

# **FRONT OFFICE EFFICIENCY**

**MAXIMIZING PRACTICE REVENUE**

**STARTING AT THE FRONT DESK**

**Guidian Healthcare Consulting**

# Guidian Healthcare Consulting

**Guidian works with Community Health Centers to plan financially sustainable operations that meet the needs of the organization and its community.**

Guidian provides operations planning, strategic planning, facility planning & pre-development services that include:

- Operations Analysis and Patient Flow
- Market Analysis
- Financial Projections
- Space Planning
- Functional Floor Plan Layout
- Grant Writing Services

# Presentation Overview

## **FRONT OFFICE EFFICIENCY— SETTING THE STAGE**

**Starting from Scratch.....**

**Front Desk Impact on the Organization**

**Benchmarking & Performance Measurement**

**Wrap-up & Questions**

# Setting the Stage

**You only get one chance  
to make a first impression.....**



# Setting the Stage

**Make it Good!**



# Setting the Stage

## Every Penny Counts



# Setting the Stage

## Efficiency

*Efficient: producing results with the least amount of money or work,  
Webster's Dictionary*

- ✓ Before you can make the CHC efficient, you need to define the results you want
- ✓ Highly efficient front desk operations can reduce cycle time and facilitate additional patient visits
- ✓ Highly efficient front desk operations can increase practice revenue

