Establishing Revenue Cycle Cross-Functional Process Ownership and Accountability

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

Table and Summary of Contents

End-to-End Revenue Cycle Ownership and Accountability 3

Traditional process ownership and accountability structures as executed in organization charts are not in concert with the evolving revenue cycle ecosystems.

Organization Chart Vertical Reporting Inhibits Effective RCM 4

Typical organization structures are not designed to support cross-functional revenue cycle process management because subordinate reporting and accountability is vertical.

Documented Revenue Cycle Management Model 6

This is a web-based revenue cycle framework that presents the end-to-end cross functional processes and relationships.

Organization Chart Realigned to the Revenue Cycle Sequence 7

Below is the organization chart horizontally realigned to match the revenue cycle framework.

Detailed Organization Process Alignment with RC Framework 8

This image shows detailed executive and staff process alignment with the revenue cycle framework.

Defining Revenue Cycle Ownership and Accountability 9

Shared Responsibility Mapping combines two process management methodologies, RACI and SIPOC, to define ownership of end-to-end accountabilities, responsibilities, roles, inputs, deliverables, and expectations.

RACI.....9

The Responsibility Assignment Matrix, RACI, defines roles and responsibilities within a process.

SIPOC.....10

SIPOC is a methodology used to identify who provides specified inputs and resources into a process and who is the consumer that receives the specified process outputs.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

© January 2020 Process Delivery Systems

Shared Responsibility Mapping.....11

Shared Responsibility Mapping combines RACI with SIPOC to identify and manage the complete range of process ownership.

Revenue Cycle End-to-End Shared Responsibility Map.....12

Throughout revenue cycle execution, roles, responsibilities, deliverables, dependencies, and process ownership will change. The image below shows the cross-functional revenue cycle end-to-end shared responsibility mapping.

Executive Revenue Cycle Ownership and Accountability 13

Executive focus, ownership, and sponsorship are necessary to establish a program that effectively guides the organization's efforts considering the evolving revenue cycle ecosystem.

Process Delivery Systems.....14

Process Delivery Systems (PDS) is a process consulting firm that defines and delivers processes and their associated resources in a visually intuitive manner. Our goal is to eliminate confusion from complex processes.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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End-to-End Revenue Cycle Ownership and Accountability

Traditional process ownership and accountability structures as executed in organization charts are not in concert with the evolving revenue cycle ecosystems. Conventional front and back-end billing perspectives along with traditional organizational structures based on vertical accountabilities have fostered disconnected cross-functional revenue cycle processes that place already stressed healthcare provisioning organizations at high risk of not surviving the *new* realities.

Rethinking revenue cycle process ownership is necessary to deal with the new paradigms which include the shift from fee-for-service to value and incentive-based payments, high-deductible health plans, and increased receipt of revenue risk. Reduced payer responsibilities and increased patient payments increase the risk of lost revenue and place a higher degree of process management on the front end of the revenue cycle.

The revenue cycle is a complex combination of processes crossing many departments. Initiatives are underway to adapt to the new realities but without proper perspectives, ownership, and accountabilities, they will be short-lived efforts with shelf-bound deliverables. Technology solutions are only as good as the completeness of the processes they're supposed to automate. ***Automating broken and disconnected cross-functional processes creates bad results***. Remediation dramatically increases the total cost of ownership and extends implementations to years beyond promised delivery.

Revenue cycle process ownership and accountability need to be defined and accepted at the appropriate executive levels – where budgets and strategic decisions are made and to whom subordinates report. Effective revenue cycle management maximizes the receipt of appropriate revenues for services rendered. Efficient revenue cycle management reduces the time between the provisioning of services and the receipt of payment at *optimized* costs. The result is the generation of the appropriate margins required for the healthcare organization's survival and continued effective capability to service its patient base.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

