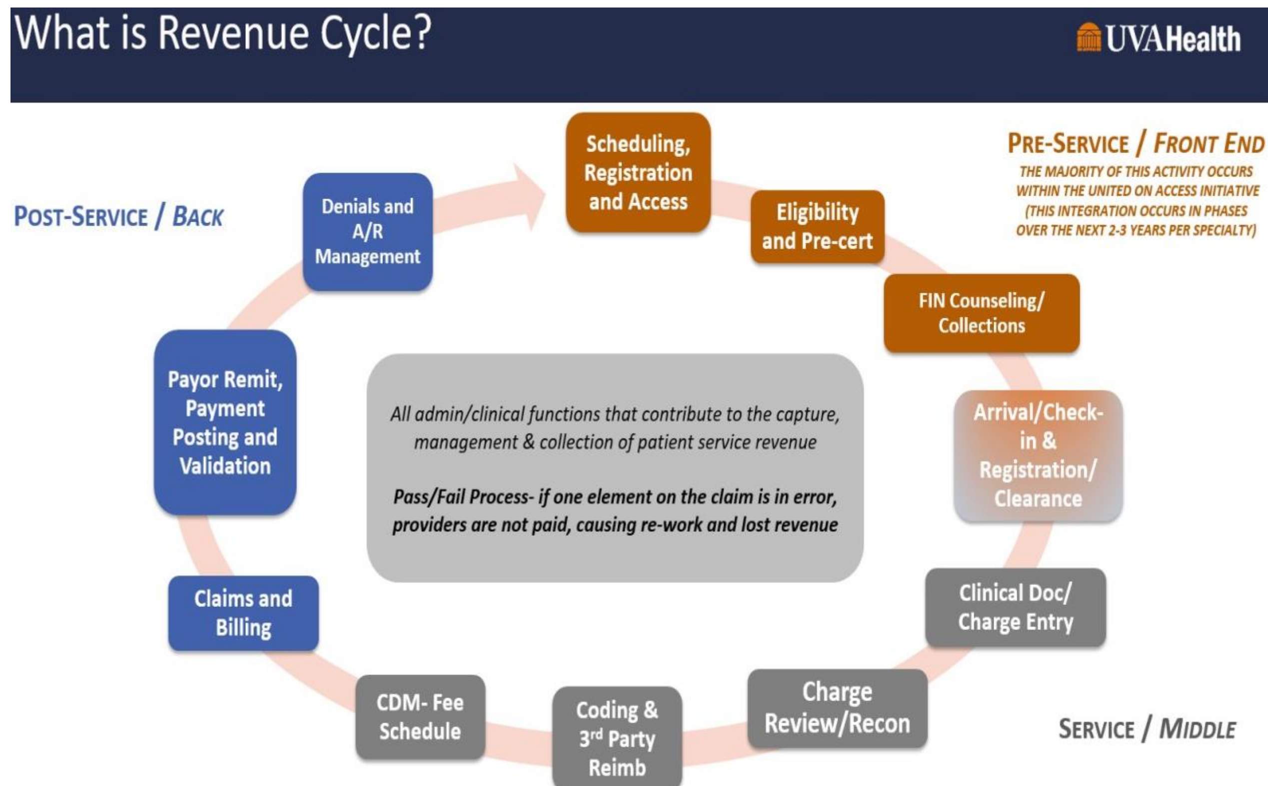
Revenue Cycle/Payer Contracting Integration FAQs

1. Question: What is revenue cycle?

Revenue cycle consists of various operational processes where health care organizations collect payment/reimbursement for patient services, including services rendered in hospitals and clinics (technical revenue) as well as by physicians and providers (professional revenue). UVA Health collects over 3 billion dollars in revenue each year through these processes. In other words, this is how our health system is paid for its clinical services. Revenue cycle is a complex operation and has multiple components including those set forth below:



2. How does this Revenue Cycle integration relate to the "United on Access" initiative that is being managed by John Bennett, Chief Ambulatory Operations Officer?

As noted in the orange boxes and text above, "United on Access" is focused on the front end of the revenue cycle and primarily encompasses registration, scheduling and financial clearance. You can read more about the "United on Access" initiative here https://ambulatoryops.uvahs.org/one-team-united-on-access. The Revenue Cycle integration (effective start date of 7/1/22) will ultimately include the work being undertaken in connection with United on Access, but is broader, in that it reflects the entire continuum of steps needed to capture, manage and collect patient service revenues as shown in the diagram above. The current Revenue Cycle integration efforts are focused on all portions of the Revenue Cycle other than those that are captured within United on Access, as we anticipate that the Access initiative, led by John Bennett, Chief of Ambulatory Operations, will be phased in over a period of three years, and our current efforts will be completed more quickly. Ultimately, both efforts will be integrated to create a unified approach across all revenue cycle functions.

