

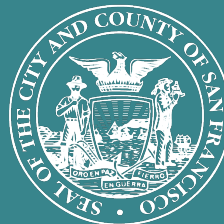


ZUCKERBERG  
SAN FRANCISCO GENERAL  
Hospital and Trauma Center

# Revenue Cycle Optimization

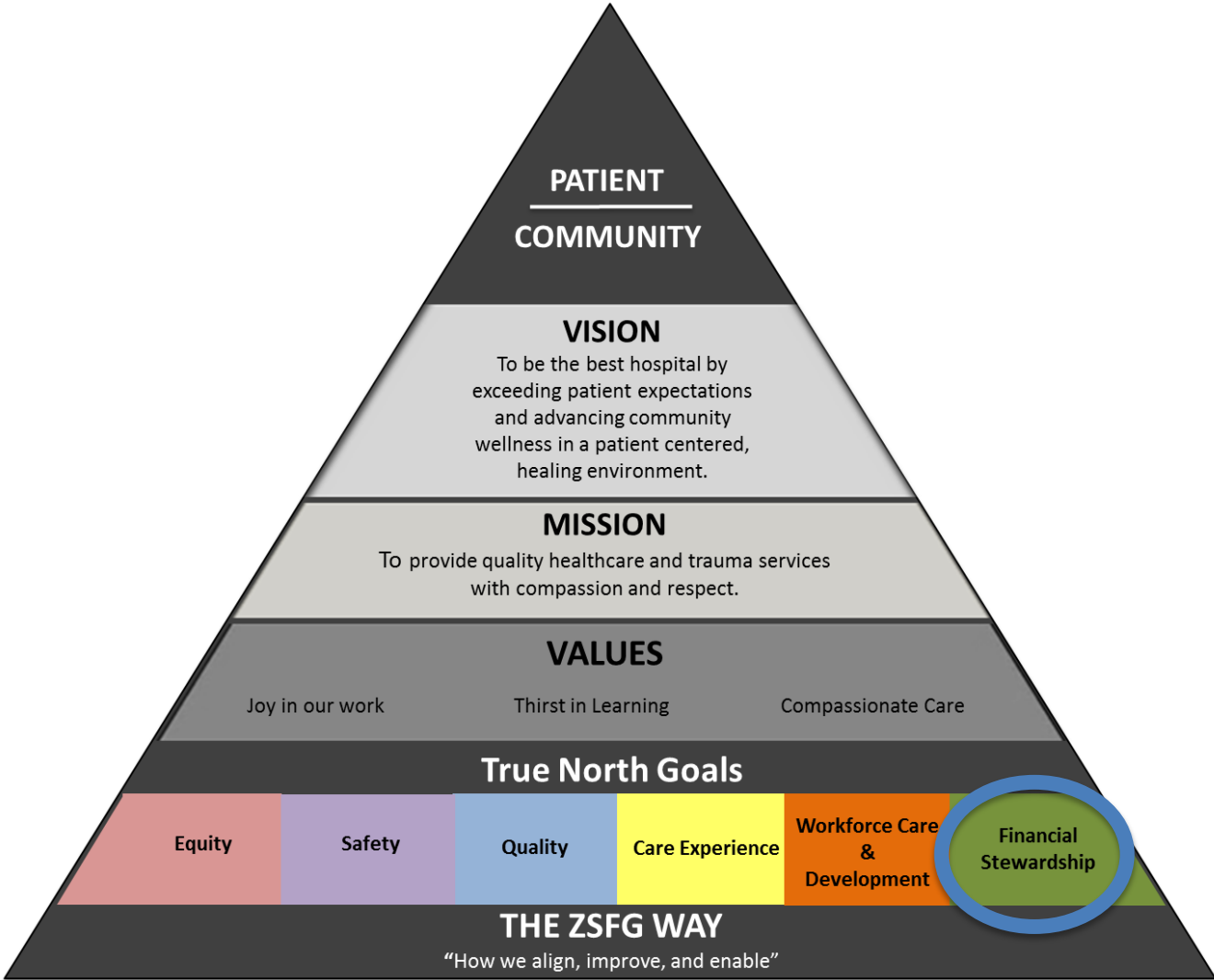
Eric Wu, Chief Financial Officer

Hemal Kanzaria, Chief of Performance Excellence



San Francisco Department  
of Public Health

# ZSFG TRUE NORTH



# Revenue Cycle Optimization



**Title: Revenue Cycle Optimization**  
**Owner: Jennifer Boffi**

**Team: Amy Ou, Diane Lovko-Premeau, Reanna Mourgos, Matt Sur, Thomas Istvan, Eric Wu, Tanvi Bhakta**

Ver: 4	Date: 6/07/2023		
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**I. Background:**

