

Board Packets

January 18, 2023 - Documents Presented at Board Meeting

Revenue Cycle Presentation

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THE POWER OF BEING UNDERSTOOD

NORTHERN INYO HEALTHCARE DISTRICT

Revenue Cycle Margin Improvement Proposal



January 18, 2023

Background & Objectives

Background

Northern Inyo Healthcare District (NIH) has experienced instability in financial performance and is seeking a transformation partner to evaluate the people, process and technology impacting patient satisfaction, revenue capture and revenue realization.

Objectives

Advise and assist NIH in the identification and remediation of gaps, weaknesses or opportunities to improve revenue cycle processes and technologies that will yield the greatest return on investment in the shortest period of time.

Pre-Project Discovery (Opportunities)

- **Technical Opportunity**

- **Billing Entity Settings**

- Standard Delay > 3 Days **(\$450,850)**

- **Claim Rules**

- Held in Scrubber > 7 Days **(\$321,736)**

- **Registration Conversation Settings**

- Edit Failures Attributed to Reg Settings **(\$850,771)**

- **Health Plan & Payer Libraries**

- Edit Failures attributed to these libraries **(\$22,000)**

- **Profit Business Manager Rules**

- Posting & Adjustment Rules **(\$TBD)**

- **Access HIM Task Queues**

- Assignment and Transfer Rules **(\$TBD)**

- **Process Opportunity**

- **One Time Cash Acceleration (\$8M)**

- **Monthly Increase to Net Rev (\$1.7M)**

- DNFB Task Force
- Work In Progress Task Force
- High Dollar Review
- Denial Avoidance Team

- **People Support**

- **Education & Coaching**

- Provider Education / Documentation
- Registration
- Benefits & Authorization Management
- HIM Coding
- Billing & Follow Up
- Cash Posting
- Reporting

Margin Improvement – Target Activities



Revenue Capture

- Target analysis of charge build, charge tiering logic, charge points, foreign systems integration
- Charge reconciliation procedures



Workflow Management

- Alignment of NIH process to Cerner model workflows, workflow assignments and supervisor relationships
- Productivity weights and measure configuration, productivity reporting



Denials Management

- Stand up RSM RevNsight denial analytics platform to identify patterns and root causes
- Facilitate denial avoidance task force
- Monitor and measure impact of ops and tech changes



Cash Management

- Point of Service Collections
- Target analysis of Cerner payment and adjustment rules
- 835 Electronic Remittance and ACH enrollment
- Patient payment plans, adjustment and bad debt rules

Scope

RSM activities will be focused in areas specific to the revenue cycle and tangential processes that influence revenue cycle performance. Where RSM identifies any factors adversely influencing operating margins outside of the revenue cycle, these will be shared with executive leadership for consideration.

