



## Administration & Invoicing Private Healthcare - Cardiology

A Case Study by **MCGRATH** 

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## Introduction

The program covered a number of departments with particular focus on the Hospital Finance and Accounts and the Cardiology and Angiography Practice

### Departments covered:

*Accounts:* responsible for the invoice and submission of claims to the Hospital Finance department. Accounts also retain responsibility for the revenue and profitability of the practice.

*Hospital Finance:* payments receivable from Private Health Insurance companies for the In-hospital care and treatment of patients. Responsible for debt and payment lead time management.

*Consultant Secretaries:* responsible for the booking and scheduling of appointments for clinics. Consultant secretaries are also charged with production of follow up communications and patient reception.

*Angiography Procedure Labs:* scheduling and completion of Invasive and non-invasive angiography procedures. Registration and communication of patient arrivals, patient call-in and post-test patient flow.

*Cardiology Test Rooms:* scheduling and completion of investigative and diagnostic testing for both pre and post procedure. Registration and communication of patient arrivals, patient call-in and post-test patient flow.

## Problem Statement

*Accounts:* the existing problems centered on the completion and submission of claims for completed procedures. These issues manifested themselves in fluctuating revenue lines, Invoice backlogs and increases in the volume and value of the Aged Debt Profile. An exercise was underway to analyze all outstanding debt from the previous two years, however as

this was to be completed with existing resources only, progress had been minimal.

*Hospital Finance:* the co-ordination of all departments to complete and submit claims in line with closure dates was proving problematic and delaying submission of these forms as Invoices to the liable authorities.

*Consultant Secretaries:* need to improve patient service levels and belief amongst the Consultant Secretaries that appropriate systems and standardization would result in greater efficiency for their pivotal role.

*Angiography Procedure Labs:* identified need for a formalized booking and scheduling system for patients and communication of consultants' movements.

*Cardiology Test Rooms:* unacceptable patient waiting times and service levels.

## Objectives

1. To deliver a substantial financial return through recovery of previous two years outstanding claims payable to the practicing consultants, and a reduction in the lead time to submit and receive payment on a claim (reduced debtors' days).
2. To design and install a management system with particular reference to intra-departmental service levels, structural issues such as responsibility and organization and also a formalized system of operation.
3. To determine the scope for additional patient throughput within the Cardiology & Angiography department. The revenue generated through this area is significant to the hospital so optimizing utilization of the available resources was a key commercial aim.

## McGrath Solution

Across the areas a management system was designed and installed with particular focus on intra-departmental service levels and the

introduction of more formalized communication channels. The management system also addressed planning and scheduling issues which resulted in significant performance improvement, additional revenue generation and increased patient care. Structural issues such as responsibilities and organization were also addressed.

### Benefit 1 – Accounts Control

New system elements have been universally welcomed by staff and have increased their level of control over the area, reduced frustration and time in chasing vital information. The installation of a document to control the transfer of completed claims forms between sections has eliminated confusion surrounding incomplete/missing claims forms and improved Aged Debt Profile.

### Benefit 2 – Increased Cashflow

The significant backlog of invoices covering the previous two years was completely cleared thereby significantly reducing the average debtor days. Patient discharges to invoice targets were established and a report introduced which enable the facility to gauge the subsequent improvements.

### Benefit 3 – Increased Turnover

Key benefits included improved patient levels, reduced waiting times, and improved turnaround of patient communications particularly patient follow-up letters and greater intra-departmental communication. Reduced stress and improved morale amongst staff.

### Benefit 4 – Reduced Overtime and Patient delays (Cardiology)

Increased communication and improved estimates for patient throughput via a formalized system for booking and scheduling patients. This coupled with clearer Consultant visibility of each others commitments has increased plan

attainment within session time reducing overtime and patient delays.

### **Benefit 5 – Increased Revenue (Cardiology)**

Improved scheduling of patients has decreased waiting times to within a 10 minute band determined to be acceptable. Optimizing patient throughput has increased revenue in the area and eased conflict with the rest of the hospital by enabling inpatients to be allocated appointment times in sync with the daily cycles of hospital inpatients.