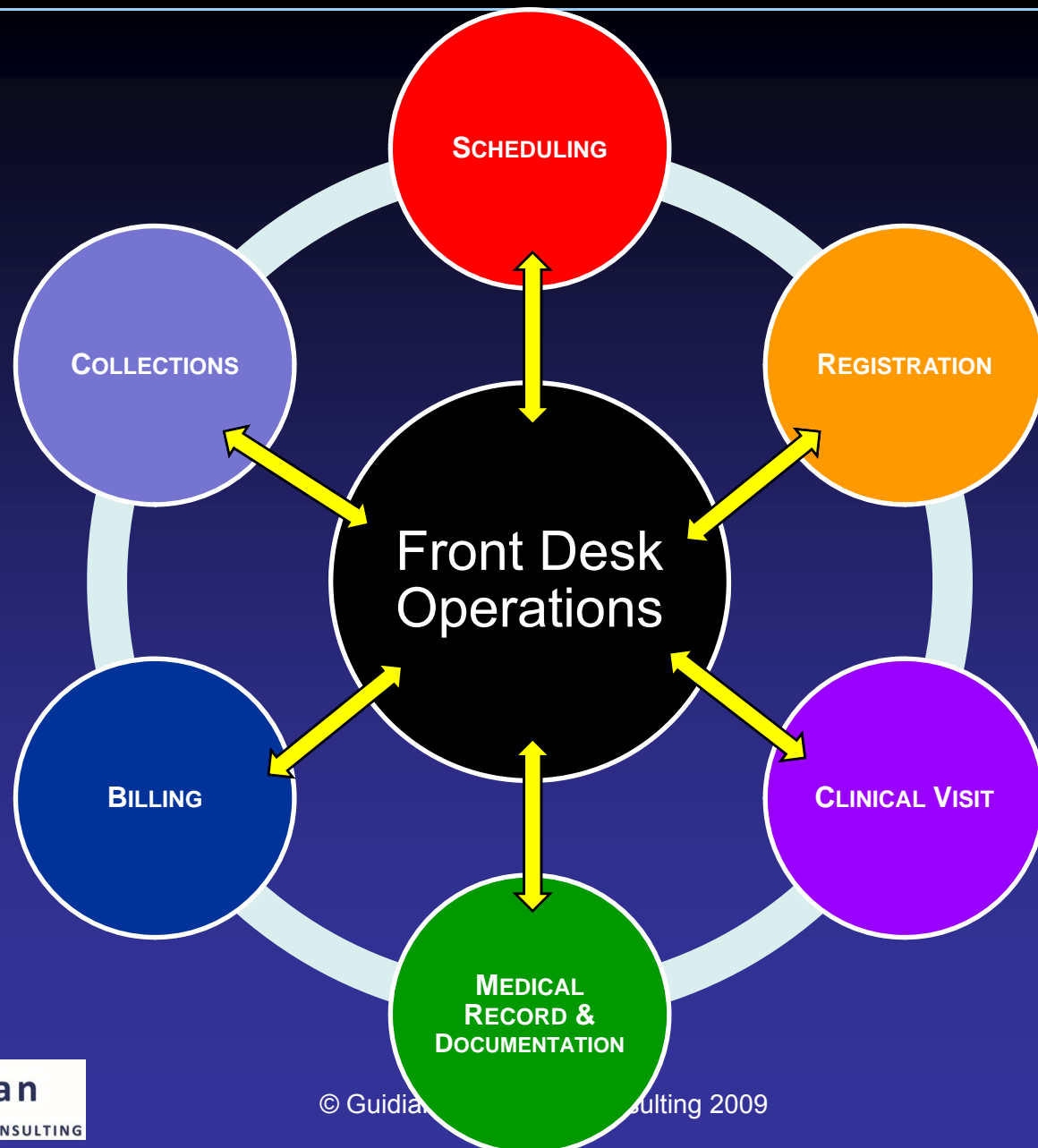
# Setting the Stage

## **Signs of an Efficient Community Health Center**

- ✓ **Well designed physical space**
- ✓ **Continuity & coordination of clinical care**
- ✓ **Accessible for questions & scheduling**
- ✓ **Courteous & efficient staff**
- ✓ **Efficient use of technology**
- ✓ **Effective administration & billing**



# Setting the Stage



# Presentation Overview

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### **Starting from Scratch.....**

### **Front Desk Impact on Organization**

### **Benchmarking & Performance Measurement**

### **Wrap-up & Questions**

# Starting From Scratch



# Starting From Scratch

## Hire the Right People

- ✓ Understand the tasks of the staff who will work at the front desk
- ✓ Clearly define the job responsibilities and have a written job description
- ✓ Conduct interviews with various people in the organization

# Starting From Scratch

## Hire the Right People

- ✓ Have potential staff work the desk for a day
- ✓ Many practices have potential employees take behavioral assessments to ensure that there is a good fit for the organization

# Starting From Scratch

## Hire the Right People

### Clear Communicator

- Must be able to speak clearly, and interface with a variety of patients
- Must be able to explain financial policies and the expectations of the patient
- Must be able to ask the right questions and resolve issues

### Positive Attitude

- Good disposition, not easily rattled
- Can diffuse angry patients
- Ability to develop and maintain positive working relationships

# Starting From Scratch

## Hire the Right People

### Computer Literate

- You will rely on this position to enter accurate information and maintain certain sections of the patient management system they should
  - Be computer literate
  - Have basic knowledge of medical patient management systems

### Writing Skills

- All front office staff need to be proficient in written English
- If the practice has an ethnic population that speaks another language, consider hiring staff proficient in that language

# Starting from Scratch

## Design the Right Space

### Key Design Principles

- ✓ Create Line of Site w/ waiting & clinic space
- ✓ Reduced Travel Distances
- ✓ Plan adjacencies
- ✓ Remove redundancies
- ✓ Plan for adequate signage
- ✓ Create spaces for privacy



# Starting From Scratch

## Design the Right Space

### Design Process

- ✓ Systematically evaluate space & processes together
- ✓ Involve the people who occupy the space in designing space
- ✓ Map flow patterns (physical and process)
- ✓ Have others who access the space comment on design & functionality