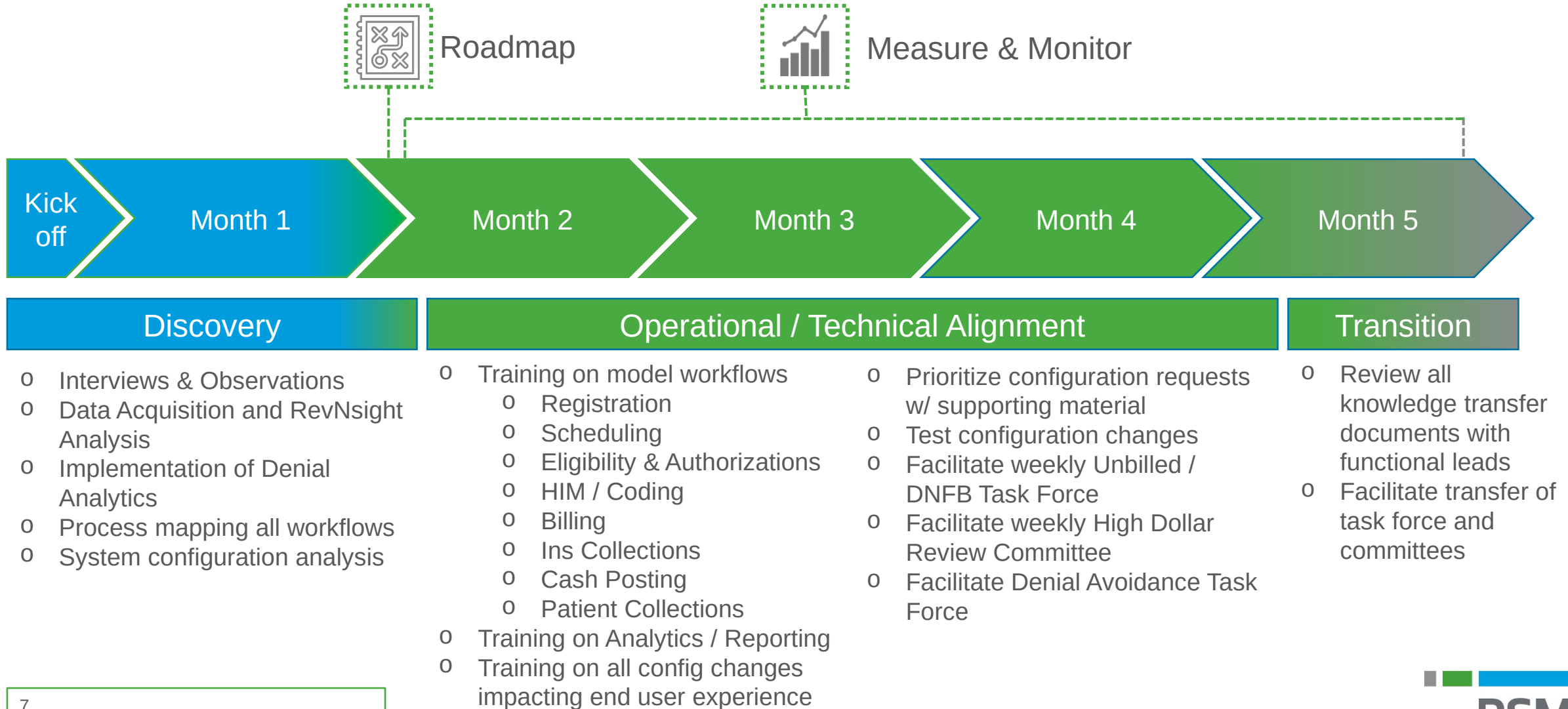
In Scope

- Analyze operational adoption of technology
- Prioritization of open service tickets to Cerner AMS
- Staffing levels, work assignment, productivity
- Executive and Operational Reporting
- Registration conversations and field requirements
- Orders to scheduling configuration
- Access Management workflow optimization
- Eligibility and Authorization workflows
- Schedule book optimization
- Charge Build, tiering logic, charge points
- Access HIM assignments and workflows
- Intra and Inter-Departmental Messaging
- Claim rules and claim edits
- Billing workflows
- Collection work assignment rules
- Past Due and At-Risk Rules
- Management of Billing and Collection Holds
- Adjustment and Cash Posting Rules
- Payment Plan Configuration
- Denial Avoidance Program
- DNFB Task Force
- High Dollar Review Committee

Outside of Scope

- CDM Review
- Clinical Operations
- Care Management
- Managed Care Contracts
- Rational Pricing / Pricing Strategy
- Supply Chain
- Pharmacy

Timeline and Project Cadence



Deliverables and Communication Plan

Deliverables

As a products of this engagement, RSM will provide all supporting materials used in discovery, planning, execution of duties and transition to include the following:

- Technical transformation roadmap including findings, impact, recommendations and priorities
- Technical documentation for all changes related to Cerner or other bolt-on revenue cycle applications
- Documentation from all task force meetings
- Weekly status report including activities, outcomes, performance tracking and corrective action plans
- Training materials and signed confirmation of training completion

Communication Plan

RSM will conduct a weekly executive meeting with the project stakeholders and provide all supporting materials related to weekly activities, outcomes, performance tracking and any corrective action plans

Project Financials

Based on our initial understanding of the engagement scope, RSM anticipates 1,500 hours of work to be billed at a blended hourly rate of \$300. The total estimated billings for the services described is \$450,000, plus expenses.

Client References

McDonough District Hospital (Macomb, IL)

- Bill Murdock, Chief Financial Officer
- Email: wrmurdock@mdh.org
- Phone: (309) 337-9621

Hutchinson Regional Hospital (Hutchinson, KS)

- Duane Miller, Chief Financial Officer
- Email: millerd@hutchregional.com
- Phone: (620) 620-0589

Sarah Bush Lincoln Hospital (Mattoon, IL)

- Jake Dively, Assistant Controller
- Email: jdively@sblhs.org
- Phone: (217) 238-4526

THANK YOU FOR
YOUR TIME AND
ATTENTION

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NIHD Board of Directors
150 Pioneer Lane
Bishop, CA 93514

Dear Members of the District Board:

I write this letter in support of creating a permanent memorial in honor of former NIHD Chief Executive Officer and Chief Financial Officer John David Halfen.

During his tenure I had the privilege of working closely with Mr. Halfen, and I believe that our current hospital facility would never have been built were it not for his caring, passion, leadership, and the fact that his unique set of financial and business talents were on board at the exact time that they were needed.

As you are aware finances are a significant challenge in the hospital business, and it was no different at the time that a hospital rebuild became necessary. John thought creatively and outside of the box, and worked to rally employees and the community to pass a Bond Measure in support of the hospital rebuild. He cared deeply about his employees and about the future of this community. Though he moved out of the area following his retirement, he asked that his final resting place be here in Bishop, in view of the hospital building that his skills and leadership helped to make possible.

We were honored to have the right person at the helm of the District at a time that he was badly needed. I believe it would appropriate to honor John in a lasting and permanent way, in accordance with whatever you determine to be appropriate.

Thank you for your consideration.