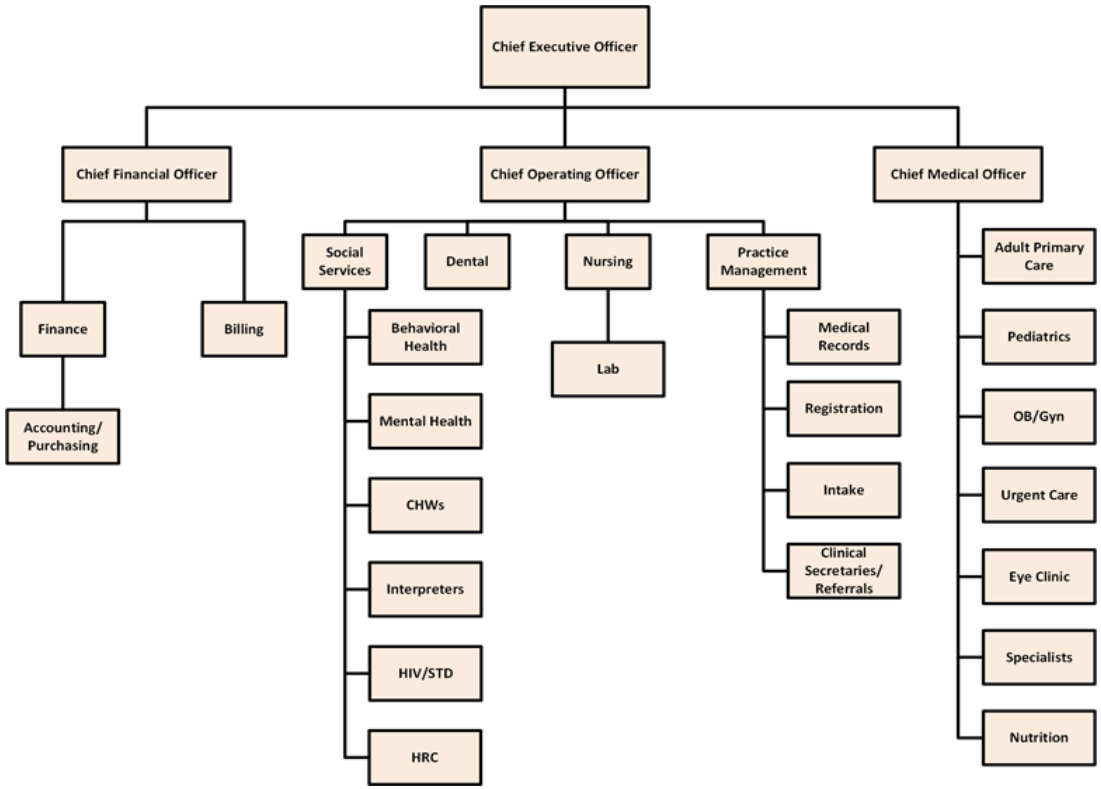
Executive RC Ownership Accountability

Process Delivery Systems

© January 2020 Process Delivery Systems

Organization Chart Vertical Reporting Inhibits Effective RCM

Typical organization structures are not designed to support cross-functional revenue cycle process management because subordinate reporting and accountability is vertical. Below is a health center's organization chart sanitized to protect its identity. Non-revenue cycle management participants are eliminated.



The Chief Financial Officer (CFO), the Chief Operating Officer (COO), and Chief Medical Officer (CMO) are peers reporting to the Chief Executive Officer (CEO). Each has a separate budget and is only accountable for their respective organization.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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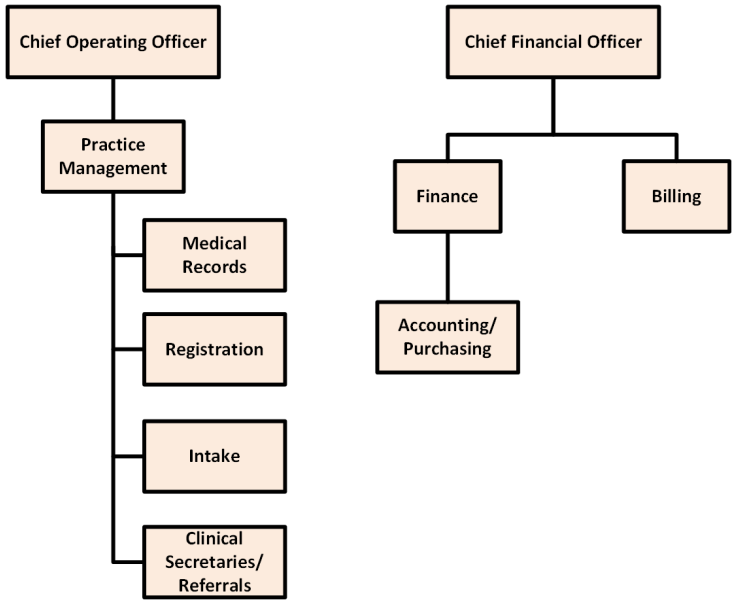
Organization charts reflect the ownership, accountabilities, and reporting structure. Most charts are designed and organizations managed without emphasis on multi-department, cross-functional process requirements. Cross-functional process accountability is not documented.

