

Crowe Healthcare Summit 2019

Nurture Your Network

Upskill. Connect. Grow.

Month-End Close: Precision and Analytics

September 18

Presented by:

Sandy Astorino, Children's Hospital of Philadelphia

Scott Steiner, Banner Health

Katie Kucera, Renown Health

Jenna Haworth, Crowe LLP





Introducing Healthcare's Trusted Community: The Crowe Hive Network

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- Introduction
- “Phase 1” – Preparation & Parallel
 - Sandy Astorino, Children’s Hospital of Philadelphia
- “Phase 2” – Adoption & Integration
 - Scott Steiner, Banner Health
- “Phase 3” – Maintenance & Evolution
 - Katie Kucera, Renown Health

Agenda

Your presenters



Sandy Astorino

Is the Director of Revenue and Reimbursement for Children's Hospital of Philadelphia, where she leads three revenue teams responsible for clinical charge accuracy, pricing analysis, audit of clinical area processes and procedures, budgeting, and financial statement preparation.



Scott Steiner

is the Executive Director of Reimbursement for Banner Health, providing strategic and operational leadership for Banner's governmental reimbursement. Scott also works with a team to oversee the valuation of accounts receivable for the Banner system.



Katie Kucera

Is the Director of Finance for Renown Health Acute Care division, leading a team that works directly with front line operators to provide them financial support and analysis for their various departments. Also responsible for month end close, budgeting and capital requests for the division.

Preparation & Parallel

Sandy Astorino
Children's Hospital of Philadelphia



CHOP Overview

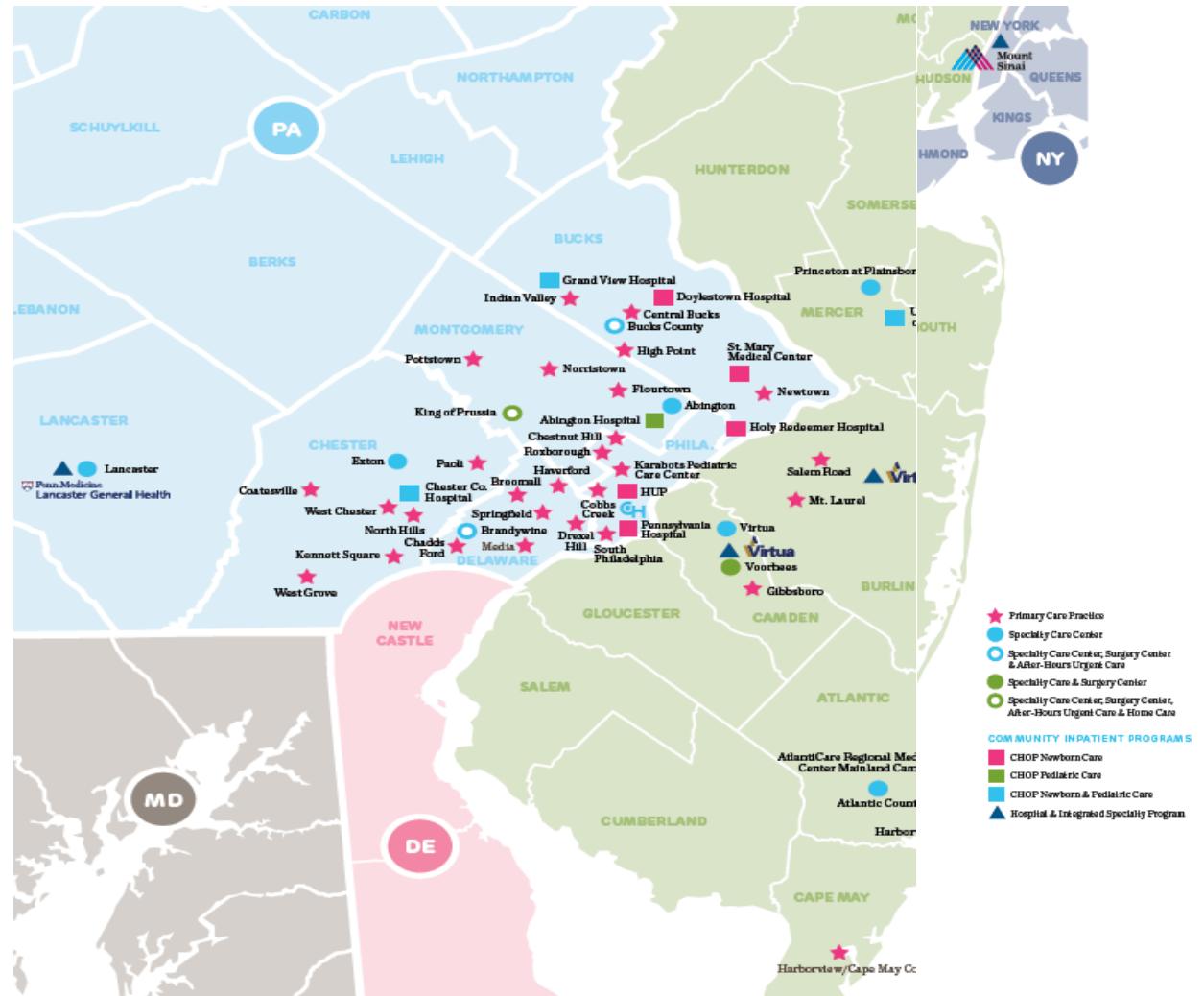
- Number of Beds: 561
- Outpatient Visits: 1.3 Million
- Number of Employees: 14,000+
- Number of Trainees: 425
- Annual Revenue: \$2.6 billion
- Total enterprise is 6.2 million square feet
- 50+ locations from New York to Lancaster PA, to Cape May NJ



