



## Overview

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### **The need**

Connecticut Children's Medical Center needed to reduce procedural inefficiencies and improve its patient experience.

### **The solution**

The Connecticut Children's Medical Center revenue cycle and clinical teams worked with Simpler® Consulting, part of IBM Watson Health, to address shortcomings in their processes, resulting in fewer claim denials and improved patient experience.

### **The benefit**

The methodology that Simpler provided allowed the Connecticut Children's Medical Center staff to diagnose inefficiencies and reallocate time and resources to improve patients' hospital stays, saving upwards of \$5 million in the first year in enhanced revenue capture and expense reduction. The hospital also saw a substantive return on investment in MRI scheduling, where it saved nearly \$1 million by fine-tuning its administrative processes, and in reduced medicine waste, where it saved over \$900,000.



# Connecticut Children's Medical Center

Helping improve hospital reimbursements and streamline claims approvals with Simpler Consulting

## Introduction

Connecticut Children's Medical Center is a nationally recognized, not-for-profit hospital dedicated exclusively to the care of children. It has a medical staff of more than 1,000 that provides comprehensive healthcare in more than 30 pediatric specialties and subspecialties in Hartford, Connecticut.

While Connecticut Children's had an established reputation, hospital leadership saw room for improvement. Andrea Benin, MD, Senior Vice President, Quality of Patient Safety, and Peter Borla, CPA, Senior Director of Finance, recognized inefficiency in many of the hospital's operational processes. The hospital launched a performance improvement initiative with Simpler Consulting, part of IBM Watson Health, focused on eliminating waste while improving value to patients.

"We had a number of highly effective clinical processes in place, such as our patient safety program, but, in order to sustain those programs, we needed a level of operational consistency that would let us optimize work across the organization," Benin explained.

"Many of our peers experience some of the same struggles we had: a heavy volume of claim denials, complete patient information not being captured during the admission process," added Borla. "We knew that we could improve these areas and make a difference not only on our bottom line, but even more importantly to the overall service that our patients experience as well."

## Culture shift

The first step in the Simpler transformation was to conduct a value stream assessment. During this phase, onsite Simpler coaches closely observed each step in the administrative and clinical process of the patient journey through diagnosis and treatment. During this phase, coaches evaluated several hospital processes. Among them were information collection, including medical records, tests, orders and schedules; materials used, including specimens, supplies and medical devices; quality measurement, such as reporting and documentation; and clinician and physician flow throughout the hospital. A senior coach led the process and visited the Connecticut Children's team on a monthly basis. In addition, a Gemba, or onsite coach, with deep experience in revenue cycle management joined the hospital four days a week to help support the process.

The initial findings helped to shape the focus of the hospital's transformation efforts.

"By taking a clear, data-based look at our processes, we were able to figure out that there were sometimes upward of six or seven phone calls to gather patient information, which was not only frustrating for the families of our patients, but also inefficient for us," Borla said. "In order to avoid claims denials, we needed all the pertinent patient information up front during registration, and we were missing opportunities to get it on that first call. Breaking down those types of inefficiencies in the process was vital to reshaping how we operated." This finding also helped Connecticut Children's leadership empower their employees to take ownership in the process.

"Because we didn't capture enough patient information up front, we had too many employees responding to denials and repeatedly making calls to insurance companies," Borla continued. "Instead of redoing claims and sending them back to the insurance company, we tried to eliminate them altogether by altering our processes and not having to keep retracing our steps. One of the ways we did that was heeding Simpler's advice to encourage our employees to take ownership in the process."

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The Connecticut Children's team achieved this deep sense of staff ownership by identifying employees who became very engaged in developing solutions to this problem, and tasking them with helping to drive the organizational transformation process. The exercise had a dual benefit: not only did these front-line employees invest themselves in streamlining processes to improve their own workflows, the hospital was also able to identify up-and-coming leaders in the organization.

"The process drove a distinct shift in culture," Borla said.

## Efficiency boosts the bottom line

With this evolution in culture, Connecticut Children's also achieved significant cost savings. Simpler helped hospital leadership identify sources of wasteful spending and recoup those costs through business process transformation.

"We realized that we were leaving dollars on the table in a number of ways," Borla said. "For example, we hadn't been billing for the wasted amounts, even though we were eligible to do so. That's to say, if you have a 10 milliliter vial, and your patient only needed 8 milliliters, you should bill, and get reimbursed, for the full 10. We weren't, and it was costing us."

By making seemingly small but effective adjustments like this, Borla and Benin quickly saw a significant boost to the bottom line. In the first year of the project, Connecticut Children's saved over \$900,000 by reducing medicine waste alone.

"We also quickly recognized that we were only filling about 50 percent of our physical therapy time, so we changed the scheduling template to take care of more patients on a daily basis. We spent time with radiologists and front line staff in the hospital room to put decision making in providers' hands to ensure that the supplies that were being ordered were what they actually needed," Benin added. "As a result, we've seen better reimbursement rates and a significant shift in denial reduction, which ultimately led to a \$5 million savings last year. And this year, we are on track to do the same or better."

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## The road ahead

Once the team completed the heavy lifting of ongoing onsite evaluation and in-the-trenches refinement to hospital processes, the Simpler engagement shifted to executive-level coaching that helped instill the lessons learned throughout the transformation into the hospital culture. Leadership knows that this type of efficiency can only be achieved through ongoing self-examination.

"Working with Simpler and the team taught us to fish," Borla said. "It gave us the tools for improvement in order to build a management team and structure to diagnose any inefficiencies we had in our process. Our team has grasped the fundamentals and they've made them our own. This has been a game changer for us. Maintaining that leadership focus is critical, and we'll continue to move that new culture forward, because we know there are opportunities for improvement that still exist."