Practice management and billing process are related revenue cycle functions. They are separated by the department structure; reporting to different executives in this chart.



This is not a problem if there is a concerted, and preferably documented, effort of cooperation undergirded by department leadership. In many organizations, cross-functional processes are addressed with steering committees. Steering committee effectiveness relies on the acknowledgment and participation of interested executives. If revenue cycle cross-functional cooperation is seen as a matter of luxury; availability of staff given if time permits, then the effectiveness of the effort is minimized.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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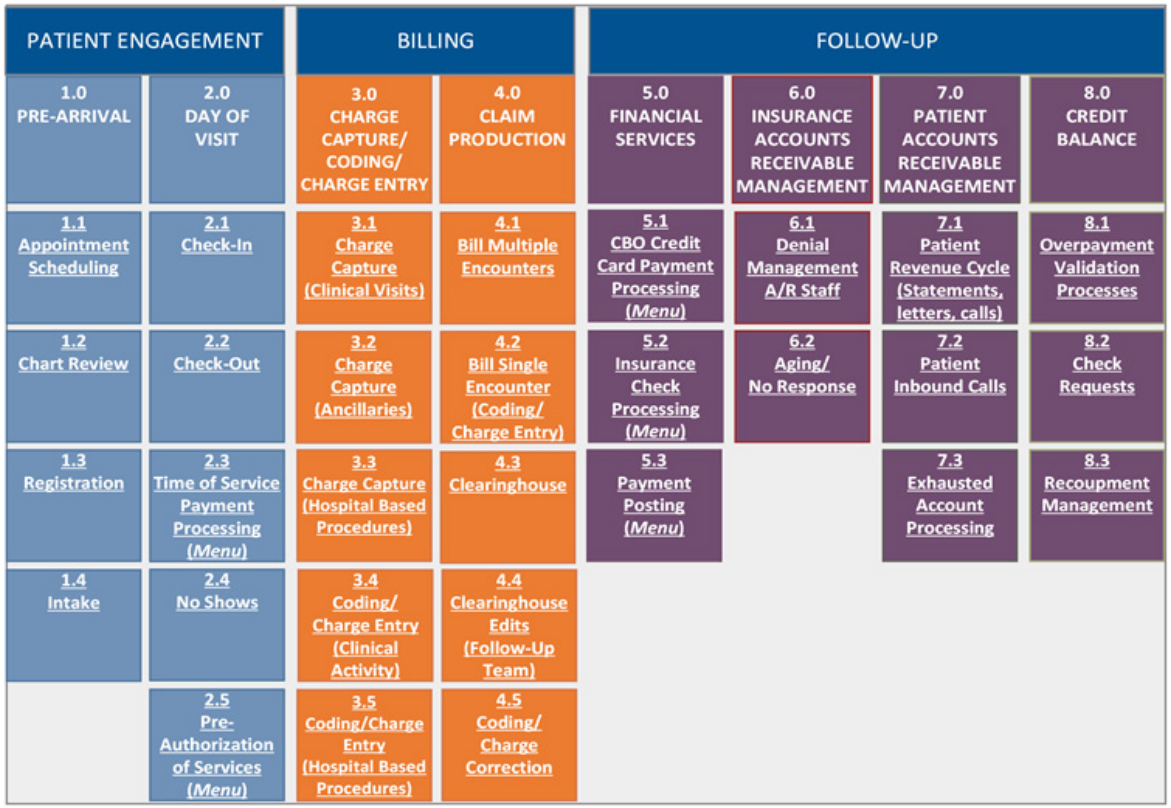
Documented Revenue Cycle Management Model