DPH and the SFHN have been exploring financial models to better support and serve our community due to the amount of money spent annually on Out of Network (OON) care. During the scoping and exploration of options, it was uncovered that 50% of the inpatient and specialty procedures population at ZSFG is fee for services (FFS) vs our capitated model. This happened, in part, because of the FFS recent conversion of the consortium clinics to FFS which increase our inpatient FFS population. Patient populations in the FFS model require a higher level of authorization review and denials management to ensure proper payment to ZSFG and the health plan for services provided. Inaccurate or incomplete authorization and denials managements results in lost revenues.

**II. Current Conditions:**

Clinical Documentation Integrity query rate:  
 Denied Hospital Billing (HB) Claims rate pre-FFS: 14.5% (does include self denials) \*reassess for Q1 2023 for new baseline  
 Denied Professional Fee Billing (PB) Claims rate: 7.8%  
 Timeliness of authorizations:  
 HB Clean Accounts and Claims rate: 71% (can still be denials downstream)  
 PB Clean Accounts and Claims rate: 51%

Primary Financial Class  
**48% Medi-Cal FFS.**

Primary Financial Class	Admission#	Total Adm
Medi-Cal	2,092	21,474
Medicare	2,059	22,274
Medi-Cal Managed Care	1,974	18,974
Medicare Managed Care (MCO)	523	5,231
Commercial Health	523	5,231
Commercial MCO	402	4,021
Healthy Services/SHS	274	2,741
Healthy San Francisco	229	2,291
Self Pay	442	4,421
Other Government	84	841
Medicaid Group	62	621
County Indigent	35	351
Medi-Cal Pending	308	3,081
Other	17	171
Self	1	11
Charity	1	11
Uninsured Specialty Health	1	11
Grand Total	14,448	144,481

HB: Include % numerator/denominator definition, comparison group, dates pulled in next version.

**Problem Statement:** Current ZSFG clinical and financial workflows result in denied claims and lost revenue which impacts our true north goals of Financial Stewardship and ultimately our ability to be the best hospital for our patients.

**III. Targets and Goals:**

Selected Metrics	Baseline(at FFS go-live)	Benchmark	Target by [When]
HB Denial Rate (acute stays and outpatient specialty procedures)	18.6%	8.8%	17.0% [December 2023] 15.6% [June 2024]

**IV. Analysis:**

1. Who is everyone that touches the MR?	1. At what point in the process are the claims denied?	1. Governance is decentralized	Problem Statement: Current ZSFG clinical and financial workflows result in denied claims and lost revenue.
2. Stratify denials by classification/discipline	2. How are denials selected?	2.	
	3. Appeals process cycle time	3.	
		4.	
1. Epic, Claims data, compliance database- very manual current state	1. Excel/G&A tracking system for managing denials (DOCC/HIMS)	1. Transitional residential bed availability	
2. Epic has report capabilities	2. Unclear tracking coordination	2. Transitions Transition (complex care management)	
		3.	

**C. Materials**      **D. Equipment**      **E. Environment**

**V. Possible Countermeasures:**

Cause/Barrier Addressed	Countermeasure	Description ("If-Then")	Impact	Effort
People	Denials Taskforce	If we form a taskforce, then we will define root cause for what we are denied for and develop an action plan to manage the denial rate.	High	High
Creating capacity for transition to FFS	Patient Self Scheduling	If we allow patient self scheduling, then we create internal capacity to support denials management activities.	High	High
Creating capacity for transition to FFS	Clinic utilization	If we optimize clinic utilization, then we will improve patient access and reduce acute care utilization.	High	High
Creating capacity for transition to FFS	Automate authorizations	If we automate authorizations, then we will have clean and timely claims.	High	High