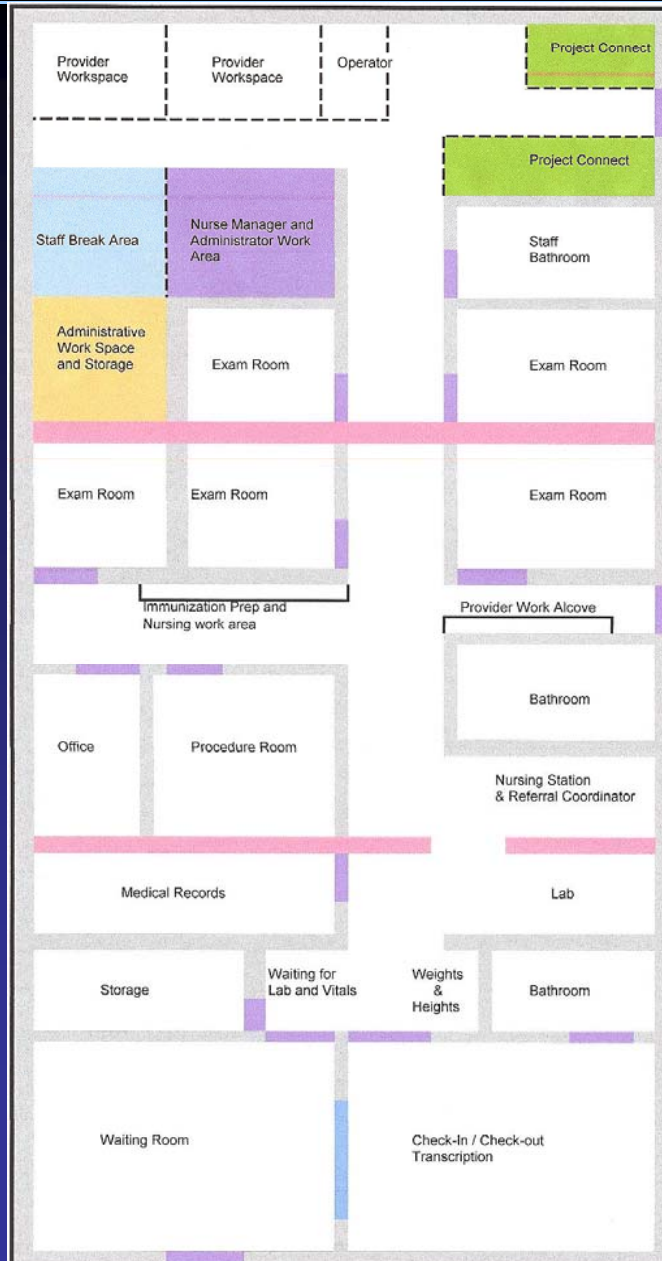
# Starting From Scratch

## Design the Right Space

### Desired Outcomes

- ✓ Optimize patient flow by creating space in which form follows function
- ✓ Create efficient space that reduces steps to complete tasks and reduces travel distances
- ✓ Locate space so that it is accessible to clinical area
- ✓ Create private spaces where confidential conversations can occur

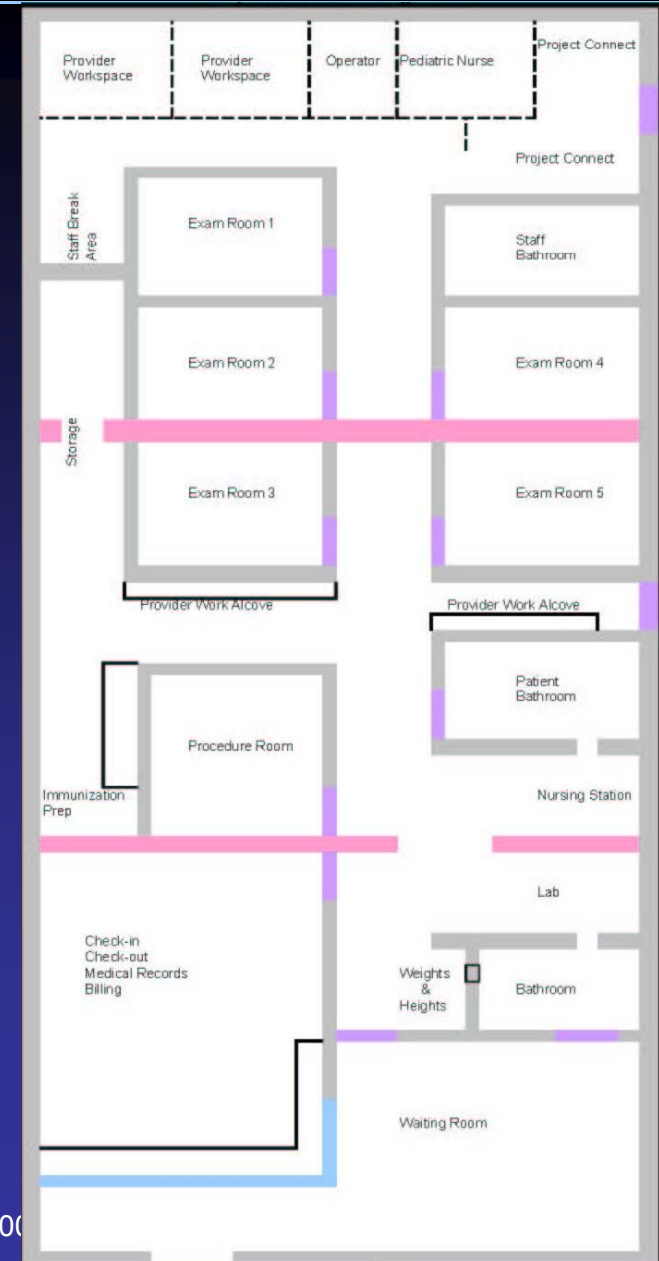
# Designing the Right Space



Existing floor Plan



After Operations Architecture



# Designing the Right Space

## Floor Plan Example Illustrating Principles



# Designing the Right Space



1ST FLOOR PLAN  
SCHEME A3 - 14,318 SF

# Starting From Scratch

## Design the Right Processes

- ✓ Efficient front desk operations do not overload the front desk staff with non-related tasks
- ✓ Rethink how the office works
  - Patient flow starts at the front desk
  - Billing starts at the front desk
  - Educating the patient starts at the front desk