This is a web-based revenue cycle framework that presents the end-to-end cross functional processes and relationships. Content navigation is visually intuitive and fast with a click, swipe, or touch. It's linked to all the appropriate resources to eliminate time wasted searching for referenceable and authoritative content. It is presentable from any device at any time making it readily accessible for immediate discussion support.



Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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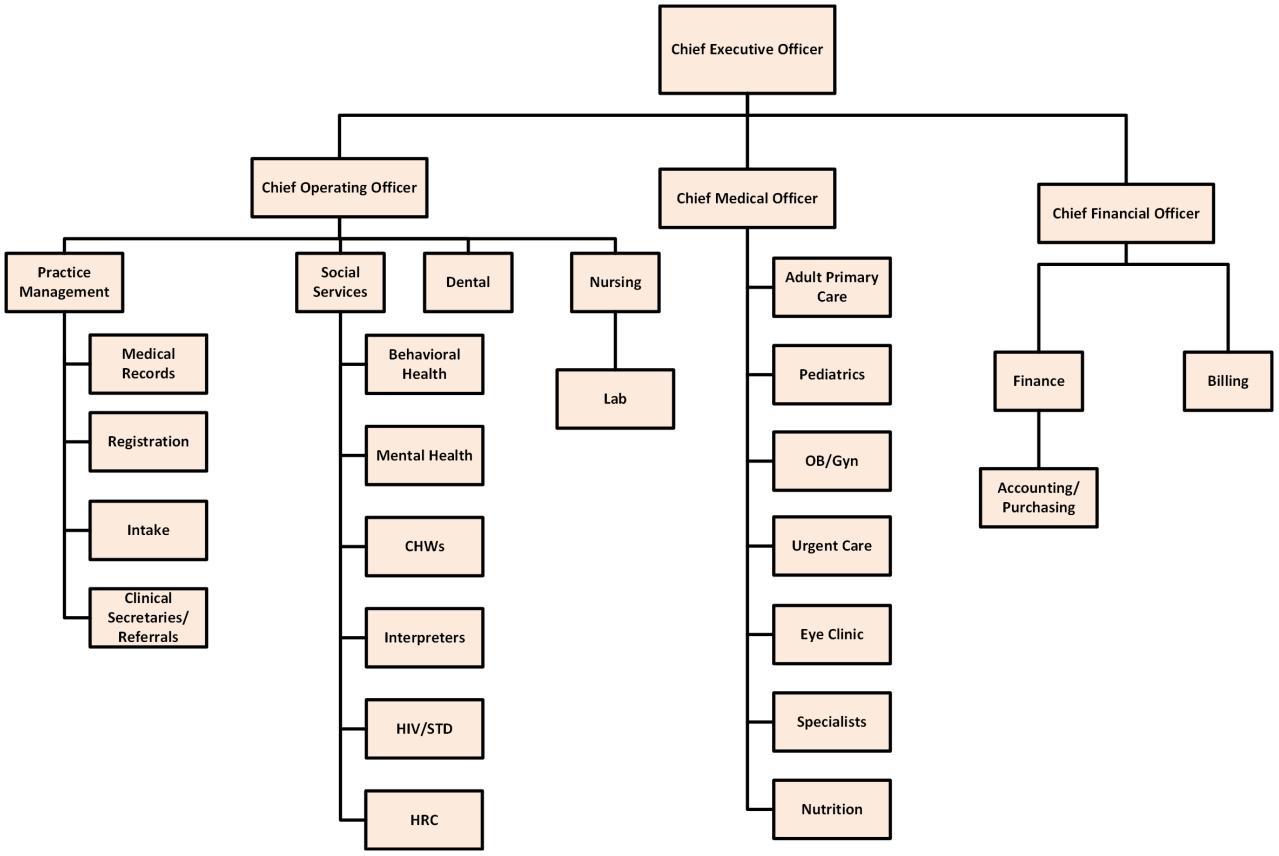
Organization Chart Realigned to the Revenue Cycle Sequence

Below is the organization chart horizontally realigned to match the revenue cycle framework. The COO's team was moved to the left to reflect this group's processes which initiate the revenue cycle. The COO, CMO, and CFO's teams co-own the mid-revenue cycle processes. The CFO's team owns the back-end revenue cycle processes.



Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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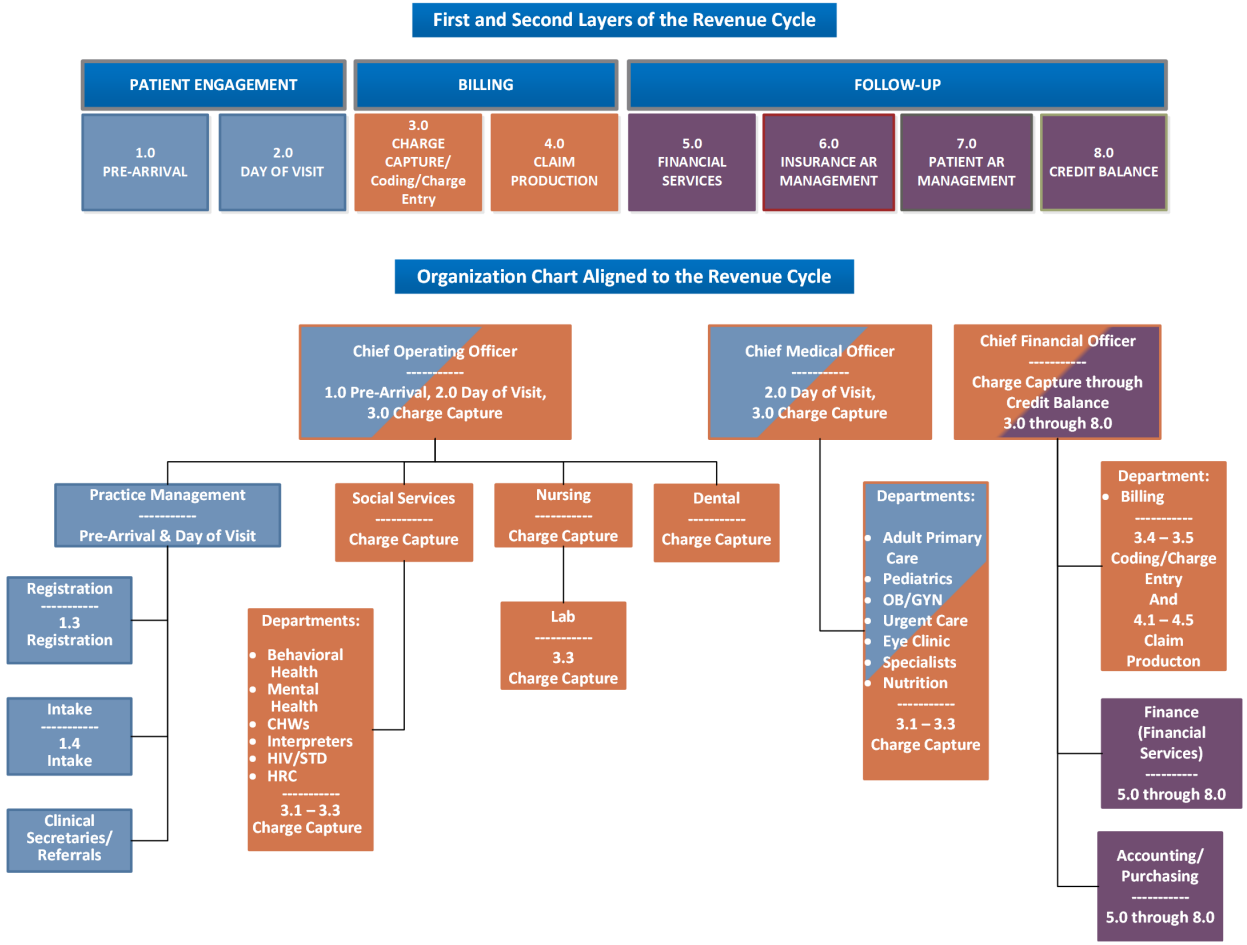
Detailed Organization Process Alignment with RC Framework