Nation's First Children's Hospital

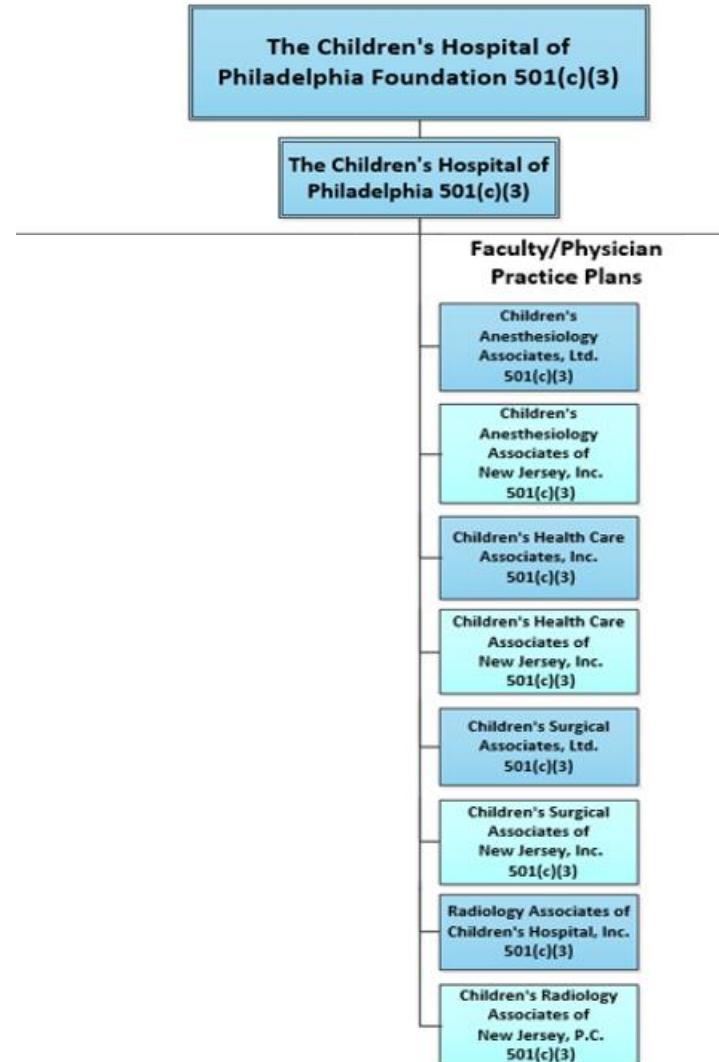
Care Network

- Includes 31 primary care sites embedded in local communities
- 250 providers
- ~250,000 children
- ~750,000 visits/year
- Largest pediatric primary care market share in Philadelphia and surrounding counties



