

# Board Packets

## January 18, 2023 - Documents Presented at Board Meeting

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# THE POWER OF BEING UNDERSTOOD

# NORTHERN INYO HEALTHCARE DISTRICT

## Revenue Cycle Margin Improvement Proposal



January 18, 2023

# Background & Objectives

## Background

Northern Inyo Healthcare District (NIH) has experienced instability in financial performance and is seeking a transformation partner to evaluate the people, process and technology impacting patient satisfaction, revenue capture and revenue realization.

## Objectives

Advise and assist NIH in the identification and remediation of gaps, weaknesses or opportunities to improve revenue cycle processes and technologies that will yield the greatest return on investment in the shortest period of time.

# Pre-Project Discovery (Opportunities)

- **Technical Opportunity**

- **Billing Entity Settings**

- Standard Delay > 3 Days **(\$450,850)**

- **Claim Rules**

- Held in Scrubber > 7 Days **(\$321,736)**

- **Registration Conversation Settings**

- Edit Failures Attributed to Reg Settings **(\$850,771)**

- **Health Plan & Payer Libraries**

- Edit Failures attributed to these libraries **(\$22,000)**

- **Profit Business Manager Rules**

- Posting & Adjustment Rules **(\$TBD)**

- **Access HIM Task Queues**

- Assignment and Transfer Rules **(\$TBD)**

- **Process Opportunity**

- **One Time Cash Acceleration (\$8M)**

- **Monthly Increase to Net Rev (\$1.7M)**

- DNFB Task Force
- Work In Progress Task Force
- High Dollar Review
- Denial Avoidance Team

- **People Support**

- **Education & Coaching**

- Provider Education / Documentation
- Registration
- Benefits & Authorization Management
- HIM Coding
- Billing & Follow Up
- Cash Posting
- Reporting

# Margin Improvement – Target Activities



## Revenue Capture

- Target analysis of charge build, charge tiering logic, charge points, foreign systems integration
- Charge reconciliation procedures



## Workflow Management

- Alignment of NIH process to Cerner model workflows, workflow assignments and supervisor relationships
- Productivity weights and measure configuration, productivity reporting



## Denials Management

- Stand up RSM RevNsight denial analytics platform to identify patterns and root causes
- Facilitate denial avoidance task force
- Monitor and measure impact of ops and tech changes



## Cash Management

- Point of Service Collections
- Target analysis of Cerner payment and adjustment rules
- 835 Electronic Remittance and ACH enrollment
- Patient payment plans, adjustment and bad debt rules

# Scope

RSM activities will be focused in areas specific to the revenue cycle and tangential processes that influence revenue cycle performance. Where RSM identifies any factors adversely influencing operating margins outside of the revenue cycle, these will be shared with executive leadership for consideration.