**VI. Plan:**

Countermeasure	Description and Expected Result	Owner	Date
Denials Taskforce Formation	Invite, develop PASTA and schedule meetings for the following (Aaron Harries, Tammy Higgason, Reanna Mourgos, Marissa Foster)	Reanna/Marissa	1/1/23
Develop baseline for denials	Monitor denials data and develop baseline for denials rate.	Thomas	4/1/23
Define denials (HB)	Denials taskforce to breakdown HB Denial rate and define components, stratify by REAL/SOGI	Reanna/Marissa	TBD
Develop and deploy countermeasures for specific denials	Discover best practices and identify root causes of denials at ZSFG and develop countermeasures (Denials Taskforce)	Reanna/Marissa	TBD
Patient self scheduling taskforce	Create patient self scheduling parameters and patient demo. Stratify by REAL/SOGI on who is self scheduling/data.	Jennifer/Thomas	6/1/23
Clinic utilization taskforce	Standardize practice for clinic utilization (block schedules and re-scheduling a scheduled appointment).	Jennifer/Thomas	6/15/23
Automate authorizations	Explore payor platform and other Epic opportunities.	Jennifer/Jenna	7/1/23

**VII. Follow-Up:**

Catch-ball A3 at exec, expanded exec and with ZSFG Equity Director/Council. CB with Network A3 owners following exec CB. Bi-weekly report out at exec committee. Denials taskforce report out monthly to exec steering committee. Self Scheduling taskforce report out monthly to exec steering committee. Clinic utilization taskforce report out monthly to exec steering committee.