# Starting From Scratch

## Design the Right Processes

- ✓ Standardize forms across the organization
  - All staff asking for information in the same way
  - All staff trained to update information in system
- ✓ Document process flow and use the flow sheet to train staff
  - Check sheet documenting process that is attached to the medical record during the visit
- ✓ Train staff & cross train to show how each department touches others

# Starting from Scratch

## Design the Right Processes

### Key Process Principles

- ✓ Reduce Staff Inputs
- ✓ Remove Redundancies
- ✓ Improve Communications
- ✓ Have staff on same page
- ✓ Have patient move as little as possible
- ✓ Create cross-functional work teams



# Starting From Scratch

## Design the Right Processes

### Design Process

- ✓ Systematically evaluate processes  
PDSA
- ✓ Involve the people who touch the process in the design
- ✓ Map flow patterns
- ✓ Implement the process

# Starting From Scratch

## Design the Right Processes

### Desired Outcomes

- ✓ Optimize patient flow by creating efficient processes – reduce time at front desk
- ✓ Improve the accuracy of data gathered
- ✓ Educate the patients regarding CHC policies – reinforce at every visit
- ✓ Remove tasks that could be done elsewhere

# Starting From Scratch

## Reframe the Concept of a Visit

- ✓ A key function of the front desk is to verify insurance at every visit & educate patients about the CHC's patient policies
- ✓ Schedule visits to include 15 minutes up front for the patient to check in
- ✓ Create private spaces where front desk staff can sit privately with patients to check them in.

# Starting From Scratch

## Use Technology Effectively

- Understand the capabilities of your patient management system & take advantage of them

### Verifying Demographics

- ✓ Print a face sheet for each existing patient and have the patient review, make changes and sign-off

### System Notifications

- ✓ Patient has arrived
- ✓ Patient process complete at front desk – Ready for clinic visit
- ✓ Patient insurance card needs update
- ✓ Patient due for particular tests

# Starting From Scratch

## Use Technology Effectively

### Front Office View of Patient Financial Account

- ✓ Check-in can notify patients of outstanding balance and educate patients on financial policy

### Web Portal to Practice

- ✓ Check visit slot availability
- ✓ Schedule visit
- ✓ Complete new patient forms
- ✓ Update demographics
- ✓ Communicate with providers

# Starting From Scratch

## Use Technology Effectively

### Patient Reminder Calls

- ✓ Set visit reminders for patients who:
  - Consistently show up late
  - Miss appointments
  - Are having special tests
  - Need to update forms or insurance

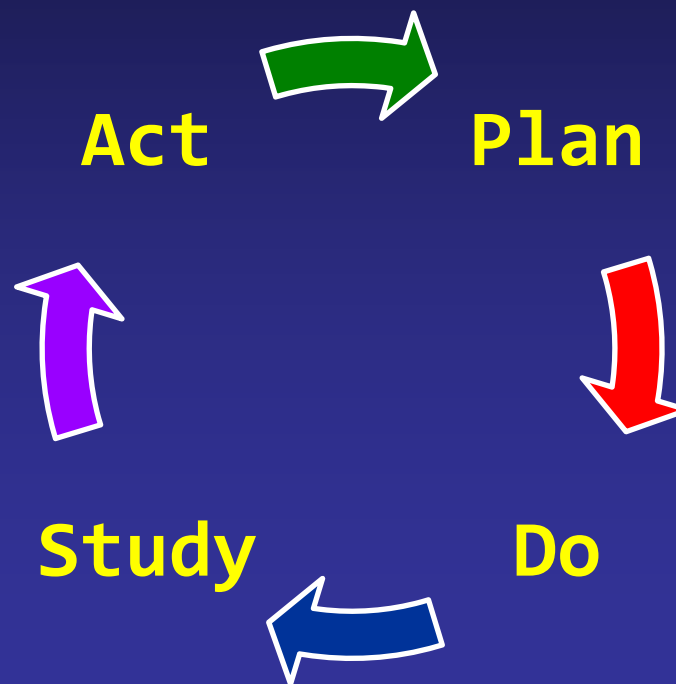
### Internal Communication

- ✓ Keep clinical area informed about who is waiting to be seen
- ✓ Ask questions of the billing staff about patient accounts