## **Implementation**

Throughout the project the departmental team and related staff at all levels were heavily involved in analyzing the problems associated with the existing work methods, and developing an improved method based on the new systems and procedures. The manner in which the teams embraced the control systems quickly enabled them to monitor critical data in a more timely and accurate manner. The project greatly increased the control staff had over each days proceedings and the management team in turn was able to reliably report the performance transformation and communicate the improved results.

### **Cardiology Practice Accounts**

Involving all operational levels the approach was to analyze current working methods and develop an improved method based on filling the identified gaps in the system, eliminating duplication of information and improving the existing controls to allow reliable data on which to base management decisions.

A documented system with assigned responsibilities for completion and agreed timescales was formulated and tested with the support of the Cardiology team. As each claim requires several components to be in place for its completion, a series of internal service levels were established to achieve the overall goal of

invoice submission within 7 days of discharge was achieved. A system flow was developed to show the critical path and all key actions within this process. Key performance indicators were developed to monitor the efficiency of the department in turning around the claims, track elapsed time from submission of claim to payment in order to proactively manage delays and highlight incorrectly submitted claims.

## **Hospital Finance**

Existing performance and service levels were identified in conjunction with those working in the area and new performance targets and service levels were agreed.

Relevant controls were designed and installed to monitor receipt and dispatch, submission of completed claims and payment closure dates.

A base level was established per Consultant for lead-time for patient discharge to invoice submission. This was then compared to the agreed target and actual levels allowing the facility to review improvements against both previous and desired performance. An element of competition was introduced in the form of a Practice Average showing each Consultant their individual performance in relation to their colleagues.

## **Consultant Secretaries**

Major features of the Secretary's role include the preparation of rooms' notes, medical records, patient contact and reception. Support work that is fundamental to the smooth running of a busy clinic.

As the Secretaries conveyed a strong desire to work smarter and take on more responsibility for the overall performance levels a pre-clinic meeting was introduced

with a formalized Clinic support procedure to assist them to plan and schedule tests.

The agenda for the daily meeting enabled the Secretaries to schedule the tests required for new patients before their clinic appointment, reducing waiting time and enabling test rooms to be planned more efficiently. The meeting also enabled the development of a combined Weekly Practice Schedule communicating the Consultants movements to all relevant parties.

To keep “no-show” cases to a sustainable minimum, a system was developed to ensure that all patients are contacted the day before to confirm their attendance and any cancellations are filled by patients on the waiting list.

Additional standard formats for letters were agreed and introduced significantly reducing the turnaround of patient communication.

The collaboration of the Secretaries throughout was fantastic and the resulting impact of their efforts and contribution key to increased patient service levels and reduced waiting time.

## Angiography Procedure Laboratories

The introduction of a revised system for booking and scheduling patients into the area was developed with staff and generated immediate benefits.

The Registrar and Head Nurse identified the need to introduce daily meetings to review the next day's cases. Each case is plotted on the Daily Plan with time estimates for completion. The Daily Plan is also used to schedule patients required for procedures and a live status report allows smooth transition of cases within the department.

## Cardiology Test Rooms

Improved communication resulting from the introduction of the pre-clinic meetings introduced by the Secretaries and Consultants are especially apparent in the Cardiology Test Rooms. The Cardiology team now has the

ability to plan and schedule in-patient, out-patient, transfer and day case tests. The team has utilized the information to optimize throughput and as the work levels throughout the day are predictable have been able to more effectively allocate resource to cover the patient profile.

The staff at all levels have also contributed to a number of work flow changes including relocating equipment to ensure that the test machines with heaviest usage weren't bottle necked by sharing space.

## Summary

The overall financial improvement across the project life was divided into two parts, the first attributable to the Consultants in the form of unpaid invoices, and the second to the hospital by means of increased cash-flow from outstanding claims and aged debt.

Utilization of the Angiography and Cardiology facilities were measured and the results clearly show that there is sufficient capacity to manage the current demand without the construction of an additional facility at this time.

The management systems introduced were fully embraced by the Hospital Management team and welcomed as they provided quicker and better information. The greater detail available to the overall team helped solve problems and increased ownership and accountability for operational levels.



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