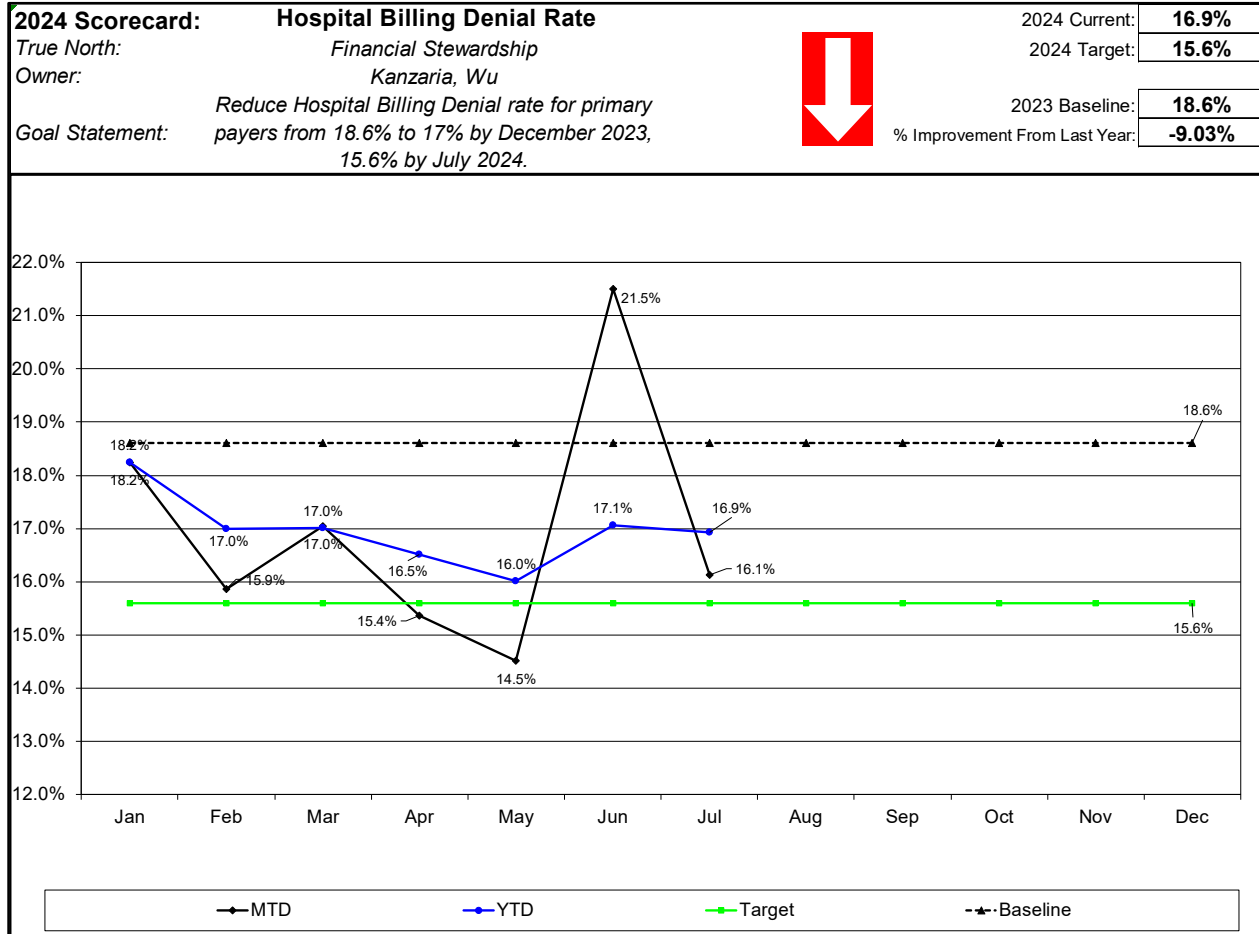
# BACKGROUND

- DPH/SFHN exploring financial models for out of network (OON) costs
- 50% of inpatient/specialty at ZSFG are already Fee for service (FFS)
- Consortium clinics conversion to FFS increased FFS patients
- FFS requires more authorization review and denials management
- Inaccurate or incomplete authorization and denials management result in lost revenue


# CURRENT CONDITIONS

## Clinical Documentation Integrity query rate:

- Denied Hospital Billing (HB) Claims rate pre-FFS: 14.5%
- Post-FFE baseline: 18.6%



# CURRENT CONDITIONS

Operational Area (Metric)	Baseline	Target FY24	FY24 Actual
<i>HB Denial Rate (acute stays and outpatient specialty procedures)</i>	18.6%	 15.6%	16.0%

# PROBLEM STATEMENT



# COUNTERMEASURES

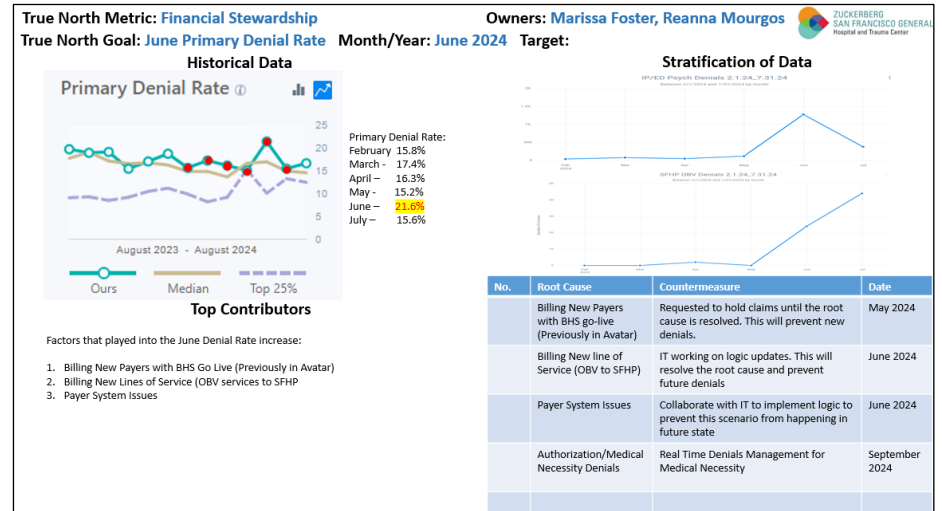
***Plan: What, where, how will you implement, and by whom and when?***

<i>Countermeasure</i>	<i>Description and Expected Result</i>	<i>Owner</i>	<i>Date</i>
Denials Taskforce Formation	Invite, develop PASTA and schedule meetings for the following (Aaron Harries, Tammy Higgason, Reanna Mourgos, Marissa Foster)	Reanna/Marissa	Completed
Develop baseline for denials	Monitor denials data and develop baseline for denials rate.	Thomas	Completed
Define denials (HB)	Denials taskforce to breakdown HB Denial rate and define components, stratify by REAL/SOGI	Reanna/Marissa	Completed
Develop and deploy countermeasures for specific denials	Discover best practices and identify root causes of denials at ZSFG and develop countermeasures (Denials Taskforce)	Reanna/Marissa	Ongoing