# Starting From Scratch

**Sorry – We Are Already Up and Running!**

**Establish a Total Quality Management process  
for non-clinical activities**



# PDSA Process for Front Desk

## Cycle for Learning & Improvement

- **Plan**

- Plan for change or test who, what when where
- Plan for collection of data

- **Do**

- Carry out the change or test
- Collect data and begin analysis



# PDSA Process for Front Desk

## Cycle for Learning & Improvement

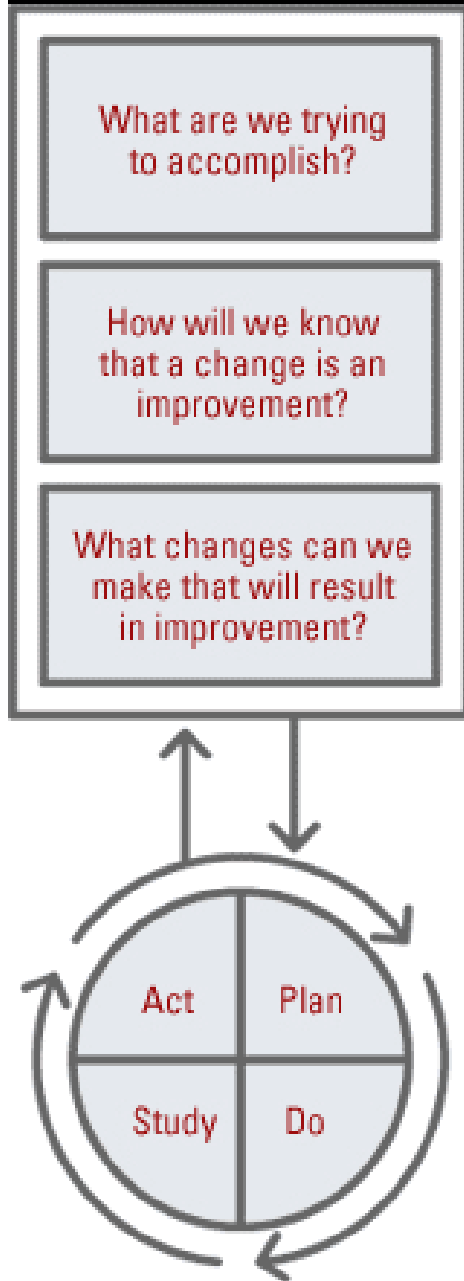
- **Study**

- Once change is implemented, conduct complete analysis of that data
- Summarize what has been learned

- **Act**

- Determine if CHC is ready to make the change
- Are there modification that need to be made
- What is the next change cycle

# PDSA Process for Front Desk



**Setting Aims:** Commitment to improving access  
Is reflected by a strong and well ordered Aim Statement

**Establishing Measures:** Collecting data on key outcomes  
Measures of access is the only way to determine whether access has improved.

**Selecting Changes:** Teams must test and implement changes in three key areas – shaping demand, matching supply and demand, and redesigning the system to increase supply in order to improve access

**Testing Changes:** Test your changes in a real world setting by planning, trying, observing the results, and acting on what has been learned.

**Source:** Langley GL, Nolan KM, Nolan TW, Provost LP.  
*The Improvement Guide: A Practical Approach to Enhancing Organizational Performance.*

# Presentation Overview

**Front Office Efficiency– Setting the Stage**

**Starting from Scratch.....**

**FRONT DESK IMPACT ON THE ORGANIZATION**

**Benchmarking & Performance Measurement**

**Wrap-up & Questions**

# Front Desk and Scheduling



- ✓ Uses and verifies information gathered by scheduler
- ✓ Changes and updates provider schedules as needed
- ✓ May take scheduling calls at front desk as back up
- ✓ Schedules walk-in and same day appointments

# Front Desk and Clinical Visit



Clinical  
Visit

- ✓ Prepares patients for clinical visit
- ✓ Can provide patient preliminary information regarding the visit
- ✓ Interfaces with nursing staff on continual basis
- ✓ Efficient front desk will enable smooth patient flow
- ✓ Reviews chart and verifies that all necessary forms are in chart, updates chart as needed

# Front Desk & Medical Records/Documentation



Medical Records  
& Documentation

- ✓ Prepares new patient charts
- ✓ Inputs initial information into patient management system & processes updates
- ✓ Receives charts for days patients and may review for completeness
- ✓ Calls Medical Records for same day and walk in charts
- ✓ May act as back up for filing

# Front Desk and Billing



- ✓ Billing relies on front desk for accurate demographic information
- ✓ Can review account balances with patients and post payments
- ✓ Verifies insurance at every visit
- ✓ Good idea to create a billing process that involves front desk as an integral component
- ✓ Have regular cross-functional team meetings

# Front Desk and Collections



## Collections

- ✓ Collects co-pays up front
- ✓ Reviews patient balance at every visit, accepts payments on payment plans
- ✓ Reviews financial policy at every visit



# Front Desk and Financial Operations

## Case Study

- Sunny CHC has seen patient cycle times increase over time
- The annual # of patient visits declined over an 18 month period
- Revenues have decreased commensurate with decline in patient visits