Sincerely,

Sandy Blumberg
Former NIHD Executive Assistant

To the NIHD Board of Directors

January 18, 2023

Members of the NIHD Board of Directors, Administration and Staff, those present and those joining by zoom, my name is Pete Watercott, and I am here to request that the board of directors consider placing a plaque in the lobby of the hospital in honor and memory of past administrator, John Halfen, for his extraordinary contribution to the District, and especially his efforts that led to the successful completion of a major building project that included the Diagnostic Imaging Building, the Support Services Building, (housing Laboratory, Laundry, and Purchasing), and the new two-story Main Hospital .

When I was elected to this very board in 1998, we were at the beginning of a building project that got off to a rough start with the construction of the current Administration Building. When it came time to move on to the next stage of construction, the board made the difficult decision to scrap the project. It was apparent that the plan would not meet future needs, and that the hospital did not have the finances to continue.

John Halfen was first hired as CFO, and when Herm Spencer retired, the board promoted John to the position of CEO/CFO. I was serving as board president at the time, and I remember walking with John back to his office after the meeting. There, on the top of a white board we wrote, "Hire a consultant to guide us in passing a bond measure to support the construction of a new hospital."

From that day forward, John Halfen worked towards the goal of completing what would become the comprehensive medical campus that we have today. It took 12 years, 3 of my board terms, and we faced challenges at every turn, but, in the end, we got 'er done. I do not believe this could have been accomplished if not for John Halfen's leadership.

I would say that "John worked tirelessly" but that would not be true. Anyone around at the time could see the stress that John was shouldering, his posture, how he rose from a chair, the expression on his face. John Halfen gave a lot of himself to the district, too much really.

So, I ask that the board consider placing a plaque honoring the memory of John Halfen and recognizing his role in the financing and building of the new hospital, and his dedicated service to the NIHD.

Thank you

A handwritten signature in blue ink, appearing to read "Pete Watercott", with a stylized flourish at the end.

January 5, 2023

Northern Inyo Hospital District
Board of Directors
150 Pioneer Lane
Bishop, CA 93514

Dear NIHD Board of Directors,

It is with great appreciation that I write to support Cheryl Underhill's endeavor to obtain recognition for John Halfen in the main hospital building. Having worked with John on the administrative team during the whole of his time when he was first CFO and then Administrator, CEO/CFO, I had the opportunity to see his dedication to the community and the hospital. It was a great time of growth and John's vision was instrumental to the district voters believing in and supporting the bond measure that allow the new hospital building that was needed to meet the California seismic requirements. He headed up the campaign to make sure the residents of the district understood the need for the replacement of the existing buildings if we were to continue to offer inpatient services to our community.

John joined the morning Rotary Club and attended meetings of the many organizations in the district to answer questions and present the building project. By having his children at NIHD and raising them in the local community, he showed his commitment to the district. I personally spent years working with John and was happy to call him a friend.

Placing some type of recognition for his service in the hospital building will show the community and those employees that worked during John's time of leadership that being part of something bigger than just your daily work makes a difference. John Halfen was truly dedicated to Northern Inyo Hospital District. Under his leadership the hospital district was able to grow the Rural Health Clinic, building the new hospital building, recruit providers to the area, contract with the existing providers and help them to stay in the community during the changes in the healthcare payment systems. His vision and understanding of the healthcare system in the United States allowed us to continue to serve the community as I believe the original founders of the hospital district intended.

Thank you for your consideration.

Sincerely,



Carrie Petersen
Retired NIHD Chief of Fiscal Services/Controller



Lisa Harmon Snyder
771 North Main St., Spc 39
Bishop, CA 93514

January 2nd, 2023

To Whom It May Concern:

I had the great pleasure of working with John Halfen from 2012 - 2015. During that time, I found him to be honest and trustworthy. He would go above and beyond of what was expected of him. He was always so very respectful to all the employees at NIHD.

I recall that he had a vision for the new Hospital, wanting what was best for the community, which he never left sight of. With his leadership role and encouragement, he would organize groups of us, to call community members asking for the support for the hospital to be built.

With all his hard work, that was accomplished in 2013. I feel that without all his efforts, we would not have our Northern Inyo Hospital as it is today.

I highly recommend that we give honor to John Halfen, something he so richly deserves.

Lisa Harmon Snyder

Leon Freis

2670 Glenbrook Way
Bishop, Ca 95514
661-755-8225
leon.freis@gmail.com

January 9, 2025

Board of Directors
Northern Inyo County Healthcare District
150 Pioneer Ln
Bishop, Ca 95514

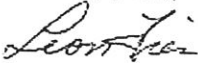
Dear Members of the Board,

It was my pleasure to work at Northern Inyo Hospital from 2005 to 2015. During that time I served in several administrative capacities including COO and CIO. As a 20 year resident of the District, I witnessed and participated in changes to the hospital with perhaps the most lasting and profound being the building of the current hospital buildings.

I was witness to the essential leadership and pure determination that made the projects become reality. John Halfen was the leader without whom the building of the NIH facilities would have been possible.

I support the creation of a plaque commemorating John's essential role in the creation of the current NIH hospital. I encourage the board to place it prominently in the entrance to the main building.

Sincerely yours,



Leon Freis