



case study

\$14M REALIZED SAVINGS:

Medical Group Margin Improvement

A large medical group's decision to insource its back-end revenue cycle functions and simultaneously standardize and optimize denials management and patient collections generated margin improvement beyond expectations.

FOR MORE INFORMATION
ON MARGIN IMPROVEMENT:

visit www.impact-advisors.com
or call 800-680-7570

Back-end Revenue Cycle Insourcing & Optimization

With 650 clinicians, including 400 physicians, Edward-Elmhurst Medical Group (EEMG) is one of the largest healthcare provider groups in the Chicago area.

Approaching the end of a five-year contract with an external back-end revenue cycle service provider, EEMG began weighing its options. Renewal with the current vendor was not an option, so the choices were to insource the services (including billing, customer service, and collections) or contract with another service provider. Given Edward-Elmhurst Health's (EEH) enterprise vision of a single, unified revenue cycle operation, in addition to the increased control to be gained over costs and performance, leadership made the strategic decision to bring the function in-house.

On top of the benefits to be gained from insourcing, the process of examining the current state and defining what a best practice, in-house, back-end revenue cycle would look like revealed two additional areas of improvement opportunity: Patient Balance Collections and Denials Management. Altogether, the potential margin opportunity was estimated at \$12.3M.

"Impact Advisors helped us through a big change in our revenue cycle operation. They were with us every step of the way, ensuring our team would be able to succeed once they left. We're continuing to see sustained improvements."

Greg Arnold, SVP System Revenue Cycle
NorthShore Edward-Elmhurst Health

Approach, Challenges & Keys to Success

Transition to Back-office Insourcing

Designing and standing up a back-end revenue cycle operating model to support EEH's large, diverse medical group operation required committed leadership, effective project management, and a multi-faceted team of experienced subject matter experts (revenue cycle operations, EHR, and change management). Impact Advisors guided leadership and worked at-the-elbow with staff in the back-office to design processes based on best practice, provide training, develop metrics and reporting to drive accountability, and leverage technology for efficiency. A staffing analysis identified roles, resources, and sourcing needs.

Improving Denials Management

The low dollar amounts and high volume of claims within medical group billing presents a unique challenge. Impact Advisors trained the client team on how to work through denials more efficiently and to prioritize work queues so the accounts with the greatest financial impact were handled first. A task force reviewed denial types, such as patient access, coding, and back-end billing, then validated ownership and developed workflows in the EHR to route denials to the appropriate contacts (e.g., back-end billing specialist vs. coding team). The team conducted root cause analysis for denials to identify upstream issues, then designed solutions, and project managed to resolution – performing all side-by-side with the client's denials team to ensure knowledge transfer and a sustainable process.



Collecting Past-due Balances from Patients

Point of service collections presented another opportunity to better engage and support front-desk staff in real time, at the clinics. Collecting payment for outstanding balances at patient check-in is ideal in terms of efficiency, but front-office staff who were used to collecting only co-pays were apprehensive about asking patients for more. Impact's Revenue Cycle consultants helped to "reframe" their role as a resource for patients, developing scripts and answers to common questions and concerns, and driving significant gains in the area. Reports gave visibility to total available outstanding balance versus payment secured by individual team members and enabled development of an incentive program. Once again, the team leveraged technology (e.g., text alerts of outstanding patient balances prior to arrival for appointment) to further enhance process efficiency.



Other Cleared Hurdles

As if building new, standardized and efficient processes from the ground up wasn't challenging enough, the project team also faced operational capacity constraints due to COVID staffing shortages and turnover and changes to IT system environments in which they were operating while implementing improvements. Throughout it all, staff and leadership at EEMG stayed focused on the plan and leaned on Impact Advisors' experienced project managers to help facilitate decisions and keep tasks on track.

Our Client Impact

The EEMG team and Impact Advisors **delivered total benefits of \$14M, exceeding the target of \$12.3M** over a 12-month period.

- Transition to business office insourcing yielded **\$4.2M** in cost to collect savings.
- Improvement in patient balance collections led to realization of **\$3.4M**.
- Reduction of denials and improved payer collections led to impact of **\$6.4M**.