# Front Desk and Financial Operations

## Case Study

- The number of claims denials & refiles has doubled
- AR days has gone from 45 days to 90 days
- CHC management conducted an operations analysis of their processes and discovered that the two newest front desk staff had not been adequately trained

# Front Desk and Financial Operations

## Case Study

- Sunny CHC also discovered that the front desk staff did not understand the impact they had on the revenue cycle
- All staff were retrained and the front desk and billing staff worked to create joint processes

# Front Desk and Financial Operations

## Impact on Provider Productivity

|                              | FY2006           |               | FY2007        |               | FY2008        |               |
|------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
|                              | Annual Visits    | Hourly Visits | Annual Visits | Hourly Visits | Annual Visits | Hourly Visits |
| Dr. Smith                    | 3,726            | 2.40          | 3,465         | 2.23          | 4,099         | 2.64          |
| Dr. Jones                    | 3,493            | 2.25          | 3,231         | 2.08          | 3,842         | 2.48          |
| Ms. Hyatt - NP               | 3,019            | 1.75          | 2,717         | 1.58          | 3,450         | 2.00          |
| <b>Total Annual Visits</b>   | <b>10,238</b>    |               | <b>9,413</b>  |               | <b>11,391</b> |               |
| <b>Increase / (Decrease)</b> | <b>Base Year</b> |               | <b>(825)</b>  |               | <b>1,978</b>  |               |

| Average Hourly Productivity |              |               |
|-----------------------------|--------------|---------------|
| Fiscal Year                 | Productivity | % inc /(decr) |
| FY2006                      | 2.13         | Base Year     |
| FY2007                      | 1.96         | -8%           |
| FY2008                      | 2.37         | 21%           |

# Front Desk and Financial Operations

## Impact on Revenue Generation

|                      | FY2006      |                  | FY2007      |                  | FY2008      |                  |
|----------------------|-------------|------------------|-------------|------------------|-------------|------------------|
|                      | Payor Mix   | Net Revenue      | Payor Mix   | Net Revenue      | Payor Mix   | Net Revenue      |
| Medicaid             | 55%         | 838,994          | 52%         | 744,650          | 60%         | 1,061,579        |
| Uninsured            | 20%         | 51,189           | 27%         | 64,810           | 17%         | 50,368           |
| Medicare             | 15%         | 170,461          | 13%         | 138,685          | 14%         | 184,529          |
| Commercial           | 10%         | 92,141           | 8%          | 69,808           | 9%          | 97,886           |
| <b>Total</b>         | <b>100%</b> | <b>1,152,785</b> | <b>100%</b> | <b>1,017,953</b> | <b>100%</b> | <b>1,394,363</b> |
| <b>% Inc / (Dcr)</b> |             | <b>Base Year</b> |             | <b>-12%</b>      |             | <b>37%</b>       |

- Payor Mix for insured users declined because they had other options.
- Small shifts in productivity combined with payor mix changes has significant impact

# Front Desk and Financial Operations

## Impact on Claims Denial

|  | FY2006         | FY2007          | FY2008         |
|--|----------------|-----------------|----------------|
| New Claims Filed                               | 10,238         | 9,413           | 11,391         |
| Denials  | 2,048          | 2,824           | 1,709          |
| <i>% Incorrect Demographics</i>                | <i>717</i>     | <i>1,553</i>    | <i>171</i>     |
| Time to Fix Claim (Hours)                      | 1,536          | 2,118           | 712            |
| <i>Time to Fix Demographic Denials (Hours)</i> | <i>537</i>     | <i>1,165</i>    | <i>128</i>     |
| Staff Cost to Fix Denials                      | \$26,874       | \$38,176        | \$13,218       |
| <i>Cost to fix Incorrect Demographics</i>      | <i>\$9,406</i> | <i>\$20,997</i> | <i>\$2,379</i> |

|                          | FY2006 | FY2007 | FY2008 |
|--------------------------|--------|--------|--------|
| <i>FTE to Fix Claims</i> | 0.26   | 0.56   | 0.06   |

This FTE is for Demographic denials only

Some experts say that it can cost \$25 or more to rework a claim, which includes all costs related to reworking the claim, not just billing staff time. In this example, that would equate to \$17,916 in FY2006, \$38,829 in FY2007 and \$4,272 in FY2008. (P. Moore, Fix your Denial Problems. Physicians Practice, April 2004)

