remote” (FAR)
- 28 of Montana’s CAHs generate less than $10 million in Net Patient Revenue. Many of them generate much less.
- These 28 report average daily acute care census of less than two; 21 report less than one.
- 14 CAHs report Cash on Hand of less than the national average of 77 days. Many of these report less than 10 days Cash on Hand.
- Only two of the 28 show a positive operating margin with the remainder reporting a margin range of -2% to -45%.

Montana CAHs: Financial & Operational (F&O) Improvement

- For many CAHs, “new revenue” is unlikely. Improvement means recovering revenue “left on the table”.
- Recent and ongoing F & O Improvement activities have focused on:
  - Revenue Cycle Management (RCM) (Claims Denials)
  - Rapid Improvement Process (RIP) (Intensive 2 week projects)
  - Trauma Designation & Critical Care Charges (current)

2017 RCM Project: Reducing Claims Denials

Focus:

Identify and improve the processes where insurance claim denials originate:

- Documentation supporting medical necessity
- Coding
- Entering patient information
- Insurance verification
- Create “best practices” for reducing denials and their financial impact

2017 RCM, cont.

Processes Targeted for Improvement:

- Clinic Registration
- Generating and completing Advance Beneficiary Notices (ABNs)
- Identification of Medications covered by Medicaid
- Emergency Room (ER) to Inpatient Authorization
- Radiology Pre-Authorization
- ER Registration
- Lab Registration Insurance Verification
- Medicaid Passport Clinic Registration

2017 RCM, again

Lean Methodologies used for completion of project:

- Collect data: Facilities tracked their claim denials for the month prior
- Project Scoping: Determine the issue, identify the process, develop a team, observe
- In-Person Value Stream-Mapping Workshop: Map current process
- Work through the project using A3 Problem Solving Tool: Issue, Background, Current State, Root Cause Analysis, Target State, Countermeasures, Implementation Plan, Test Outcomes, Cost Analysis, Follow up.
- Report out to Montana Performance Improvement Network (PIN)

2017 RCM: Outcomes…..10 CAH participants

Potential Outcomes for improving ONE SPECIFIC PROCESS related to one type of denial:

- 10 Facilities proposed a cost benefit of $1,122,081
- 8 Facilities proposed a combined reduction of 5000 claim denials
- 3 Facilities proposed a combined reduction of time spent fixing denied claims of almost 800 staff hours
- All facilities expect increased Patient and Staff Satisfaction

"We worked on missing inpatient authorizations and they are now at ZERO because of the process improvement we put in place".

Patient Financial Services Head, MT CAH

2017 Lean Healthcare Projects

- Partnership between MT Health Research and Education Foundation (MHREF) Rural Hospital Flexibility Program and the Montana State University (MSU) Industrial & Management Systems Engineering (IMSE)
- MSU IMSE Interns spend two weeks at selected CAH facilities to implement a pre-determined focused process improvement project selected by the facility and directed by a chosen hospital contact and the CAH CEO.
- Participating CAHs are chosen from applications detailing proposed projects that meet project criteria.

2017 Lean Projects, cont.

Interns will:

- Receive education and training in lean healthcare concepts, principles, and tools, and their application to the hospital setting.
- Receive coaching and supervision daily from an IMSE graduate student with experience in this Lean Healthcare program with additional support from IMSE faculty.
- Provide a follow up call with the appointed hospital contact and CEO two to four weeks following completion.
- Receive room and board support from CAH, with intern stipend provided by MT Flex

Flex Rural Hospital Improvement Coordinator, also an IMSE alum, provides additional support and oversight.

2017 Lean Projects: Types of Eligible Projects

Area of Improvement: Financial Improvement

Departments & Example Metrics

- Front Desk/Check In/Admissions/Check-Out
  - Increase Accuracy of Insurance Information
  - Decrease #(non) insured patients w/unpaid balances
  - Decrease # of unpaid/unprocessed visits
- Transcriptions:
  - reduce # of lines waiting for transcription
  - reduce # of hours/days of documentation
- Business Office:
  - Decrease Time to Process Funds Received
  - Decrease Billing Cycle Time

2017 Lean Projects: Eligible Projects, cont.

Additional /Potential Areas for Improvement & Example Metrics

- Inventory Management
- Patient Scheduling
- Staffing/Cycle Times
- Patient Satisfaction/Safety
- Additional outcome metrics available upon request

" I was so pleased with the outcome of this project that I went out and hired my own Lean Industrial Engineer."
Rob Brandt, MT CAH CEO

2018 Lean Projects

2018 Projects (Coached by IMSE graduate, currently employed at a MT CAH)

- Establish Par Levels/Ordering System for Warehouse
- Patient Accounts Office Workflow/Privacy
- Outpatient Lab services/cost savings and process
- Registration process for outpatient services
- ABN process for clinics
- Disaster Supply Management
- Maintenance Contracts and/or Computer Inventory

Innovation Project to Improve Operations

Rural Healthcare Team Leadership Effectiveness Program (RHTLEP)

- Four CAH Leadership Teams (includes CEO/Board Chair/Med Staff/CFO/Directors of Nursing (DONs), etc.)
- Three intensive day and a half sessions over six months
- Partnered with Montana Medical Association (MMA) and modeled after their Physician Leadership Effectiveness Program (highly successful)
- Education provided on wide ranging topics, geared for implementation of value-based reimbursement/population health. Intent is for varied leadership team members to hear same message at the same time, developing “team” approach to leadership/change management.

RHTLEP Education Topics/Agenda/Faculty

Leadership/Employee Engagement Strategies: FutureSync Intl.
Grants as Philanthropy: CAH Grants Program Director
Healthcare in Montana/Hospital Landscape: MHA Vice President
CAH Finance 101: CAH CFO
Small Group Project Developments (Each Team)
Strategic Thinking: FutureSync Intl.
Leadership Resiliency: CAH/Prospective Payment System (PPS) Hospital CEO
Care Coordination: Montana Quality Innovation Network (QIN)/Quality Improvement Organization (QIO)
Current MHA/Hospital funded Ballot Initiative to Fund Medicaid

RHTLEP Additional Education Topics

- Change Management
- Integrating Behavioral Health into Primary Care: Montana Healthcare Foundation
- Succession Planning
- Value Based Delivery Models: What CAHs Need to Know
  - Montana QIN/QIO
  - President Montana BCBS
  - President MMA
  - Physician Champion for Montana HIE
  - CAH CEO
  - Workshop

Questions?

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