RPA Drives Cost to Collect While Maximizing Operational Efficiencies
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Host: Welcome to Guidehouse On Healthcare. I’m your host, Alven Weil. Today, we are discussing robotic process automation, or RPA. We’re joined by Len Mandel, a director at Guidehouse who is focused on end-to-end revenue cycle transformation for healthcare providers.

Len Mandel: Thank you, Alven. It’s a pleasure to be here, and I’m looking forward to sharing some insightful information with the folks listening to the podcast, so, thank you.

Host: Len has more than 20 years of experience in both the provider and consulting spaces, and his passion for RPA drives initiatives to reduce overall costs to collect while maximizing operational efficiencies. Len, thanks for joining us today.

Len Mandel: Almost every industry is buzzing about RPA, and healthcare is no different. For example, the 2019 HFMA Guidehouse Revenue Cycle Executive Survey shows one in four health systems and large-hospital executives have implemented advanced health IT, like RPA, to decrease costs and increase economies of scale. Fifteen percent of health system executives are targeting RPA to drive future RCM improvements, whereas not a single system executive selected RPA just a year ago.

Now, before we go any further, Len, if you would please define for our audience what RPA is, and how it is transforming the way companies inside and outside of healthcare are doing business.

Len: RPA is a software that mimics the steps a user performs to complete a task or process. Automation software is transforming the way companies do business to automate repetitive, manual, and mundane tasks. Improving efficiency and reducing costs is a key focus point for RPA. It’s changing the way we do business by having a digital worker, or bots, perform many repetitive tasks and operations. This reduces costs and improves efficiencies greatly as bots are working 24 hours a day, seven days a week. This allows the human workers to focus on more complicated tasks, or as we call, exception-based processing.
Host: So, Len, what are some specific examples of how RPA addresses challenges that are unique to the healthcare industry?

Len: Yeah, surely, Alven. RPA helps significantly address the challenge of the volume over staff in the equation. So many tasks get backed up through the high volume, and there are not enough hours in a day or staff to perform the task. The digital worker allows for increased productivity to eliminate backlogs, thus reducing volumes and improving efficiencies. Whether it's following up for claim status, fulfilling documentation requests from payers, or checking eligibility, bots will have a much higher productivity rate and fulfill these tasks with 100 percent accuracy.

Host: Len, how could RPA improve efficiencies and reduce costs for healthcare providers?

Len: The bots are available to work 24 hours a day, seven days a week, and with 100 percent accuracy. Humans can't even compete with that. You have an instant infusion of productivity going up, and by doing that, the efficiencies are gained just because of the increase in production and then, including the 100 percent accuracy from what the bots are programmed to do.

Host: Now, I've heard that you have a roadmap that you recommend to healthcare providers who are looking to take the RPA journey. Can you explain what that is and what steps it includes?

Len: The roadmap to implement an RPA program consists of four key segments. The first segment is the strategy. Strategy's where we define the mission and vision, goals and objectives of what we're trying to accomplish. We'll form a leadership team. We'll outline roles and responsibilities, and we'll identify potential software partners. In the process of doing that, we're going to conduct a feasibility analysis for implementation and begin org design, right? The center of excellence, where is it? How is it structured? We'll create awareness, we'll educate, and we'll promote the RPA capabilities throughout the organization.

The second phase, the RPA infrastructure for organization is pretty impactful and pretty important. It's where we develop the target operating model. In that, we're defining roles and responsibilities. We're training resources, identifying and hiring an RPA leader, develop and execute a staffing plan, conduct initial training, very important elements of this first phase of the infrastructure for RPA.

The second would be the RPA infrastructure for technology, right? Again, this is all part of the second stage, but here, we'll define technical requirements. We'll select partners for software and our implementation, execute a contract. In the process of doing that, we're going to define user access and security controls, conduct proof of concepts with software partners, again, make that technology piece come to life.

