Revenue Cycle Leaders' Guide to Change Management

Four imperatives to executing lasting change in the revenue cycle

Highlights

- **Intentional change management is critical to long-lasting change across the revenue cycle.** The majority of strategic initiatives fail, largely due to staff resistance.
- **Revenue cycle leaders seeking to implement change need to secure buy-in from two audiences: management and frontline staff.** To gain their support, both audiences require a communication strategy that caters to their distinct priorities.
- **To avoid wasted resources, project leaders should plan a project blueprint.** This blueprint should strive to incorporate early wins as soon as possible and avoid assigning operational staff sole responsibility over project implementation.

Why change management is important

Few industries change faster than health care. Between hospital mergers, acquisitions of new service lines or physicians, and ever-evolving IT systems and payer fee schedules, revenue cycle leaders juggle a constant list of ongoing process and staff changes.

However, even the best ideas for change are doomed by lack of change management. In fact, 70% of the strategic initiatives across the industry fail, largely due to employee resistance and lack of support from management.

Long-lasting change needs to be managed from start to finish. Without intentional change management, revenue cycle leaders executing major departmental changes run the risk of upsetting key stakeholders, pursuing a proposal that doesn't solve the root cause issue, or predicating the change on unrealistic expectations.

Key imperatives when managing change

Secure commitment from key stakeholders

C-suite leadership and frontline staff have different priorities and concerns and are unlikely to buy into the proposal without tailored arguments for change.

Clearly chart the course

Revenue cycle leaders can avoid wasting time and resources by taking the time to understand current operations before executing change.

Leverage early wins to bolster support

Without early wins, key stakeholders may be discouraged by delayed results.

Create the capacity for transformation

Frontline staff are likely too overwhelmed by day-to-day responsibilities to execute major change across the department. Consider alternative staffing models.

Source: Ewenstein B, et. Al, "Changing change management," McKinsey & Company, https://www.mckinsey.com/featured-insights/leadership/changing-change-management; Revenue Cycle Advancement Center research and analysis.

Securing commitment from the c-suite

Empirically align your proposal to organizational priorities

The first hurdle for the revenue cycle change leader is securing buy-in from the organization's c-suite leadership. Without their explicit commitment, the proposed change isn't likely to see the dawn of day. Revenue cycle leaders need their executives to grant necessary resources to the project, from both a financial and staffing perspective.

While securing c-suite buy-in may appear to be a daunting task, the success of the proposal will rely heavily on the change leader's ability to tie the proposed change to the top-of-mind priorities of his or her executives.

Speaking the language of your c-suite

C-Suite leadership

Top-of mind questions

- Does this proposal align with our strategic goals?
- How much will this cost?
- What's the expected ROI?

Tactics to gain buy-in

1. Align proposal to organization's strategic priorities
2. Show how the status quo isn't working

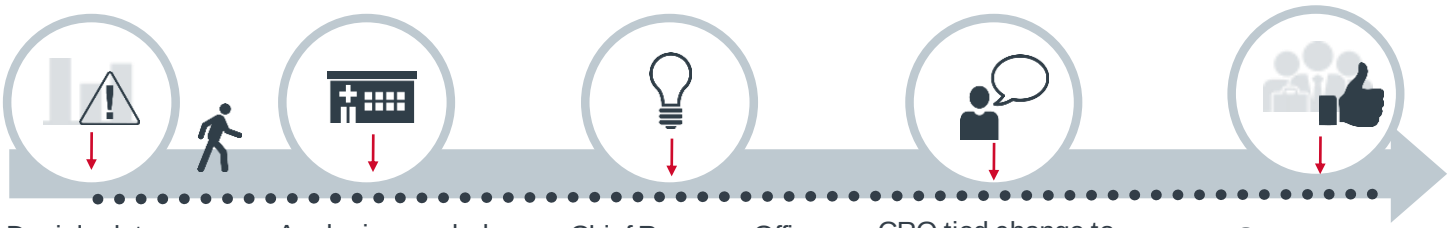
CASE EXAMPLE | **Stanford Health Care**
2-hospital health system • Palo Alto, CA

Stanford Health Care recently used the above tactics to gain c-suite buy-in. When Stanford's Chief Revenue Officer (CRO) noticed an unacceptable number of registration denials stemming from the system's clinics, she decided clinic-owned patient access registration areas needed to report to revenue cycle.

When proposing the change to her c-suite, the CRO tied the restructuring initiative to Stanford's broader organizational goal of improving revenue capture. The CRO also demonstrated the expected decrease in clinic registration denials from this new reporting structure.