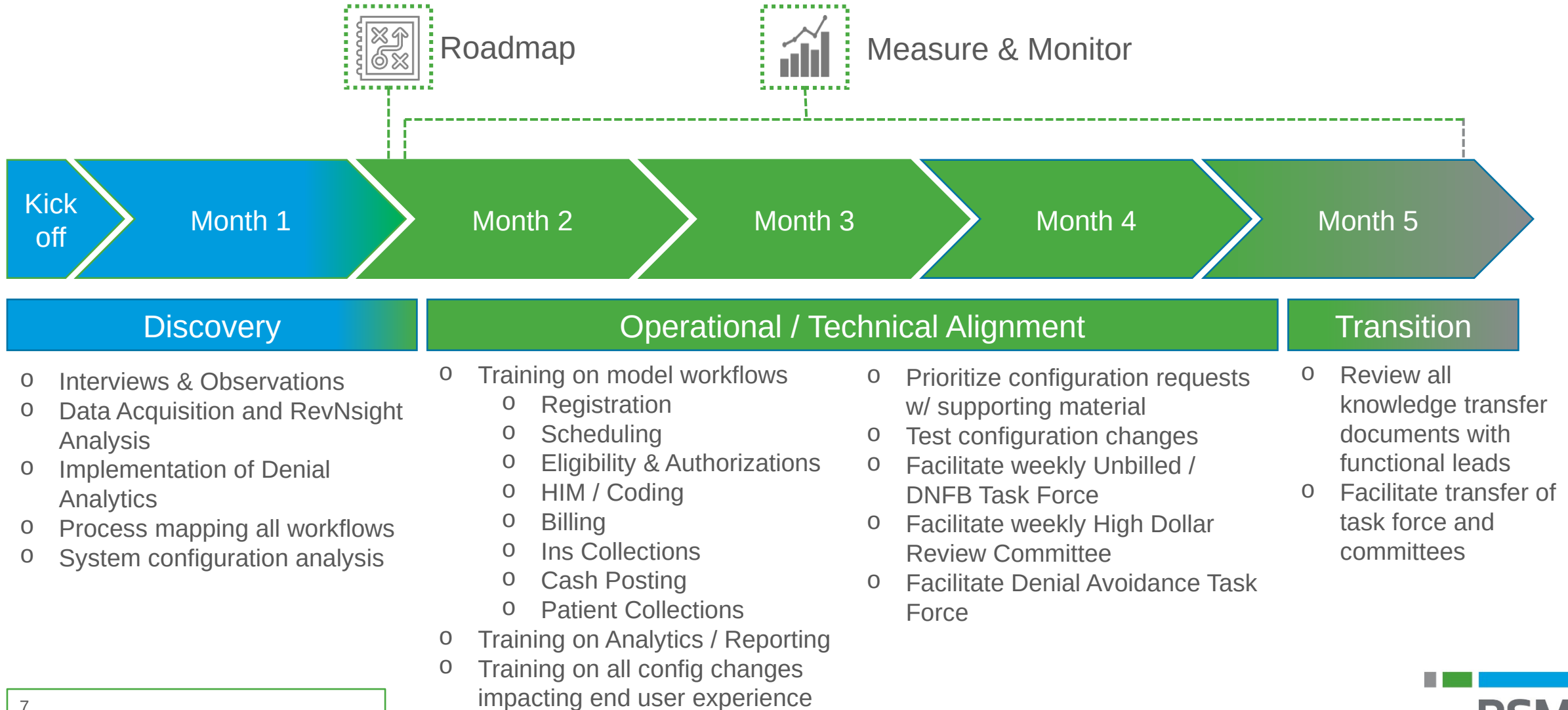
## In Scope

- Analyze operational adoption of technology
- Prioritization of open service tickets to Cerner AMS
- Staffing levels, work assignment, productivity
- Executive and Operational Reporting
- Registration conversations and field requirements
- Orders to scheduling configuration
- Access Management workflow optimization
- Eligibility and Authorization workflows
- Schedule book optimization
- Charge Build, tiering logic, charge points
- Access HIM assignments and workflows
- Intra and Inter-Departmental Messaging
- Claim rules and claim edits
- Billing workflows
- Collection work assignment rules
- Past Due and At-Risk Rules
- Management of Billing and Collection Holds
- Adjustment and Cash Posting Rules
- Payment Plan Configuration
- Denial Avoidance Program
- DNFB Task Force
- High Dollar Review Committee

## Outside of Scope

- CDM Review
- Clinical Operations
- Care Management
- Managed Care Contracts
- Rational Pricing / Pricing Strategy
- Supply Chain
- Pharmacy

# Timeline and Project Cadence





# Deliverables and Communication Plan

## Deliverables

As a products of this engagement, RSM will provide all supporting materials used in discovery, planning, execution of duties and transition to include the following:

- Technical transformation roadmap including findings, impact, recommendations and priorities
- Technical documentation for all changes related to Cerner or other bolt-on revenue cycle applications
- Documentation from all task force meetings
- Weekly status report including activities, outcomes, performance tracking and corrective action plans
- Training materials and signed confirmation of training completion

## Communication Plan

RSM will conduct a weekly executive meeting with the project stakeholders and provide all supporting materials related to weekly activities, outcomes, performance tracking and any corrective action plans

# Project Financials

Based on our initial understanding of the engagement scope, RSM anticipates 1,500 hours of work to be billed at a blended hourly rate of \$300. The total estimated billings for the services described is \$450,000, plus expenses.

# Client References

## **McDonough District Hospital (Macomb, IL)**

- Bill Murdock, Chief Financial Officer
- Email: [wrmurdock@mdh.org](mailto:wrmurdock@mdh.org)
- Phone: (309) 337-9621

## **Hutchinson Regional Hospital (Hutchinson, KS)**

- Duane Miller, Chief Financial Officer
- Email: [millerd@hutchregional.com](mailto:millerd@hutchregional.com)
- Phone: (620) 620-0589

## **Sarah Bush Lincoln Hospital (Mattoon, IL)**

- Jake Dively, Assistant Controller
- Email: [jdively@sblhs.org](mailto:jdively@sblhs.org)
- Phone: (217) 238-4526

THANK YOU FOR  
YOUR TIME AND  
ATTENTION

## RSM US LLP

5551 Ridgewood Drive  
Naples, FL 34108  
(239) 596-0105

+1 800 274 3978  
rsmus.com

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NIHD Board of Directors  
150 Pioneer Lane  
Bishop, CA 93514

Dear Members of the District Board:

I write this letter in support of creating a permanent memorial in honor of former NIHD Chief Executive Officer and Chief Financial Officer John David Halfen.

During his tenure I had the privilege of working closely with Mr. Halfen, and I believe that our current hospital facility would never have been built were it not for his caring, passion, leadership, and the fact that his unique set of financial and business talents were on board at the exact time that they were needed.

As you are aware finances are a significant challenge in the hospital business, and it was no different at the time that a hospital rebuild became necessary. John thought creatively and outside of the box, and worked to rally employees and the community to pass a Bond Measure in support of the hospital rebuild. He cared deeply about his employees and about the future of this community. Though he moved out of the area following his retirement, he asked that his final resting place be here in Bishop, in view of the hospital building that his skills and leadership helped to make possible.

We were honored to have the right person at the helm of the District at a time that he was badly needed. I believe it would appropriate to honor John in a lasting and permanent way, in accordance with whatever you determine to be appropriate.

Thank you for your consideration.

Sincerely,

Sandy Blumberg  
Former NIHD Executive Assistant