Faculty and Physician Practice Plans

CORPORATE STRUCTURE



Rationalization of Implementing RCA

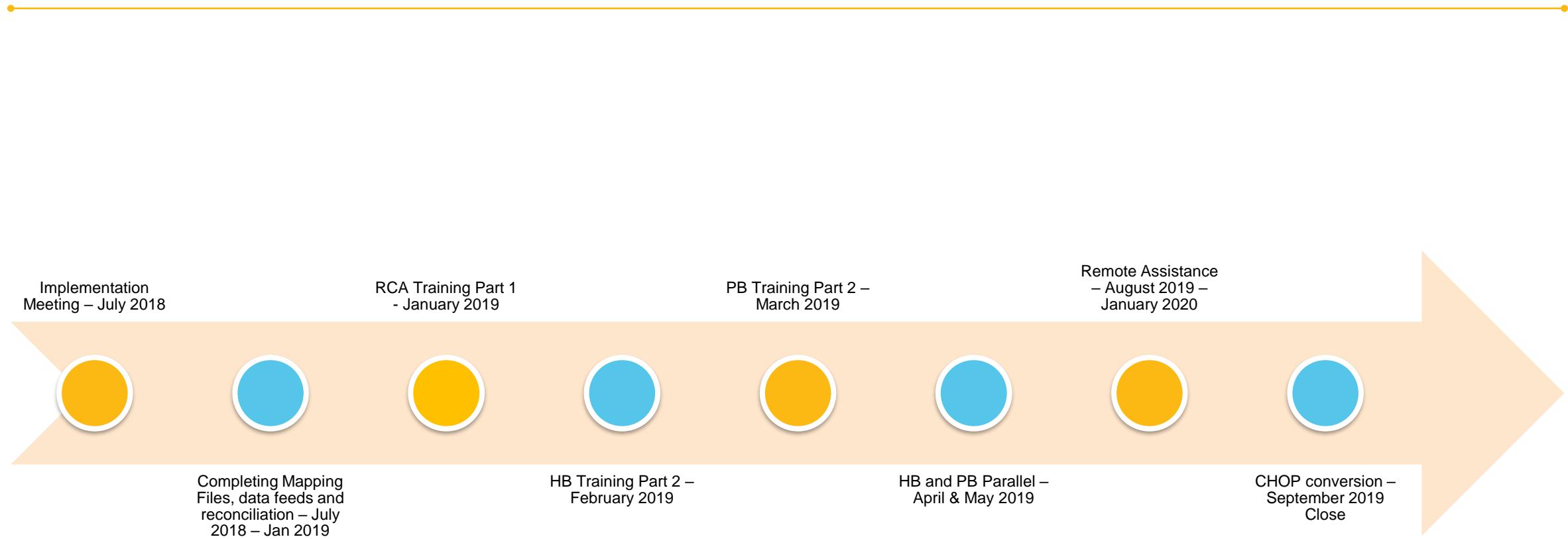
Previous Environment & Challenges

- Revenue modeling of net patient revenue and accounts receivable reserves is limited in sophistication and accuracy
- **Current revenue analytics process manual, excel based, and prone to human error**
- Hindsight analysis is time consuming and runs the risk of being inaccurate
- **Limited data is available to support analytics on Payors with growing patient payment responsibilities**
- Current reporting capabilities to support Monthly Close and Budget Variance explanations are limited
- Accuracy of revenue recognition within the financial statements is at risk as more complex and value based contracts are implemented

Anticipated Benefits of RCA

- Calculate accounts receivable reserves while accelerating the month-end close process
- **Allows for single methodology of Balance Sheet Reserves and Net Revenue Realization for Hospital and Physician Practices**
- Generates daily and midmonth net revenue reporting and projections – supports enhanced analytics
- More easily and more accurately prepare net revenue budgets and net revenue reserve modeling
- **Strengthen internal controls and improve efficiency through process improvement and standardization**
- Assist in compliance with the new Revenue Recognition Standards
- Significant reporting capabilities

CHOP – Timeline of Implementation



Our Journey – Challenges and Lessons Learned

- Implementation of both Hospital Billing and Physician Billing is very ambitious:
 - Timeline to implement both modules was longer than anticipated
 - Implementing RCA prior to new Enterprise Reporting system (Workday) created unnecessary challenges
- Decision making and system build is not easy:
 - Mapping template completion and data exports from EPIC, for both HB and PB RCA Modules, are unique
 - The lack of understanding of how RCA works, and not knowing how our choices would affect the end product, made it difficult to make decisions
- Additional support from Crowe was essential for CHOP:
 - Three month parallel for both HB and PB was needed – accelerated parallel for PB provided key intelligence to ensure commitment by all CHOP Physician Practices
 - Additional services to adopt RCA will allow for a smoother transition and better understanding by staff and leaders



Adoption & Integration

Scott Steiner

Banner Health

Banner Health Overview

- 2018 Revenue = \$8.5 billion
- Total Assets = \$11.4 billion
- Employees: 51,000+
- 28 Hospitals in 6 States
 - 6 Teaching Hospitals, including 2 Academic Medical Centers
 - 2 Children's Hospitals
 - 10 Rural Hospitals
 - 5,656 Total Licensed Beds
 - 242,933 Admissions
- Insurance Operations
 - Commercial, Medicaid and Medicare Advantage – 853,000 Risk Lives
- Ambulatory Care Delivery: ASCs, Imaging Centers and Urgent Care Centers