As a result, the C-Suite allowed Stanford's CRO to take over clinic patient access registration functions in clinics for key areas.

Restructuring patient access at Stanford Health Care



Denials data showed unacceptable number of registration denials

Analysis revealed denials rate for revenue cycle owned clinic registration consistently outperformed clinic-owned registration

Chief Revenue Officer (CRO) decided clinic owned patient access needed to report to revenue cycle

CRO tied change to organizational goal of improving revenue capture. Demonstrated expected decrease in registration denials

System leadership cleared restructuring

Source: Revenue Cycle Advancement Center research and analysis.

Gaining buy-in from frontline staff

Prioritize performance over personalities

The second hurdle for the revenue cycle change leader is securing buy-in from frontline staff. While these individuals may not hold as much tangible authority as the system's c-suite leadership, change leaders who attempt to enact change without frontline support will likely encounter staff resistance along each step of change.

When presenting the change to frontline staff, change leaders should adopt a collaborative attitude, avoiding a top-down mandate. Best practice communication strategies will work to convince staff that the proposal is the right answer for the organization, not just for individual proposing the change.

Speaking the language of your frontline staff

Frontline staff

Top-of mind questions

- Does the proposed change threaten my job security?
- How does this affect my day-to-day?
- Can I weigh in on proposed changes?

Tactics to gain buy-in

1. Display commitment to the right answer, not your answer
2. Avoid a top-down approach

CASE EXAMPLE | **UW Health**
3-hospital health system • Madison, WI

UW Health's VP of Revenue Cycle successfully gained frontline staff buy-in when restructuring the role of the system's Emergency Department coordinators.

Under the previous structure, the system's emergency department registration tasks were often incomplete and overlooked in place of clinical tasks. While undergoing a front-end model redesign initiative, consultants recommended the system split the coordinator role in two: one staff member for clinical tasks and one for registration.

UW Health's ED/Registration leaders initially pushed back against changing the historic workflow. However, the VP of Revenue Cycle emphasized the need to try a different model and communicated flexibility and willingness to change if the change was unsuccessful after six months. After hearing this assurance, UW Health's ED/Registration leadership agreed to the change. Early results indicate that system's registration metrics are trending in a positive direction.

Flexibility gains frontline buy-in at UW Health

1. System's front-end model redesign initiative resulted in recommendation to split the coordinator role in two: one staff member for clinical tasks and one for registration
2. ED/Registration leaders initially pushed back against changing the historic workflow
3. VP of Revenue Cycle emphasized the need to try a different model and **communicated flexibility and willingness to change** if unsuccessful after six months
4. ED and Registration leadership agreed to the change

Source: Revenue Cycle Advancement Center research and analysis.

Study where you are to know where you need to go

Understanding current operations saves wasted time and resources

The next imperative in change management challenges revenue cycle leaders to clearly chart the course to change. While go-getters may be tempted to jump straight into action, doing so may mean the individual mistakenly prioritizes tangential variables while overlooking the root cause of the issue they are trying to solve.

As one example, our researchers spoke with a system who tried four different change proposals while trying to improve the patient access performance of their clinics. It was only after the fourth proposal when the system directly addressed the foundation of their headache—the reporting structure of their clinic patient access staff. By pursuing three alternative proposals before arriving on the right answer, however, the system sacrificed a significant amount of time and resources.

CASE EXAMPLE | **Stanford Health Care**
2-hospital health system • Palo Alto, CA

Stanford Health Care's Chief Revenue Officer (CRO) utilized pre-change site visits and workflow analysis to avoid utilizing unnecessary time and resources. After the CRO secured executive buy-in to restructure the reporting structure of clinic patient access, the CRO and Executive Director of Patient Access & Financial Clearance mapped out the transition by physically visiting each clinic to understand their patient access workflow, patient volumes and workflow, and patient demographics.

Today, the majority of Stanford's clinics have been successfully transitioned to revenue cycle leadership, with additional clinics to be added over time. Clinics under revenue cycle now report a decreased registration denial rate. In addition, clinic patient access revenue cycle staff are also able to seamlessly transfer to hospital registration, depending on preference.

