FRONT OFFICE EFFICIENCY

MAXIMIZING PRACTICE REVENUE
STARTING AT THE FRONT DESK

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

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FRONT OFFICE EFFICIENCY—SETTING THE STAGE

Starting from Scratch.....

Front Desk Impact on the Organization

Benchmarking & Performance Measurement

Wrap-up & Questions
You only get one chance
to make a first impression.....
Setting the Stage

Make it Good!
Setting the Stage

Every Penny Counts
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

Front Desk Operations

- Scheduling
- Registration
- Collections
- Billing
- Medical Record & Documentation
- Clinical Visit
FRONT OFFICE EFFICIENCY – SETTING THE STAGE

Starting from Scratch…..

Front Desk Impact on Organization

Benchmarking & Performance Measurement

Wrap-up & Questions
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

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**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

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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
## Design the Right Processes

<table>
<thead>
<tr>
<th>Design Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Systematically evaluate processes PDSA</td>
<td></td>
</tr>
<tr>
<td>✓ Involve the people who touch the process in the design</td>
<td></td>
</tr>
<tr>
<td>✓ Map flow patterns</td>
<td></td>
</tr>
<tr>
<td>✓ Implement the process</td>
<td></td>
</tr>
</tbody>
</table>
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
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

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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

Act → Plan

Study → Do
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.*

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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

- 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

- 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

- Collects co-pays up front
- Reviews patient balance at every visit, accepts payments on payment plans
- Reviews financial policy at every visit
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
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
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.
## Impact on Provider Productivity

<table>
<thead>
<tr>
<th></th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Visits</td>
<td>Hourly Visits</td>
<td>Annual Visits</td>
</tr>
<tr>
<td>Dr. Smith</td>
<td>3,726</td>
<td>2.40</td>
<td>3,465</td>
</tr>
<tr>
<td>Dr. Jones</td>
<td>3,493</td>
<td>2.25</td>
<td>3,231</td>
</tr>
<tr>
<td>Ms. Hyatt - NP</td>
<td>3,019</td>
<td>1.75</td>
<td>2,717</td>
</tr>
<tr>
<td>Total Annual Visits</td>
<td>10,238</td>
<td></td>
<td>9,413</td>
</tr>
<tr>
<td>Increase / (Decrease)</td>
<td>Base Year</td>
<td></td>
<td>(825)</td>
</tr>
</tbody>
</table>

### Average Hourly Productivity

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Productivity</th>
<th>% inc./(decr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006</td>
<td>2.13</td>
<td>Base Year</td>
</tr>
<tr>
<td>FY2007</td>
<td>1.96</td>
<td>-8%</td>
</tr>
<tr>
<td>FY2008</td>
<td>2.37</td>
<td>21%</td>
</tr>
</tbody>
</table>
## Impact on Revenue Generation

<table>
<thead>
<tr>
<th>Payor Type</th>
<th>FY2006 Payor Mix</th>
<th>FY2006 Net Revenue</th>
<th>FY2007 Payor Mix</th>
<th>FY2007 Net Revenue</th>
<th>FY2008 Payor Mix</th>
<th>FY2008 Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>55%</td>
<td>838,994</td>
<td>52%</td>
<td>744,650</td>
<td>60%</td>
<td>1,061,579</td>
</tr>
<tr>
<td>Uninsured</td>
<td>20%</td>
<td>51,189</td>
<td>27%</td>
<td>64,810</td>
<td>17%</td>
<td>50,368</td>
</tr>
<tr>
<td>Medicare</td>
<td>15%</td>
<td>170,461</td>
<td>13%</td>
<td>138,685</td>
<td>14%</td>
<td>184,529</td>
</tr>
<tr>
<td>Commercial</td>
<td>10%</td>
<td>92,141</td>
<td>8%</td>
<td>69,808</td>
<td>9%</td>
<td>97,886</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,152,785</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,017,953</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,394,363</strong></td>
</tr>
</tbody>
</table>

% Inc / (Dcr) Base Year: -12% 37%

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

<table>
<thead>
<tr>
<th></th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Claims Filed</strong></td>
<td>10,238</td>
<td>9,413</td>
<td>11,391</td>
</tr>
<tr>
<td>Denials</td>
<td>2,048</td>
<td>2,824</td>
<td>1,709</td>
</tr>
<tr>
<td>% Incorrect Demographics</td>
<td>717</td>
<td>1,553</td>
<td>171</td>
</tr>
<tr>
<td>Time to Fix Claim (Hours)</td>
<td>1,536</td>
<td>2,118</td>
<td>712</td>
</tr>
<tr>
<td>Time to Fix Demographic Denials (Hours)</td>
<td>537</td>
<td>1,165</td>
<td>128</td>
</tr>
<tr>
<td>Staff Cost to Fix Denials</td>
<td>$26,874</td>
<td>$38,176</td>
<td>$13,218</td>
</tr>
<tr>
<td>Cost to fix Incorrect Demographics</td>
<td>$9,406</td>
<td>$20,997</td>
<td>$2,379</td>
</tr>
<tr>
<td><strong>FTE to Fix Claims</strong></td>
<td>0.26</td>
<td>0.56</td>
<td>0.06</td>
</tr>
</tbody>
</table>

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)
## Impact on AR Days

AR Outstanding because of Demographic Denials

<table>
<thead>
<tr>
<th>Number Days</th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Revenue</td>
<td>Net Revenue</td>
<td>Net Revenue</td>
</tr>
<tr>
<td>Original Claim Process</td>
<td>58,730</td>
<td>122,867</td>
<td>15,924</td>
</tr>
<tr>
<td>Days in Office prior to Refile</td>
<td>3,583</td>
<td>10,694</td>
<td>756</td>
</tr>
<tr>
<td>Refile Days</td>
<td>11,932</td>
<td>22,883</td>
<td>2,768</td>
</tr>
<tr>
<td>Total Days to Receive Payment</td>
<td>6,450</td>
<td>11,518</td>
<td>1,468</td>
</tr>
<tr>
<td>Clean Claim</td>
<td>80,695</td>
<td>167,962</td>
<td>20,915</td>
</tr>
<tr>
<td>Variance</td>
<td>% Inc / (Dcr)</td>
<td>Base Year</td>
<td>% Inc / (Dcr)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>108%</td>
<td>-88%</td>
</tr>
</tbody>
</table>
Presentation Overview

Front Office Efficiency – Setting the Stage

Starting from Scratch…..

Front Desk Impact on the Organization

BENCHMARKING & PERFORMANCE MEASUREMENT

Wrap-up & Questions

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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
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
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
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
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
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
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
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 patient 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.
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

Patient Cycle Time

<table>
<thead>
<tr>
<th>Cycle Time in Minutes</th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

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What Next?

• Define issues, identify **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???
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