Crowe

Healthcare Virtual Symposium 2020: Foundational Changes to Shape our Future

Index Score, Benchmarking and What It All Means for Healthcare Providers

Alex Garrison
Brad Tinnermon
Sarah Falade

Feb. 27, 2020

Agenda

1. **Introductions**

2. **The History of the Index**

3. **Why the Index?**

4. **What is Index 2.0?**

5. **How to Use Index 2.0?**

6. **Closing**

Introductions

Presenters

Alex Garrison
Senior Manager
Crowe
alex.garrison@crowe.com

.

Brad Tinnermon
VP, Revenue Cycle & Revenue Integrity
Banner Health
Bradley.Tinnermon@BannerHealth.com

Sarah Falade, CPA
Director, Revenue Cycle Performance
Ascension Health
Sarah.Falade@Ascension.org

The History of the Index

Revenue Cycle Index Pre-2019

- Created in 2016, the Crowe Revenue Cycle Index intended to serve as a transparent FICO score for measuring revenue cycle health across the industry

- The metrics, weightings, and methodology were sourced from a group of finance and revenue cycle leaders during an innovation session.

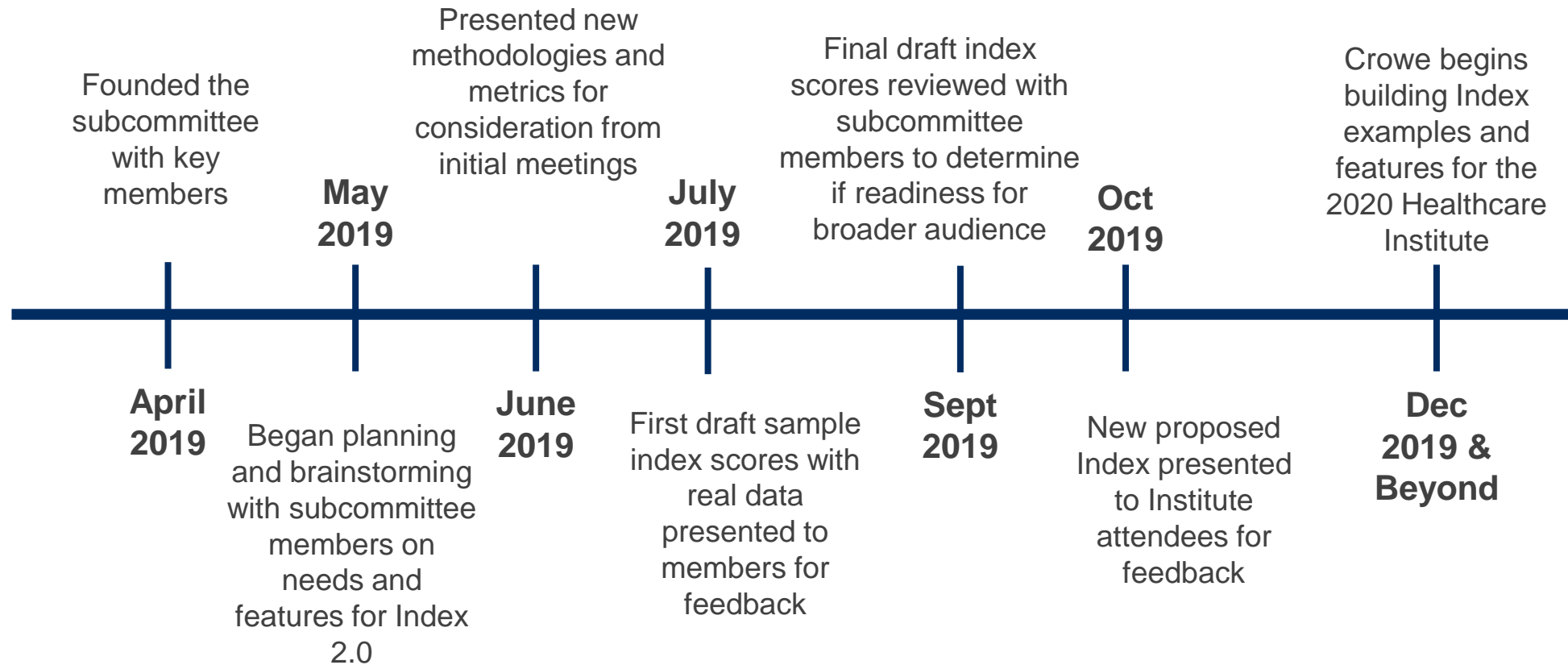- This score was deployed to Crowe's benchmarking client in 2017.