BEFORE ▶

- Reported up through clinic managers
- Clinics lacked sufficient training, revenue cycle support/knowledge from their respective clinic manager, and understanding of the impact of their work
- Exhibited higher rates of registration denials than their revenue cycle-owned clinic patient access counterpart

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Chief Revenue Officer (CRO) and Executive Director of Patient Access & Financial Clearance physically visited clinics to study

- Patient access workflow
- Patient volumes and workflows
- Patient demographics

2

Identified adjustments needed to mirror revenue cycle-owned clinic patient access function

AFTER

- Majority of clinic patient access registration staff report to CRO across system, with more clinics to be added over time
- Clinics under the revenue cycle report decreased registration denial rate
- Clinic patient access registration staff now able to seamlessly transfer to hospital registration, depending on preference

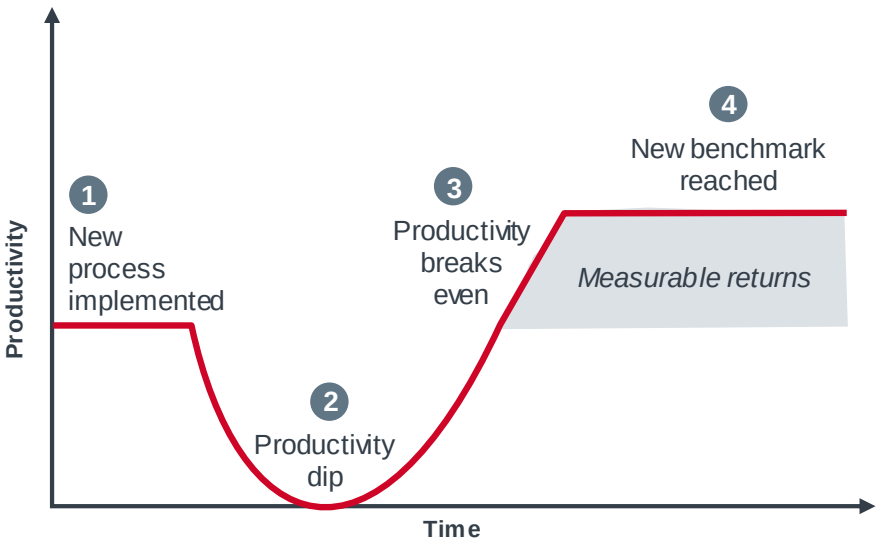
Source: Revenue Cycle Advancement Center research and analysis.

Expect a productivity dip after implementation

Impatience risks premature project abandonment

When charting the course to change, it's important to anticipate a dip in productivity after initial implementation. Revenue cycle leaders should expect their staff to require a period of transition time as they begin to acclimate to the new processes and workflow. Although leaders may feel pressure to judge the ROI of their initiative soon after implementation, individuals who do so risk prematurely deeming the proposal a failure, despite having measurable returns just around the corner.

The productivity curve throughout change



Consequences of premature judgement on ROI

- Change leaders discouraged by lack of results
- Change initiative deemed a failure and abandoned
- Organization never reaps benefits of change, despite investment

CASE EXAMPLE

Hooks Health[1]
Medium-size health system in the West

The pseudonymed Hooks Health illustrates the benefit of waiting to judge the ROI of a particular change. The system recently centralized all patient billing call centers. After the initial change, the centralized call center's reported a dip in key performance metrics.

However, Hook's VP of Revenue Cycle stayed patient and allowed an adjustment period before judging ROI on the centralization. One year later, the call center's metrics now exceed baseline performance.

Centralizing patient billing call center at Hooks Health

System relocates all patient billing call centers to a centralized location

Center reported initial dip in metrics:
- Increased patient wait time
- Increased call abandonment rate
- Increased staff turnover

Center metrics exceed baseline performance

Hook's current metric performance

57 seconds	Average patient wait time
<20%	Abandonment rate
<13%	Average staff turnover

1) Pseudonym.

Source: Revenue Cycle Advancement Center research and analysis.

Maintain stakeholder commitment with early wins

Otherwise staff may lose interest as they wait for results

The third imperative when managing change in the revenue cycle advises leaders to maintain stakeholder commitment with early wins. Few large change proposals can be fully executed in a short timeframe, and as such, it's important to recognize that stakeholder buy-in isn't static. Although c-suite executives and frontline staff may initially agree to the proposed change, without some degree of early success, stakeholders may become discouraged by the delayed results. In addition, without early wins, change leaders have little chance of gaining support from any additional individuals who were initially uninterested in the proposed change.