# DENIALS TASKFORCE

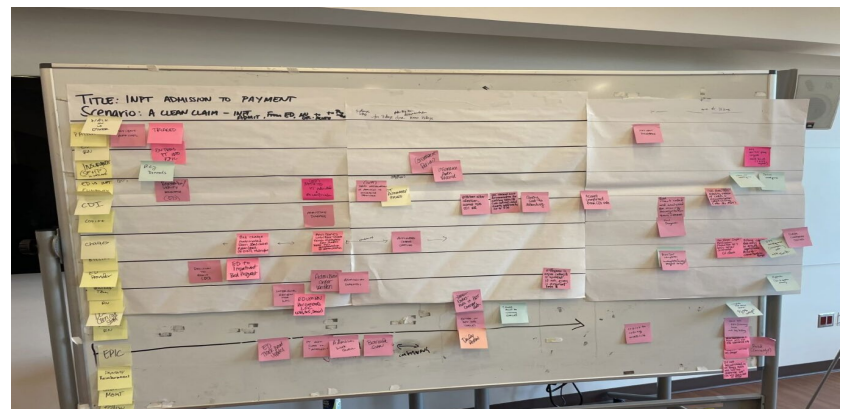
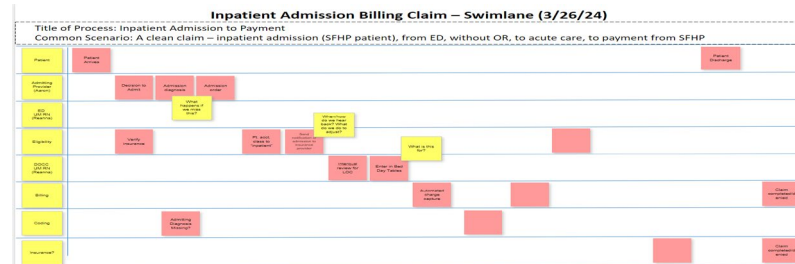
1. Deepening understanding of contributors to denials at ZSFG currently
  - a. Developing operational A3 on denials to articulate current state and inform future efforts
  
2. Advancing ongoing PDSAs
  - a. Expanding Observation Services
  - b. Exploring increased reimbursement opportunities related to surgical conditions e.g., appendicitis, joint replacements
  - c. Relationship building with health plans
  - d. Medical Necessity / Lower Level of Care Efforts



Denial Bucket	Volume	Dollar Amount	Process Map Completion	Incidence Breakdown (Volume per Incident)	Primary Stakeholder Department	Secondary Department	Denials Taskforce Lead	Data SME	Contributing Factors	Countermeasures	Approved/Overturned	Examples (Overturned)
Medical Necessity/Low Level of Care Denials	1275	\$22.2 million	COO, 22 million		Department of Care Coordination	Clinical Documentation Integrity	Reanna Mourgos	John Wilmer	Inappropriate Admissions Billing Admissions COO - Call Payers/Review on an ad Discontinue Conversation Lack of Documentation to meet Medical Necessity Lack Appropriate Admissions W/C Conversation	Real Time Denial Review: Plan to Pair Requests to Review Requests Direct Billing Tool Discontinue Conversation		
Coding	Diagnosis Not Covered 1146 Coverage Determination Denials 1025/1020 2375	\$1.2 million COO, 2 million			HMS		Tammy Higgins		Contributing Factors Lack of Documentation to meet Medical Necessity Lack Appropriate Admissions W/C Conversation COO - Call Payers/Review on an ad Discontinue Conversation	Provisional Education Implementation of clinical utility/Tag Lack Appropriate Admissions W/C Conversation		
Denial Bucket	Volume	Dollar Amount	Process Map Completion	Incidence Breakdown (Volume per Incident)	Primary Stakeholder Department	Secondary Department	Denials Taskforce Lead	Data SME	Contributing Factors	Countermeasures	Approved/Overturned	Examples (Overturned)
									Issues with RTE	Review Standard from RTE Implementing		

# ACHIEVEMENTS, HIGHLIGHTS, AND CELEBRATIONS

- **Joint Replacement A3:** Current state understanding and root cause analysis to address denials related to joint replacement
- **Expansion of Services:** Expansion of observation services to include Medicaid/SFHP
- **Partnership with Health Plans:** Allowing for real-time collaboration on erroneous denials
- **New HIM Director:** Mary Holloway, the new HIM Director.
- **Improvement Science Integration:** Developed countermeasure summary to analyze reasons for denials on monthly basis
- **Team Collaboration:** Brought broad teams together in person for the first time to align efforts and develop revenue cycle swim lane



# NEXT STEPS

- Global Strategy Review
  - Updated the PASTA & strategic team meeting to include new leaders and areas of focus
  - Conducted initial strategic discussions to engage leaders on achievements & challenges in FY 24
  - Developed a draft strategic A3 worksheet to prepare for FY 25
  - Investigated several other Key Performance Indicators that impact Revenue Cycle:
    - CMI (Case Mix Index)
    - Medical Record Completion
    - Clinical Document Integrity Response Rate
    - Revenue Realized Percent
    - Accounts Receivable Days
    - CDI Clinician Trainings
    - Potential ROI/finance KPI related to the 9th OR and improvement work related to total joint replacements (TJR).

# QUESTIONS COMMENTS DISCUSSION