This image shows detailed executive and staff process alignment with the revenue cycle framework. The coloring and numerical tags illustrate who owns what revenue cycle processes. The COO and CMO own Patient Engagement. The COO, CMO, and CFO, in this order, own their respective portions of Billing. The CFO owns Follow-Up.



Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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Defining Revenue Cycle Ownership and Accountability

Shared Responsibility Mapping combines two process management methodologies, RACI and SIPOC, to define ownership of end-to-end accountabilities, responsibilities, roles, inputs, deliverables, and expectations.

RACI

The Responsibility Assignment Matrix, RACI, defines roles and responsibilities within a process. The image below illustrates the model.

*R*esponsible - (The Doers) - Those who do the work to achieve the task. There is at least one role with a participation type of Responsible. Responsible reports directly to the Accountable position.

*A*ccountable - (The Buck Stops Here) - The one ultimately answerable for correctness and thoroughness of the completed task, the budget owner. This is the process owner!

*C*onsult Those whose opinions are sought, typically subject matter experts. There is two-way communication.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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*I*nform - Those kept up to date on progress with whom there is one-way communication.

SIPOC

SIPOC is a methodology used to identify who provides specified inputs and resources into a process and who is the consumer that receives the specified process outputs.

*S*uppliers – Suppliers provide inputs into the process. Suppliers can be defined as patients, staff, departments, external organizations, processes, activities, etc.

*I*nputs – Inputs are the resources used by the process team (RACI) to execute the process activities. Inputs are defined by specifications such as cost, dates, information accuracy, level of precision, documentation, etc. Examples of revenue cycle process inputs are patient demographics, insurance status, outstanding balances, provider services rendered, visit notes, claims submitted, clearinghouse edits, etc.

*P*rocess – The Process creates Outputs according to the specifications of the Customer.

*O*utputs – The deliverables and results of a process. Examples of revenue cycle process outputs are insurance status, outstanding balances, provider services rendered, visit notes, claims submitted, clearinghouse edits, etc.

*C*onsumers – Consumers, sometimes called customers, can be defined as patients, staff, departments, external organizations, processes, activities, etc.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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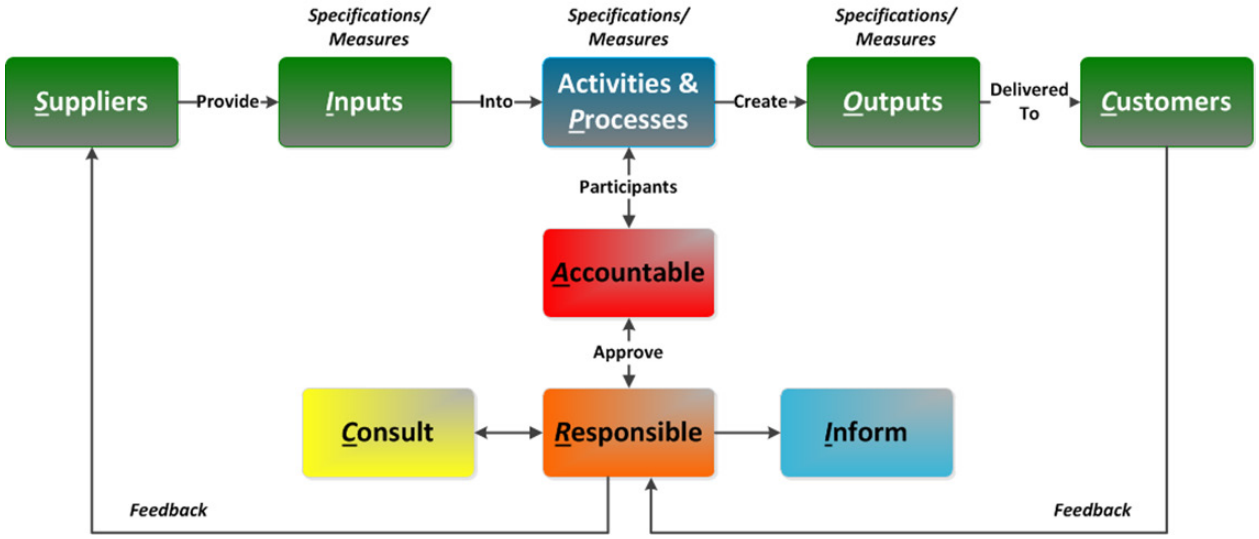
Shared Responsibility Mapping