The benefits of early wins

- Validate the proposal's vision and strategy
- Attract new supporters through demonstrated success
- Give emotional lift to initial supporters
- Take power away from cynics

CASE EXAMPLE

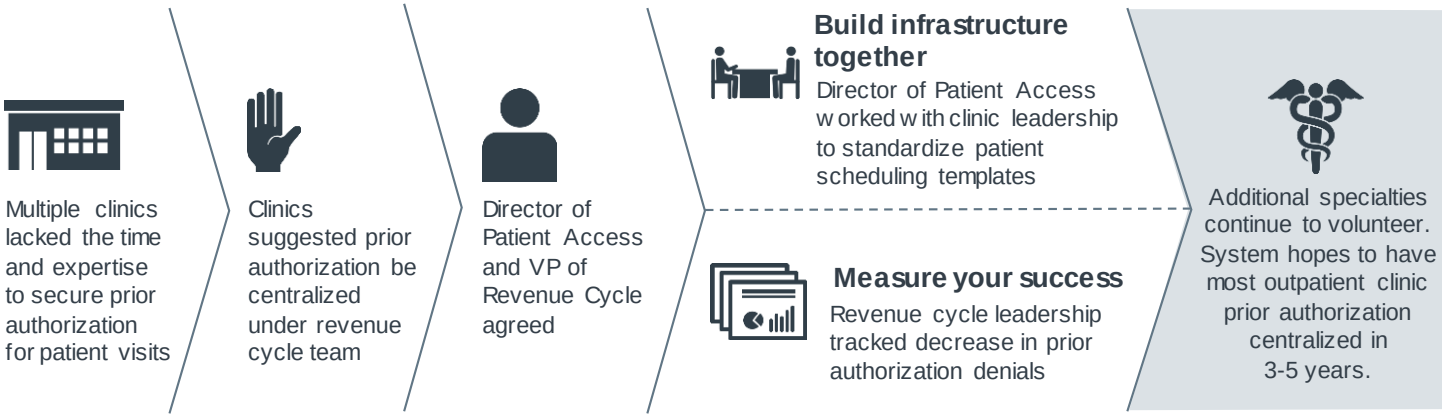
UW Health
3-hospital health system • Madison, WI

UW Health's VP of Revenue Cycle recognized an opportunity to gain an early win when a volunteer approached her. At the time, multiple clinics in the system lacked the time and expertise to secure prior authorization for patient visits.

When a few of the system's clinics approached the VP of Revenue Cycle and suggested prior authorization be centralized under then worked with clinic leadership to standardize patient scheduling templates and bring prior authorization the revenue cycle team, the VP and Director of Patient Access recognized the opportunity and agreed. The Director of Patient Access under revenue cycle.

Since seeing the success of the first batch of clinic transitions, additional clinic specialties in the system have volunteered their own prior authorization functions. UW Health hopes to have most outpatient clinic prior authorization centralized in 3-5 years.

UW Health's transition to centralized outpatient clinical prior authorization



Source: Revenue Cycle Advancement Center research and analysis.

Create the capacity for transformation

Even with the momentum gained from early wins, revenue cycle leaders will struggle to implement change without first creating the capacity for transformation. The below statistics speak to the overwhelm that revenue cycle staff experience from day-to-day work. As such, best practice research suggests leaders should not expect their operational staff to implement the bulk of the change. Instead, leaders should consider alternative staffing models, such as strategy staff, a system-wide enterprise team, or consultants.