# Front Desk and Financial Operations

## Impact on AR Days

AR Outstanding because of Demographic Denials

|                                      | Number Days |
|--------------------------------------|-------------|
| Original Claim Process               | 35          |
| Days in Office prior to Refile       | 3           |
| Refile Days                          | 35          |
| <b>Total Days to Receive Payment</b> | <b>73</b>   |
| Clean Claim                          | 35          |
| Variance                             | 38          |

|               | FY2006<br>Net Revenue | FY2007<br>Net Revenue | FY2008<br>Net Revenue |
|---------------|-----------------------|-----------------------|-----------------------|
| Medicaid      | 58,730                | 122,867               | 15,924                |
| Uninsured     | 3,583                 | 10,694                | 756                   |
| Medicare      | 11,932                | 22,883                | 2,768                 |
| Commercial    | 6,450                 | 11,518                | 1,468                 |
| <b>Total</b>  | <b>80,695</b>         | <b>167,962</b>        | <b>20,915</b>         |
| % Inc / (Dcr) | Base Year             | <b>108%</b>           | <b>-88%</b>           |

# Presentation Overview

**Front Office Efficiency– Setting the Stage**

**Starting from Scratch.....**

**Front Desk Impact on the Organization**

**BENCHMARKING & PERFORMANCE MEASUREMENT**

**Wrap-up & Questions**



# Benchmarking & Performance Measurement

## Definition

### Benchmarks

Points of reference or comparison, which may include standards, critical success factors, indicators, metrics

### Benchmarking

Measuring your performance against that of organizations with best practices, determining how these best-in-class achieve these performance levels & using this information as a basis for your own operations improvement strategy

# Benchmarking & Performance Measurement

## Why Measure Performance?

- ✓ Provide data that can be used to create an incentive program
- ✓ Provides a process to identify and creatively address operating problems
- ✓ Measure individual performance to identify internal best practices
- ✓ Show how efficiently the staff is functioning

# Benchmarking & Performance Measurement

## Internal Benchmarking

- Monitor internal progress over time
- Track changes against operational measures
- Validate that process improvement is having desired effect

## External Benchmarking

- Compare CHC to similar sized organizations
- Measure CHC performance against average performers & against high performers
- Identify where CHC could be more productive or efficient

# Benchmarking & Performance Measurement

## 10 Step Benchmarking Program\*

1. Determine what is critical for your CHC's success
2. Define the matrices to measure
3. Determine Internal or External Benchmark
4. Measure performance
5. Compare performance to benchmark

\* Dan Gans 10 Step Program, MGMA

# Benchmarking & Performance Measurement

## 10 Step Benchmarking Program\*

6. Determine the actions needed
7. Identify the best performer – copy or recreate
8. Adapt a best process
9. Implement, reassess, evaluate and measure
10. Loop back to # 4 PDSA (Plan Do Study Act)

\* Dan Gans 10 Step Program, MGMA

# Benchmarking & Performance Measurement

## Define What Will Be Measured

- Patient Satisfaction
- 360 Review Outcomes Data
- Patient Cycle Time
- Claims denials
- Accounts Receivable Days
- Changes in Net Revenue
- Changes in Provider Productivity

# Benchmarking Front Desk Operations

## 360 Review – Overview

- An employee feedback & evaluation process
- Gathers feedback from multiple sources that come from all around an employee
  - Peers, supervisors, subordinates, consumers
- Includes a self assessment

# Benchmarking Front Desk Operations

## 360 Review – Uses

- Identify individual strengths & opportunities for improvement
- Identify commonalities among staff performing similar jobs
- Provides feedback on how staff can perform at a higher level
  - Plan training and development



# Benchmarking Front Desk Operations

## 360 Review – Uses

- Provides feedback on how staff can better interface with others in the organization
  - I.e. Front desk is able to complete the necessary forms to allow the billing staff to process clean claims

# Benchmarking Front Desk Operations

## Patient Satisfaction Surveys - Overview

- HRSA expects FQHCs to assess patient satisfaction\* <http://bphc.hrsa.gov/patientsurvey/samplesurvey.htm>
- A short, easily administered questionnaire
- Provides information & insight about patient's views of services

# Benchmarking Front Desk Operations

## Patient Satisfaction Surveys - Overview

- Must specifically design questions related to front desk operations
  - Were front desk staff courteous?
  - How long did you wait before being checked in?
  - Did front desk staff verify your demographic information?
- Use survey results to design and track quality improvements over time