The third aspect of the RPA infrastructure would be the governance. Inside the governance, we're going to develop the model and the team and establish the policies and procedures. Bots are going to need to be re-engineered. What's that governance look like and how do we maintain those bots and keep things optimized as we move forward with our bot strategy? Those are bot controls, and the framework to do that to mitigate risk is probably one of the biggest things to concentrate your time on, as far as implementing bots and mitigating risks.
The third aspect of the journey would be the transition and support. Once you’ve got the RPA infrastructure and everything’s set up there, we have to set up a process. In this process, there’s an ongoing RPA life cycle. This includes identification of a pipeline for processes, the evaluation, prioritization, and feasibility review of those processes. Then, how do we execute it? How do we get these things prioritized, identify what they are, the valuation of what they really mean within ROI, and then get them prioritized? The last aspect of this section would be to execute the pilots and to measure results, designing, building, testing and implementing the bots.

Then, lastly in the journey would be the production monitoring and scaling. Bots have to be monitored for productivity, to analyze the effectiveness. What exceptions kick out? Who's responsible for monitoring those? Then, the report out on the results, right. How are we doing? Where's the value? In the process of doing that, we’re going to also have to determine the required changes to the training, the processes, the tools, the templates. It's a constant re-engineering to make sure that we're optimizing the bots and maintaining them all with the idea of risk mitigation in mind.

**Host:** Len, what’s an example of an area that is manual and can benefit from automation?

**Len:** One of the most impactful examples that we found for use cases in revenue cycle would be the claim status file. It’s a follow-up of where the insurance claim is and the status of the payer. Follow-up staff spend a lot of time researching accounts, Alven, especially on payer websites and portals. They find out that the claim is still processing, you know, annual or in adjudication. In these situations, time is lost, researching and working accounts without impact.

Automating the claim statuses from payer websites and leveraging that status to prioritize the impactful accounts and a staff work queue will help staff focus primarily on more valuable accounts. That’s really significant, the time spent to focus on more valuable accounts, versus those repetitive accounts where they’re not going to yield any value. An average department, a CBO or patient financial services department, can realistically save $750,000 per year on just this use case alone.

**Host:** So, what other areas in the health system can be automated, then?

**Len:** Alven, there’s a ton of areas in the health system that can be automated. Again, with regards to the bots, anything that’s repetitive, as I mentioned earlier, or anything that’s really mundane, there’s a huge opportunity horizontally across the healthcare provider. Initially, when we’re talking about revenue cycle, you’ve got the ability for front, middle, and back end, right?

In the front end, with patient access services, you can automate appointment scheduling and registration notifications, audit self-pay for existing coverage, insurance eligibility and verification, patient self-pay administration, and submitting pre-authorizations. On the back end in patient financial services, you have accounts receivable and denial recovery, claim status follow-up, as I mentioned previously, even claims processing, additionally, claim adjustment reason codes that have requests for documentation and following that up in an automated fashion. Also, there’s some things that people have found very beneficial in combining patient statements with bots.
So, there's a lot of opportunity in the revenue cycle itself. But if you take a look at the horizontal areas in the healthcare system, you've got areas in human resources and information systems and finance and accounting. Just in human resources alone, the resume screening and candidate shortlisting, right? What does that mean? Offer letter administration, new hire setup and onboarding.

With regards to information systems, you can automate the ticket responses, the port extracts. Uploads and downloads, including file transfers, all can be automated through bots.

Then, you've got in finance and accounting, ad-hoc reconciliation, accounts payable, invoicing and receipts. Those can be done with bots. How about general ledger and bank deposit matching, right? It's a typical fiscal services headache every single day. Then, let's not forget the month-end close process. A lot of those reports come from various information systems. They have to be done manually. Usually, a week to 10 days it takes to month-end close. Bots can shorten that timeline significantly.

Host: Len, great information. Thanks so much for sharing your expertise today.

Len: Hey, Alven, it's been a pleasure. I really enjoyed it. I'm hopeful folks that are listening got some insight on the steps to take to develop their organization's digital strategy.

Announcer: That concludes today's episode. Be sure to check in with us for future installments on the Guidehouse On Healthcare podcast series on Guidehouse.com/healthcarepodcast. Guidehouse On Healthcare is a podcast series produced by Guidehouse's healthcare practice. If you enjoyed this episode, please share it with friends and colleagues on social media. Learn more at guidehouse.com.
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