Maximizing Potential and Minimizing Risks During a Patient Accounting System Conversion
Agenda

• About the Presenter
• System Conversion Challenges and Concerns
• System Conversion Approaches
• Real-World Example of a Best Practice Conversion
About the Presenter

Mike Morris serves as the National Practice Leader for the revenue cycle solutions business unit at Dell Services and has more than 25 years of experience in key financial and operational positions.

He enhances the value proposition for Dell’s revenue cycle practice for large health systems and hospitals and is also responsible for overall client satisfaction on multiple large engagements.
Revenue Cycle Challenges

- High cost of billing and collections
- Large volume of aged receivables
- Increasing number of self-pay accounts
- Constantly changing payment protocols and processes
- Employee retention and talent development
- Underutilized or outdated revenue cycle technology
- Lack of migration plan for new systems of system conversions
System Conversion Concerns

Management of A/R during conversion
• Overall decrease in cash
• Increase and aging of receivables backlog

Go live of new system while working A/R on legacy system

New system training
• Staff knowledge
• Time
• Scheduling
• Legacy system
• Account data conversion

Simultaneous management of two systems
Preparing for System Conversion

- Assess state of revenue cycle
- Understand where risks and opportunities reside
- Develop timeline and project plan
- Establish expectations for cash flow
Goals for a Successful Conversion

- Maintain or exceed cash levels
- Maintain or decrease A/R days
- Maintain or reduce bad debt
- Allocate time to focus on system issues, training, and go live
- Ease transition to new system
- Reduce costs and time associated with transition to new system
Where do you find the time?

Partnerships

• **Systems vendor**
  • Typically only around implementation and data conversion
  • Minimal business process acumen

• **Outside advisory service**
  • Focus is only on project planning
  • Limited hands-on project experience

• **Total services provider**
  • Hands-on project experience
  • Sustainable business process improvements
  • Experienced in computer conversion capital infusion engagements
System Conversion Approaches

Traditional Hospital Conversion Assistance Engagements and Best Practice Conversions
Traditional Hospital Conversion Assistance Engagement

90 Days Prior
- Hospital continues to design new system.

Dell Services begins working down existing A/R Insurance balances >90 days from discharge date.

60 Days Prior
- Parallel testing of new system by hospital.
- Hospital staff training begins.

Dell Services works A/R balances >60 days from discharge date.

30 Days Prior
- Hospital prepares for go live.

Dell Services works A/R balances >30 days from discharge date.

30 Days Post
- Hospital concentrates on billing and process effectiveness of new system.

Dell Services continues to work down A/R from legacy system.

60 Days Post
- Hospital concentrates on billing and process effectiveness of new system.

Dell Services continues to work down A/R from legacy system.

90 Days Post
- Hospital continues to work with new system.

Dell Services resolves remaining A/R inventory.
A Best Practice Conversion Approach
Resolves Aged A/R Faster than Typical Conversion Approaches

Placement of Accounts Receivable

Today  75 Days Prior  Conversion  75 Days After
How to Execute a Best Practice Conversion

• Find a partner with flexibility and scale that can deploy resources early and resolve legacy A/R at least 150 days prior to conversion

• Decide whether an onsite, blended onsite/offsite, or leveraged model is appropriate

• The hospital should only pay when it wins with the partner, usually on a percentage of cash collected

• The conversion should free up hospital staff to focus on learning the new PAS

• The conversion should allow the hospital to sunset the legacy PAS quickly, greatly reducing the cost of maintaining two systems simultaneously

A best practice conversion frees up buckets of incremental capital.

A traditional conversion racks up higher conversion costs, long hours working on two systems, and a loss of capital.

In our experience from working with more than 175 conversion clients, we have found that engagements with a heavy onsite presence often yield the best results. The onsite recovery specialists live and work in the local community and teach the hospital’s team members how to incorporate best practices in their daily routines.
Real-World Example of a Best Practice Conversion
About MedStar Health – Washington Hospital Center (WHC)
• MedStar Health is a $4 billion, not-for-profit, regional healthcare system with a network of nine hospitals across Maryland and the Washington, D.C., area.
• WHC is the largest facility with 926 beds, making it one of the 50 largest hospitals in the nation.

The Challenges
• MedStar needed A/R management assistance during a system conversion project in which they converted WHC to a new platform and integrated WHC into their CBO environment
• During the conversion, the facility had significant space limitations

The Solutions – Dell Services
• Provided onsite A/R management during their system conversion
• Blended a team of onsite and leveraged resources to address facility space limitations
• Increased resources mid-project to handle additional placements
• Retained to provide cash infusion resources to scrub A/R for additional aged cash prior to bad-debt placement

The Results
• Maintained and exceeded cash collection goals and KPI targets throughout the system conversion
• Consistently drove more cash than expected from placed inventory
• 40% rate of liquidity
• Collected > $128 million
• Achieved resolution rate of >95% for both A/R dollars and accounts
• Resolved > 132 thousand accounts for > $320 million
Thank You

Mike Morris
National Practice Leader, Revenue Cycle Solutions
(615) 346-4960
mike_b_morris@dell.com

Pat Moran
Midwest Solution Developer
(312) 218-6805
patrick_moran@dell.com