# Benchmarking Front Desk Operations

## Patient Cycle Time

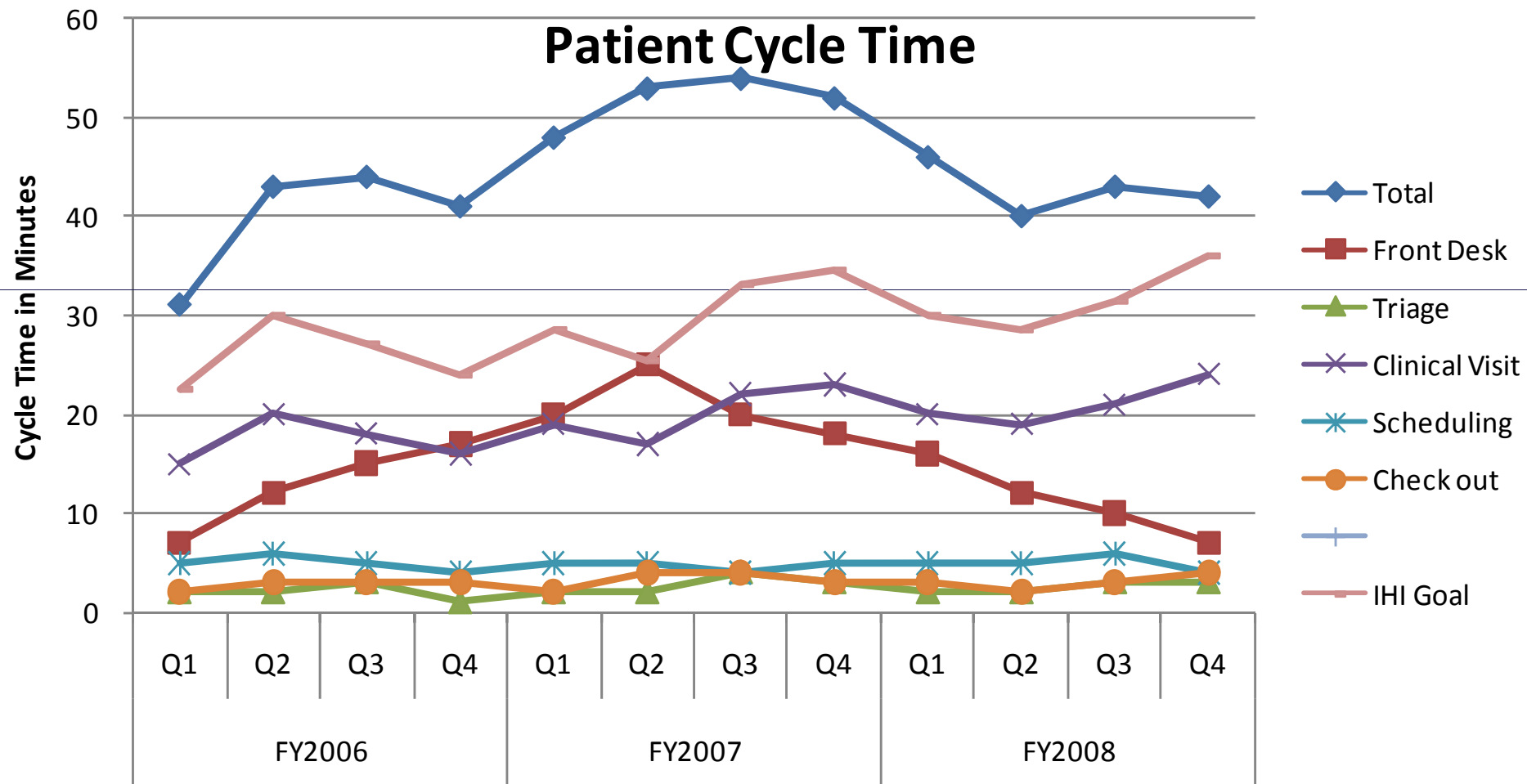
- The amount of time that a patients spends at an office visit, beginning at the time of arrival and ending at the time of check out
- Track patient cycle time by function to identify **value-add** and **non-value-add** time spent at the CHC
  - Goal is to maximize the value-added time that patients spend with providers

# Benchmarking Front Desk Operations

## Patient Cycle Time

- The Institute for Healthcare Improvement suggests that patient cycle time should be approximately 1.5 times the actual time spent with the clinician
  - 30 minutes with provider = 45 minutes cycle time
- Track over time to identify trends
- As cycle time in non-value-add areas increases, provider productivity decreases

# Benchmarking Front Desk Operations



# Benchmark Front Desk Operations

## What Next?

- Define issues, indentify **red flags**, design solutions, measure success
- Conduct operations analysis and plan for change to optimize CHC efficiency
- Design and implement system to continually monitor operations and implement changes to improve operations

# Presentation Overview

**Front Office Efficiency– Setting the Stage**

**Starting from Scratch.....**

**Calculating Staffing Ratios**

**Benchmarking & Performance Measurement**

**WRAP-UP & QUESTIONS**



# Questions???



# Contact Information

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