

Change Management

Buy-In by Business Office Personnel Is Vital to Revenue Cycle Success

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Here's a scenario: Your practice decides to convert its old, text-based practice management system (PMS) to a Windows®-based, ASP (application services provider) platform. You've undertaken this disruptive change to increase reimbursement and to improve reporting. Also, the system salesman assured you the transition would be "seamless." However, as the conversion progresses, you realize the transition is going to be anything but seamless. In fact, the project could get quite expensive. Meanwhile, your billing and clinical staff can barely resist the urge to shout in unison and with glee: "I told you so!"

Does this scenario sound familiar? As physician groups grapple with rising expenses, slashed reimbursement and ever-increasing regulations, successfully managing change across the revenue cycle becomes paramount for survival and success. Because your revenue cycle is pivotal to the financial health of your organization, risks and opportunities abound when efforts are made to transform this complex convergence of people, technology, process and regulation.

Yet even with the stakes so high, revenue cycle change management frequently isn't on the radar of physician leaders. Many assume that the options for improving the revenue cycle boil down to one of two choices: Either outsource all or part of the process or simply implement new technology.

Ignoring the Obvious

If groups choose a revenue cycle change, they frequently expect that technology alone will solve any and all problems that may exist. But this approach ignores a crucial component vital to success: enlisting and nurturing the commitment of the business office and clerical personnel who actually implement the new system and/or "wind down" the old system. If this constituency is neglected, the outcome is predictable: Ambitious attempts to financially transform an organization will fall flat. Why? Because no one bothered to thoroughly explain the need for – or benefits of – the imposed change to those responsible for implementing and using the new system.

To succeed in transforming your revenue cycle – whether the change

is triggered by a merger, acquisition or transition to a newer PMS platform – the buy-in of your staff and a thorough understanding of the project goals are among the most important factors if you intend to continue employing billing staff. Without a sense of commitment and ownership, key personnel will, at best, remain indifferent to the project's overall objectives. And at worst, they can sabotage the process.

Part of the lack of teamwork between physicians and billing staff may lie in the wide socioeconomic gulf that exists between doctors and staff. Many physicians make little effort to bridge this gap by getting to know their billing personnel or understanding the professional challenges they face. As a result, the goodwill and open communication required to ensure a successful transformation is in short supply when crunch time comes.

Eight Steps to Success

That's why managing change among hourly employees should be a priority for leaders committed to financially improving their practices. A recent article by John Kotter in the *Harvard Business Review*

outlines eight steps to successfully transforming an organization. Kotter is an acknowledged authority on organizational leadership, and his principles – which emphasize clear, consistent and frequent communication – are applicable to managing clerical personnel through a major group transition. These principles include:

- 1. Establishing a Sense of Urgency** — Ensure that everyone in the organization understands the competitive realities facing the group and why a significant change is needed. Likewise, make sure that employees are aware of the consequences if changes are not enacted quickly and accurately.
- 2. Forming a Powerful Coalition** — Assemble a work group with enough power to lead a change effort and encourage the group to work together as a team. Establish incentives and rewards built around project milestones.
- 3. Creating a Vision** — Articulate clearly and simply, in five minutes or less, what the transformed organization will be capable of and what benefits can be expected, not just for physicians but for the entire staff. Likewise, clearly outline the steps that will be required to achieve the vision.
- 4. Communicating the Vision** — Use every available vehicle to succinctly communicate the vision and strategy, including meetings, e-mails and information provided with paychecks.

- 5. Empowering Others to Act on the Vision** — Meet with business office personnel to identify and remove obstacles to change. Alter structures or systems that undermine the vision. And encourage calculated risk-taking and nontraditional ideas, activities and actions.
- 6. Planning for and Creating Short-Term Wins** — Plan for visible performance improvements, work toward them and reward employees involved in making the improvements a reality.
- 7. Consolidating Improvements to Produce Further Changes** — Harness the momentum of success to continually alter systems, structures and policies that do not further the vision. At the same time, hire, promote and develop employees capable of implementing the vision. And reinvigorate the process with new projects, themes and change agents.
- 8. Institutionalizing New Approaches** — Articulate the connections between new behaviors and practice success and develop the means to ensure leadership development and succession.

Getting from Here to There

By using the eight steps as a framework for developing, communicating and implementing a new revenue cycle strategy, managers can greatly improve the likelihood of a successful transition and minimize the risk of a potentially catastrophic cash-flow interruption. Organizations short on both time and expertise therefore may benefit significantly by employing outside resources to assist in the development and management of the change.

Whether the process is handled internally or externally, it is critical that groups avoid the tendency to underspend throughout the development, communication and implementation process. The impulse to conduct a significant process transformation “on the cheap,” while understandable, frequently leads to unforeseen problems and critical difficulties in transitioning accounts receivable from the old system to the new system.

Stop, Listen and Learn

Ultimately, managing change across the physician practice revenue cycle comes down to understanding and addressing the challenges hourly personnel will face when implementing the change. By listening to their concerns, ideas and suggestions, leaders will have a much clearer sense of potential pitfalls and opportunities. They will also gain a realistic perspective on the types of resources, both human and otherwise, that may be required to complete the task. We often expect far too much from those who have the least to gain from the transition.

Physician leaders who empower billing office workers with the appropriate vision, resources, incentives, praise and respect will likely see their objectives pursued and achieved with greater eagerness and commitment. And that will benefit everyone.