Shared Responsibility Mapping combines RACI with SIPOC to identify and manage the complete range of process ownership. This image shows how Shared Responsibility Mapping answers the questions of:

- Who is responsible for providing what inputs into the process?
- Who owns what roles within the process?
- What deliverables are expected by the customer at the completion of a process?



The RACI team must clearly understand the customer requirements and ensure the process deliverables meet those requirements. They must hold the suppliers accountable for providing inputs that meet the defined specifications.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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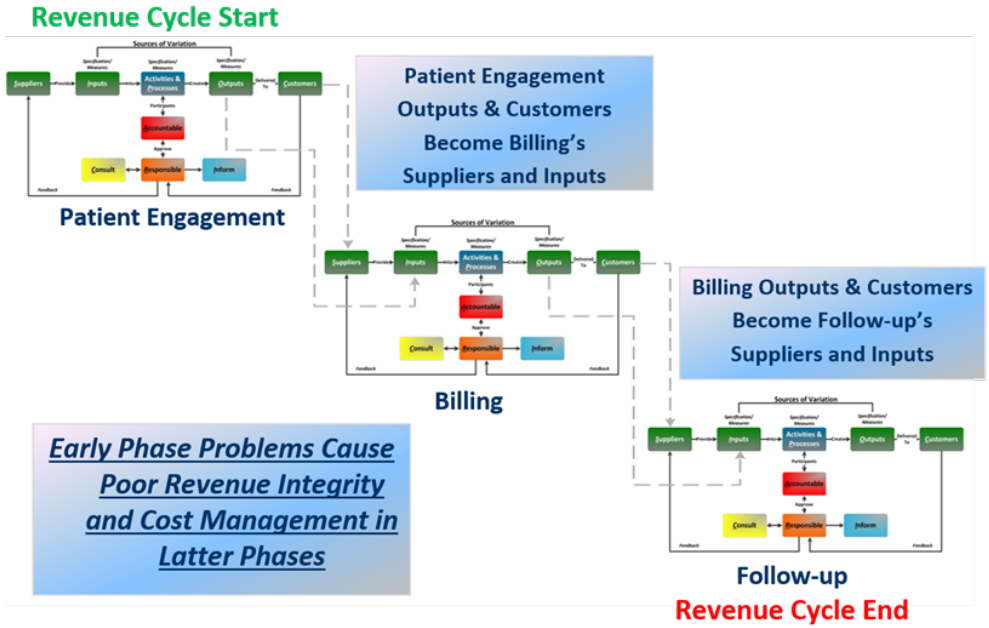
Revenue Cycle End-to-End Shared Responsibility Map

Throughout revenue cycle execution, roles, responsibilities, deliverables, dependencies, and process ownership will change. The image below shows the cross-functional revenue cycle end-to-end shared responsibility mapping. The consumer of a proceeding process becomes the supplier to the subsequent process. The output from a proceeding process becomes the input of the successive process.

Input variation impacts the ability to effectively predict and execute quality revenue cycle process outcomes. Revenue cycle process owners should define, track, and manage real-time leading process measures to control variation that impacts effectiveness, (quality of deliverables and outcomes) and efficiencies (cost to produce deliverables and outcomes) of downstream revenue cycle processes.



Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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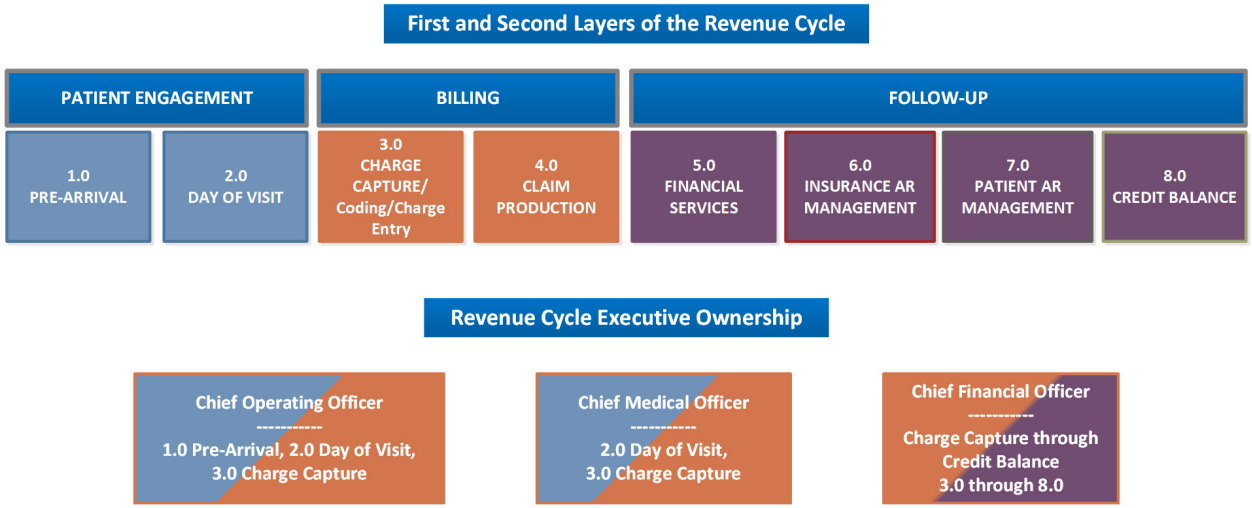
Executive Revenue Cycle Ownership and Accountability

Executive focus, ownership, and sponsorship are necessary to establish a program that effectively guides the organization's efforts considering the evolving revenue cycle ecosystem. The attention to and coordination of the cross-functional revenue cycle processes are critical to its success and the continuance and success of the organization.



Commitment to an end-to-end revenue cycle program requires a defined priority, use of both leading and lagging measures, personnel, time, budget, and the appropriate skills. Process documentation, performance metrics, and supporting information and industry best practices should be the means of defining direction and measuring results. Research and data analysis with minimal reliance on perception and intuition should be the basis for discussion and decisions.

Cross-functional executive ownership and accountability ensures subordinates place the appropriate commitment required for a successful revenue cycle management program.

Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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We deliver processes and associated resources in customized web frameworks called Process Resource Centers (PRCs). PRCs operationalize static content by incorporating visual design and links to resources where they are needed in process execution. PRCs' visual elegance and content rich design delivers revenue cycle management resources in a manner that is visually and operationally consumable to all stakeholders.

We provide:

- Team workshops
- Research and review of policies, industry standards, and internal practices
- Shared Responsibility Mapping
- Process Resource Center design, development, and implementation

Our e-book design – this e-book illustrates a design that accommodates the expectations of today's reading audience. We provide the following:

- Customized prototype of an organization's desired document
- A customized e-book design guide for the document created
- Training for the organization's document production team
- Supplemental writing and document production resources as necessary

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Cover

Table & Summary of Contents

End-End RC Ownership and Accountability

Organization Chart Vertical Reporting Inhibits Effective RC Management

Documented RCM Model

Organization Chart Realigned to the RC Sequence

Detailed Organization Process Alignment with RC Framework

Defining RC Ownership and Accountability

RACI

SIPOC

Shared Responsibility Mapping

RC End-to-End Ownership & Accountability

Executive RC Ownership Accountability

Process Delivery Systems

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