St. Mary's Hospital

Your Crowe Index Score: **73.69**

KPI (* = Uses 835 data)	Best Practice	Good	Average	Below Avg	Poor
Bad Debt (% of GPSR)		1.0%-1.6%			
Credit Days				0.8-1.3	
DNFB Days			6.4-8.4		
Initial Denial Rate *					
Insurance Payment Gap - Denied vs. Non-Denied *					
Late Charges (% of GPSR)			3.1%-5.1%		
POS Cash Collections (% of Patient Payments)					< 3.7%
Six-Month Lagged Cash to Net Revenue			103%-105.9%		
SPAI Patient Collection Rate *					
True AR > 90 Days		22.3%-28.6%			
True AR Days		43.0-50.1			

(Overall Performance Bands)

Crowe's Inaugural Healthcare Institute – January 2019

- Crowe held a session to discuss the future of the Index with a room of nearly 20 healthcare leaders from some of the largest health systems in the country.

- A lively discussion ensued with some key highlights below:

  - There is value in a universal score for measuring revenue cycle performance from a third party.

  - The score methodology needs to be more than just "interesting". It needs to be able to be applied to connect leaders to identifying value

  - Connection is important between providers. The score shouldn't be intended to create competition, but rather to increase collaboration

  - Metrics need to be normalized for a variety of factors from provider to provider. Also certain metric types need to be treated separately and distinctly.

- The group established an interest in founding a subcommittee to explore evolving the Index.

Institute Index 2.0 Subcommittee - 2019

Founded the subcommittee with key members

May 2019

Presented new methodologies and metrics for consideration from initial meetings

July 2019

Final draft index scores reviewed with subcommittee members to determine if readiness for broader audience

Oct 2019

Crowe begins building Index examples and features for the 2020 Healthcare Institute

April 2019

Began planning and brainstorming with subcommittee members on needs and features for Index 2.0

June 2019

First draft sample index scores with real data presented to members for feedback

Sept 2019

New proposed Index presented to Institute attendees for feedback

Dec 2019 & Beyond

Crowe

Why the Index?

Forum Questions – Why the Index?

- Do you have any experiences you could share where metrics didn't seem give an accurate representation of performance?

- While managing to a list of core KPIs, what are some challenges you've faced in translating these to an audience stretching across broad geographies and payor environments?

- Can you share some challenges in the past for measuring and managing revenue cycle performance to a long list of KPIs?

- Can you share some of the benefits of having a singular score that leading health systems follow versus each creating their own scoring methods?
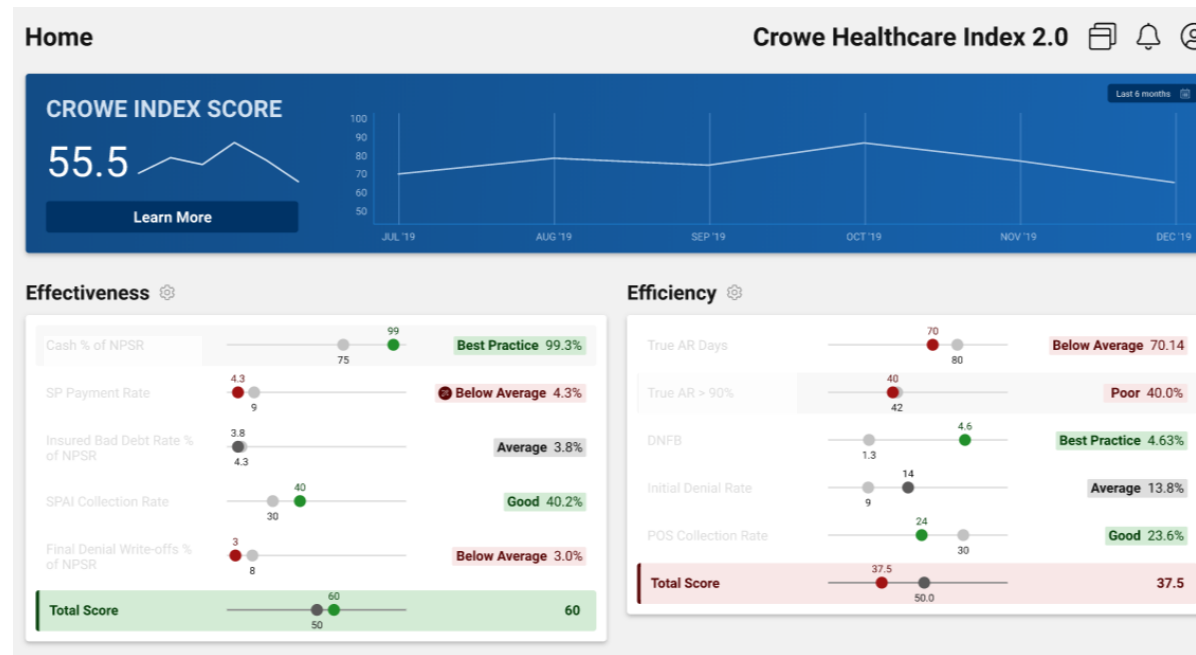
What is Index 2.0?