Banner Health Hospitals



RCA Current State

- AR = \$2.8B
- 3 Patient Accounting Systems Interfaced to RCA
 - MS4 – 28 hospitals
 - NextGen – 2,000+ physicians
 - Zotec – 42 urgent care sites
- Staffing
 - 1 Senior Director
 - 2 Program Directors
 - Reimbursement staff (limited role)
 - Crowe team (monthly close support)

RCA Operational Challenges

- Meeting CFO expectations and understanding of RCA
- Staffing the net revenue team with appropriate skill sets
- Consistent approach for explaining net revenue variances, with root causes
- Consistent mapping in RCA with PAS changes (ex: ToB/ToP settings)
- Large Balance Account valuation
- Consideration of RCA as the single source of truth for net revenue

RCA Future State

- Fully staffed centralized net revenue team
- Enhanced collaboration with CFOs, Rev Cycle, Managed Care, etc.
- Transition other ambulatory practices into RCA
- Enhanced analytics with Tableau
- RCA is the source of truth for net revenue

Maintenance & Evolution

Katie Kucera

Renown Health

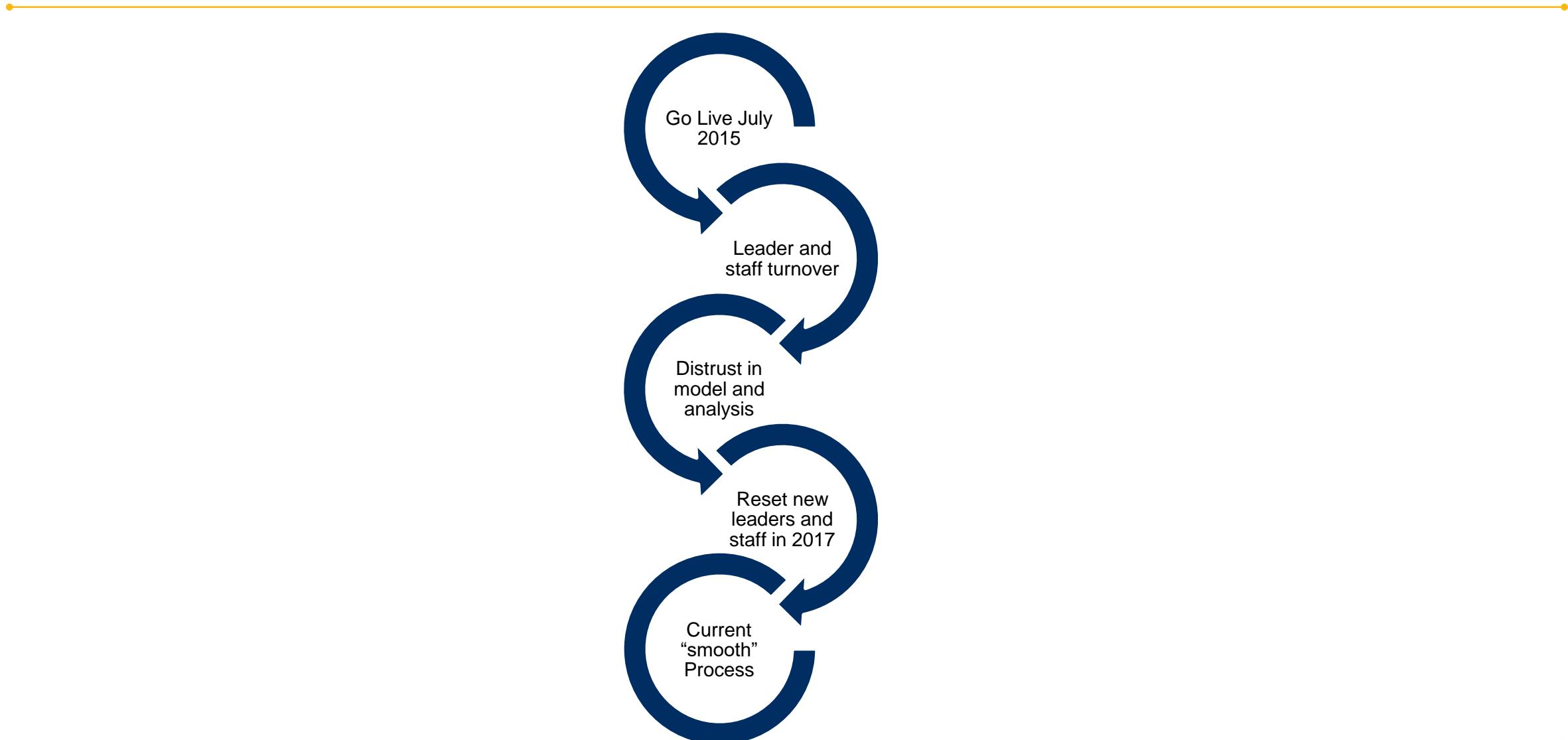


Renown Health Overview

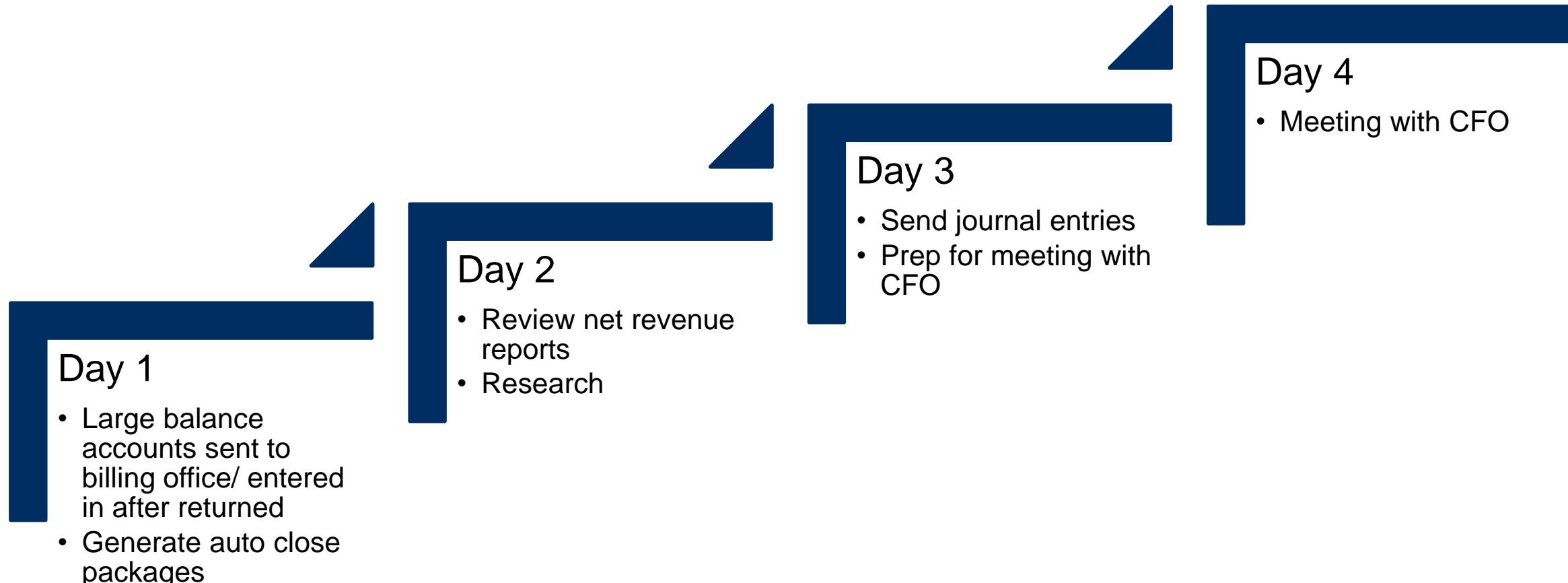
- Renown is northern Nevada's healthcare leader and Reno's only locally owned, not-for-profit health system. We are an entire network of Reno hospitals, urgent care centers, lab services, x-ray and imaging services, primary care doctors and dozens of medical specialties.
- Acute Care Hospitals (2)
 - 37,110 Discharges
 - 130,316 Emergency room visits
- Rehabilitation Hospital
 - 811 Discharges
 - 11,703 Patient Days



Journey Roadmap



Current Month End Process



Next up

- Implement charge file
- Proactive approach on balance sheet



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Thank you

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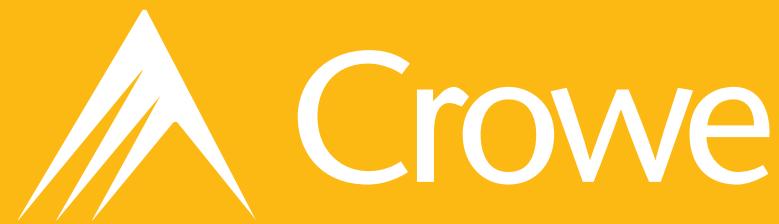
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