Operation Improvement: Enhancing Perioperative Billing

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Objective:
• Apply a standardized process throughout our Network to streamline perioperative billing.

Problem Statement:
Lehigh Valley Health Network Perioperative Services encompasses 47 operating rooms and 14 procedure rooms across 4 campuses. This accounts for approximately 44,000 surgical procedures a year. Management identified inefficiencies in the billing process. They included lack of standard work and uneven workload distribution. As a result, this increased billing errors.

Rationale:
A standard work process for perioperative billing is necessary as the American Medical Association (AMA) stated in a report: “that it is beneficial to eliminate significant administrative/personnel waste from the health care system by simplifying and standardizing current health care billing, payment and claims reconciliation processes (AMA, 2009).”

As a result, management focused on a reorganization process focused on improving billing accuracy and centralizing personnel, resulting in a significant performance improvement.

Methodology:
A multidisciplinary workgroup was formed with finance, perioperative leadership and human resources. A new job description and standard work process was developed specifically for new perioperative billing specialists. The full time employee positions were reallocated to include four billing specialists and four administrative partners. Each campus retained their associated administrative support requirements. The new billing specialists were cross-trained at each campus to gain proficiency for all surgical cases. A centralized billing department was established at an off-campus location. This location is shared with patient accounting and allows for real-time communication and collaboration. Centralized billing and O.R scheduling work under the direction of one manager. This has assisted in better comprehension of cases and accounts.

Results:
Implementation of strategies began May 2011. The reorganization successfully clarified roles and responsibilities without a reduction in force. Case volume was measured at 44,728 in Fiscal Year (FY) 2011 and 45,654 in FY 2012. The average percent billing error rate was measured at 12.18% in FY 2011 and was recently measured at 3.23% in FY 2012. The 4th quarter of FY 2012 measured at 1.20%.

Take Home Message:
• Research and focus on inefficiencies.
• Reclassification does not constitute job loss.
• Reorganization creates winning performance across system of Hospitals.