Huntsville Hospital Health System
Hayes Drives Improvement of Huntsville Revenue Cycle through Operational and Financial Optimization

Huntsville Hospital, located in Madison County, Alabama is a 941-bed, community-based not-for-profit hospital established in 1895. It is the second largest hospital in the state. Huntsville Hospital Health System is the nation’s third largest publicly owned hospital system with more than 1,800 beds and 12,000 employees.

Huntsville management was looking to improve their overall revenue cycle performance, specifically annual cash collections and increasing accounts receivables related to the Central Billing Office (CBO). They reached out to Hayes to conduct a comprehensive review and provide a performance improvement roadmap.
Huntsville wanted a rapid assessment of their entire revenue cycle to validate their assumptions regarding their decrease in net collections over the past calendar year.

“We knew there were issues and we wanted to get to the bottom of them quickly so we could initiate appropriate corrective actions,” said Kelli Powers, Chief Financial Officer, Huntsville Hospital Health System.

Hayes revenue cycle consultants were onsite for two weeks to observe workflows and interview staff and key stakeholders. They conducted in depth discussions with senior management to understand their concerns and establish program objectives around cash acceleration and revenue cycle efficiency.

Hayes assessment reveals improvement opportunities
The Hayes team utilized its Revenue Cycle Diagnostic tool to validate findings through observation, reports and documentation and to identify and quantify opportunities for revenue cycle performance improvement. They leveraged the Hayes Revenue Cycle Benefit Forecast Tool to forecast potential one-time and ongoing cash opportunities.

Hayes uncovered several key areas for improvement including:
- Enhanced systems integration and use of Health Quest software and other bolt-on systems
- Increased audit and monitoring of KPI's
- Implemented regular Revenue Cycle Committee meetings
- Improved communication among CBO, IT and other Revenue Cycle Departments
- Identified several areas for automation to streamline and improve operational efficiency and productivity
- Tightened internal controls
- Better monitoring of vendor contracts

Interim Management helps drive improvement results
To help implement the recommended improvement actions, Huntsville placed Hayes consultants in the interim management positions of Interim Executive Director of Revenue Cycle, Interim Patient Access Manager and IT-Special Projects Consultant.

Working closely with the Huntsville revenue cycle team, Hayes was able to realize significant results in 90 days including:

- Reduced claims backlog from $86M to $18.1M
- Increased Billing Clean rate from 68% to 81%
• Increased total collections $39M
• Increased cash collections from 94% to 103%
• Increased net revenue by $34M
• Increased average month collections by $4M
• Reduced A/R by $39M
• Decreased Days in A/R from 46 to 39 days
• Decreased total A/R >90 days from 30% to 24%
• Decreased total Medicare A/R >60 days from 18% to 10.8%

Process improvements ensure continued future success
In order to maintain a high level of performance, several changes in the revenue cycle operation were instituted including:
• Restructured Patient Financial Services and Patient Access and change management oversight
• Established a monthly cash target and developed a daily cash sheet
• Developed KPI’s to monitor and track performance
• Implemented daily, weekly and monthly progress reporting process
• Engaged HIM, Patient Access and Revenue Integrity departments to assist with billing edits to move ownership to appropriate departments
• Implemented Availity software tool to assist with eligibility, patient demographics, authorizations, payment plans and propensity to pay

Other revenue cycle improvement initiatives included developing standards, manager training, QA processes and streamlined workflows throughout the revenue stream.

“We could not be more pleased with the work Hayes did. Their work made such a substantial financial impact in the first 90 days that we extended Hayes to assist with ongoing revenue cycle performance improvements,” summarized CFO Kelli Powers.

About Hayes Management Consulting
Hayes Management Consulting is a leading, national healthcare technology enabled solutions firm that partners with healthcare organizations to improve revenue, mitigate risk and reduce operating costs to drive success in an evolving healthcare landscape. MDaudit Enterprise is the industry leading compliance software that provides workflow automation, continuous monitoring and anomaly detection in a single, integrated cloud-based platform.

To learn how Hayes Management Consulting can help support your initiatives, call 617-559-0404 or requestconsultant@hayesmanagement.com