Index 2.0 Overview

Creation of efficiency and effectiveness sub-indices with different metrics for each

Supporting metric types from the following categories:

- Denials
- Cash
- Uncompensated Care
- Accounts Receivable

Metrics compared to national payor-adjusted benchmarks from Crowe RCA data. Each facility has its own unique benchmarks.

Incorporation of logic to allow for systematized net downs of transactional data for accurate comparisons

Index 2.0 Overview – Cont.

Ease of Comparison of facilities by score across a system

Ability to collaborate with other organizations with Index scores
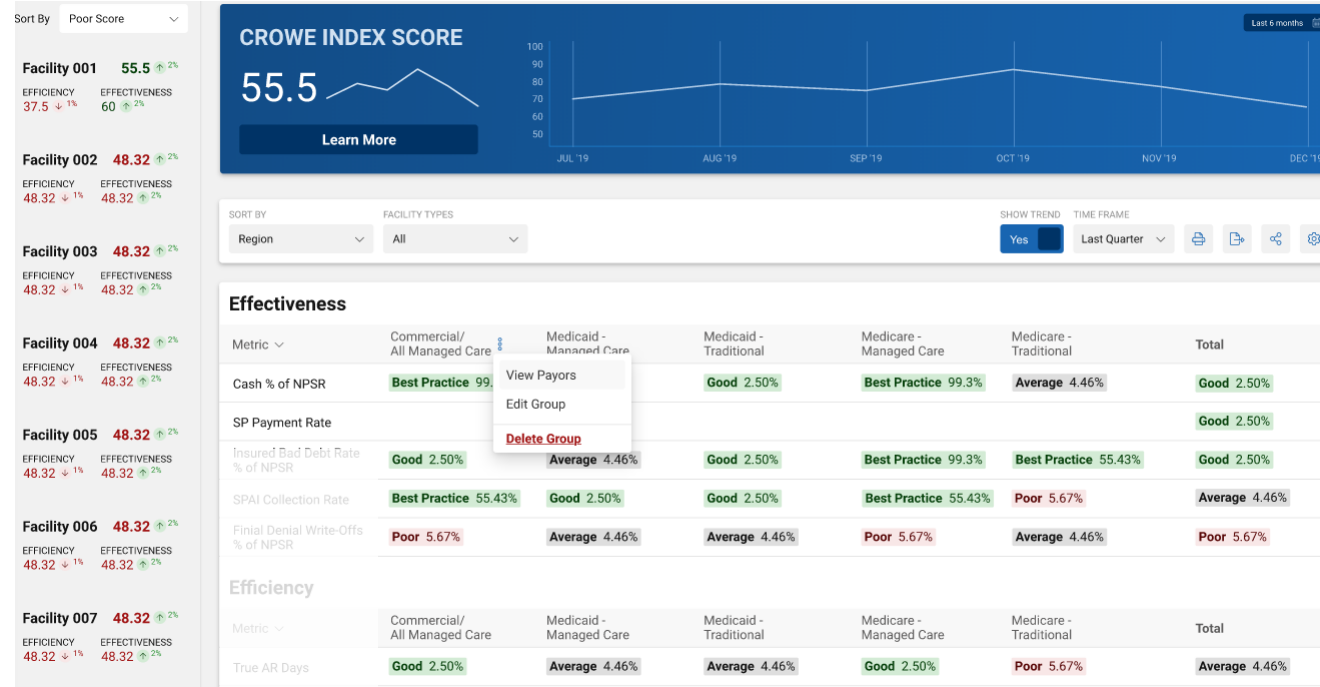
Identify payor specific performance to provide better action items to improve scores and metrics

Forum Questions – What is the Index 2.0?

- What are some challenges in unifying performance expectations across different sites and stakeholders you've had in the past and how can a singular score help reduce these?

- As part of this process, we added payor normalization to some of the metrics we were using as part of the Index score previously without payor normalization. Did adding the payor normalization shift any approaches/viewpoints on those metrics?

- Could you describe the importance of separating efficiency metrics from effectiveness metrics and what that means for managing performance?

- What's been the most valuable change from the old Index score to Index 2.0 in your opinion? Is an addition to the metric list? The breakout of efficiency versus effectiveness? Payor normalization?

How to Use Index 2.0?

Forum Questions – How to Use Index 2.0?

- The Revenue Cycle Index, won't replace all forms of revenue cycle performance measurement, but could you describe where this may be most effectively deployed?

- What are some other areas you could see this concept be deployed to aid with managing performance?

- Are there certain specialized facility types where you could see the index be deployed against a more narrow peer group? Why do you think this could be helpful?

Closing

Thank you.

Alex Garrison
Crowe
alex.garrison@crowe.com

Brad Tinnermon
Banner Health
Bradley.Tinnermon@BannerHealth.com

Sarah Falade
Ascension Health
Sarah.Falade@Ascension.org