Title: A Process Improvement Initiative in a Medical Faculty Group Practice Central Business Office

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Abstract: The academic Faculty Group Practice (FGP) business office exists to support and manage revenue cycle functions associated with an institution’s clinical practice mission. Activities such as producing and transmitting insurance claims and patient statements; posting payments, responding to customer billing inquiries occur. Key indicators for gauging performance include claim denial rates, collection rates, charge lags, days revenue outstanding (DRO). A portion of business office work involves charge corrections, an overlooked contributor to costs and rework. Corrections are often the result of internal processes, systems and behaviors. This improvement initiative focused on a business office’s charge corrections from two perspectives: transaction flow and cause. Analysis centered on developing a best practice for timely and efficiently processing transactions while identifying and reducing circumstances causing corrections. It was conducted using PDCA methodology and lean tools for problem solving, documented in an A3 format. Several outcomes were realized: a successful business model for problem solving with employee engagement driving results; development of a new measurement system; 61% improvement in charge correction processing time which allowed increased FTE production capacity; and 28% and 56% reductions in correction volume for the top 2 clinical departments by improving upstream coding activities, EMR use, and pre-billing edits.

Return on Investment: Overall improvements in correction processing contributed to a 5 day reduction in insurance DRO over 12 months for the CBO, while charges and payments increased by 16% and 12% respectively.