5-15 Number of individual change initiatives hitting a manager at any one time

400 Number of annual change initiatives at one representative health care organization

CASE EXAMPLE

Lorde Health[1]
Medium-size health system in the Mid-Atlantic

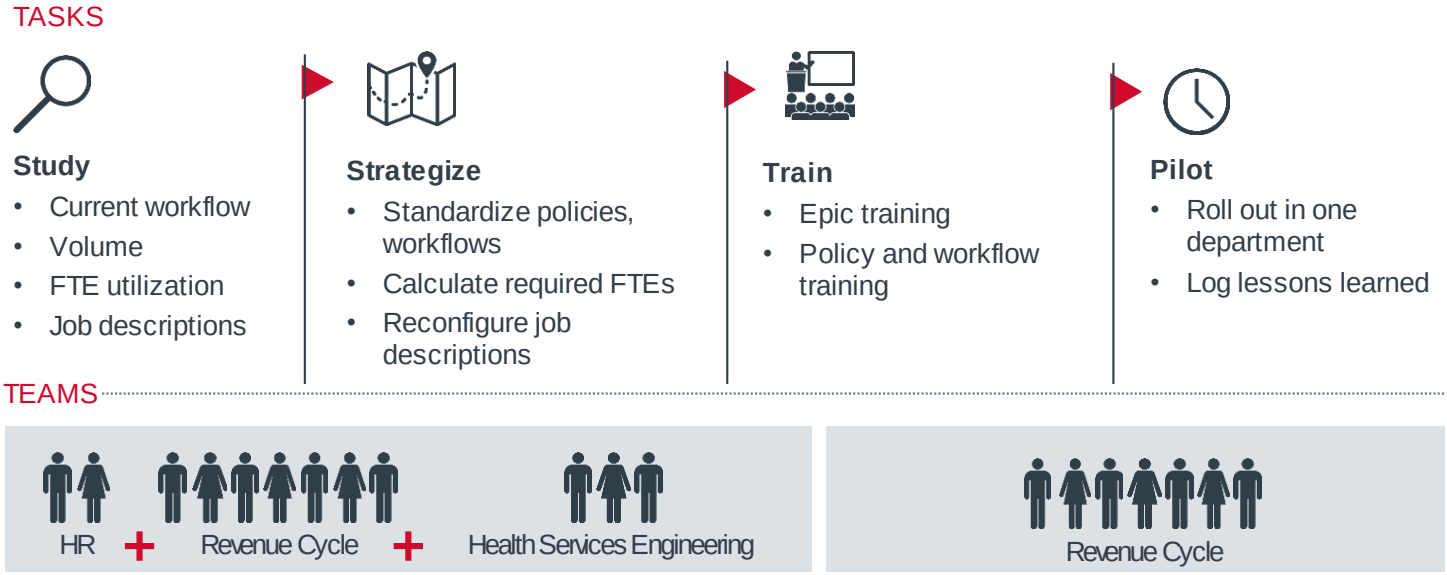
The pseudonymed Lorde Health illustrates the diversity of options available to revenue cycle leaders who want to make capacity for major change across their department. The system is currently working on a multi-year initiative to centralize prior authorization across the revenue cycle. The project utiltizes a range of Lorde's teams, including Human Resources and Lorde's enterprise team, the "Health Services Engineering" team.

HR, the Health Services Engineering team, and Lorde's existing revenue cycle staff are beginning the initiative by studying current operations to understand workflows, patient volumes, and FTE utilization. Change leaders will then standardize policies and workflows, calculate the required FTEs, and reconfigure job descriptions. They will also train staff on new Epic and workflow changes.

Finally, the system's revenue cycle team will pick a department to pilot centralization, logging lessons learned before expanding scope to all departments.

By using a diverse range of personnel across the project's timeline, Lorde avoids assigning any one group sole responsibility of the project, decreasing the likelihood of staff overwhelm and burnout.

Lorde Health leverages HR and enterprise team over multiple years



1) Pseudonym.

Source: Revenue Cycle Advancement Center research and analysis.

Weigh your options for building capacity

The table below details four staffing options available to revenue cycle leaders when enacting major change. Although all options include benefits and as well as drawbacks, revenue cycle leaders should remember that the best option may shift as the project progresses, aptly illustrated in Lorde Health's project described on the previous page.

Four options to create capacity for change

	Comparison	Benefits	Drawbacks
Consultants	RISK ●●○○○ QUALITY ●●●●● COST ●●●●●	• Immediate increase in capacity • Objectivity • Deep expertise • Agility	• Lack of continuity • High short-term expense
Revenue cycle strategy staff	RISK ●○○○○ QUALITY ●●●●● COST ●●●●○	• Easily accessible • Maintains knowledge and discipline close to revenue cycle team	• Must keep a continuous pipeline of work • Hiring difficult
Enterprise team	RISK ●●●○○ QUALITY ●●●●○ COST ●●○○○	• Specialized expertise • Objectivity and institutional knowledge	• Lower cost than external consultants • Must wait in queue
Operational staff	RISK ●●●●○ QUALITY ●○○○○ COST ●○○○○	• Requires no additional resources	• Project likely to fall behind other priorities • May overload operational staff

Source: Revenue Cycle Advancement Center research and analysis.

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For additional research on improving your system's revenue cycle, access the following:

Revenue Cycle Staff Engagement

https://www.advisory.com/-/media/Advisory-com/Research/FLC/White-Papers/2019/Staff-Engagement-Research-Note.pdf

The Patient Financial Experience Toolkit

https://www.advisory.com/-/media/Advisory-com/Research/FLC/White Papers/2019/RCAC_Patient-Financial-Experience-Toolkit.pdf

Denials Crash Course Webconference, Part 1 and Part 2

https://www.advisory.com/research/revenue-cycle-advancement-center/events/webconferences/2019/denials-crash-course/the-denials-opportunity/ondemand