3. **Question: What is payer contracting?**
Payer contracting is the process of negotiating rates with insurance companies, such as Anthem, Aetna, Cigna, etc., and includes provider enrollment and credentialing. Moreover, payer contracting defines the contractual terms, which are built and tracked in Epic to ensure correct reimbursement and accurate balance billing for our patients.

4. **Question: What's the impact to team members who integrate into the health system? Will they lose their job and/or does their compensation or benefits (including time off) or immediate supervisor change?**
The Revenue Cycle/Payer Contracting integration will bring together the current revenue cycle and payer contracting related operations of the University of Virginia Physicians Group, UVA School of Medicine, UVA Medical Center, and UVA Community Health (to include the UVA Community Health Medical Group). Because this work includes both expansion and integration, no employees' jobs will be eliminated and, in fact, we anticipate requiring additional team members to support this important effort. We want to retain all revenue cycle team members given the incredible level of skill and experience.

With limited exceptions, team members will remain employed with the UVA Health entity they currently work for (and no immediate impact to compensation or benefits is expected). Likewise, no changes to immediate reporting structure or supervisors will occur for the majority of employee; although, management organization may change as we re-align senior management within the larger UVA Health structure. We anticipate over time teams may be further integrated. Such integration will occur gradually and in a manner that appropriately considers departmental impact and individual team member needs. As we complete the integration of UVA Community Health from Novant Health, we expect additional opportunities to arise for our team members.

5. **Question: Will an impacted team member need to change their work location, or will location remain the same?**
With limited exceptions, work locations for impacted team members are unlikely to change, including those team members who currently work remotely. However, to ensure consistency of approach, including performance monitoring and expectations, it is necessary to gain understanding of the structure and oversight of remote team members.

6. **Question: Why are revenue cycle and payer contracting being centralized across the health system?**
First and foremost, our patients benefit. Revenue cycle consolidation at the level of the health system benefits millions of patients each year that receive care at UVA Health. Navigating the complex health care world is extremely challenging for patients today, especially understanding the financial aspects of their care, inclusive of medical billing. If revenue cycle is consolidated, there will be ***one bill*** *regardless of whether a patient resides in Charlottesville, Northern Virginia or anywhere else throughout the state…or is cared for by a physician or in a hospital or clinic. The customer support, policies and financial/payment processes for patients will be uniform and seamless, reducing billing complexity for our patients.*

In addition to the tremendous benefit to patients, there are economic reasons to consolidate revenue cycle and payer contracting functions. Consolidating revenue cycle will allow for identification and

remediation of duplicative processes in our organizations resulting in cost reductions. Traditionally, revenue cycle operations have been performed by five different entities across our health system; unifying leadership and consolidating operations will result in significant efficiencies and cost savings. Our payer negotiations have also traditionally been de-centralized, limiting our ability to participate in pay-for-performance and other alternative payment models and incentive programs. Moving to this integrated revenue cycle and payer contracting model brings UVAH in line with national best practice standards.

Integrated revenue cycle efficiencies are expected to result in $24M in annual, recurring savings or revenue enhancement for UVA Heath. The intention is that these savings are available to reinvest across UVA Health.

As previously stated, even if there were no financial benefits to integrating revenue cycle (which there are), we should move forward with this initiative for the benefit of our patients.

7. Question: Why is integration required for revenue cycle savings rather than alignment?
Integrated revenue cycle is currently best practice across the country. There is a logical economy of scale of having one consolidated process rather than five separate/redundant functions. Although this is true of revenue cycle, it would be true of any business process. Integration will also allow for better accountability and information sharing that will help lift performance in areas where we currently lag our peers.

8. *Question: Is UPG the only system entity being asked to consolidate revenue cycle at the system level or are all of the UVA Health entities?*
All of the UVA Health entities are being asked to participate in the integration of revenue cycle including UPG, the School of Medicine, the Medical Center, UVA Community Health Hospitals, and UVA Community Health Medical Group. There will be a workgroup formed with leaders of all impacted entities to oversee the integration revenue cycle and payer contracting processes; the concept is about "combining forces" and all working together to strengthen our revenue cycle and payor contracting operations.

9. Question: Is this very complicated to implement?
Revenue cycle integration has occurred at nearly every academic medical center/health system across the country over the last 20 years. While no change is easy, there are roadmaps for how to do this well. We begin with great teams across UPG, UVA Community Health, the School of Medicine, and the UVA Medical Center. Synergy created between these teams will allow us to grow into a unified and more integrated health system.

10. Question: What are the plans for ensuring transparency and communication about health system performance?
Health System leadership is committed to providing transparency and communication about health system integration and performance through multiple venues in an ongoing manner throughout the project (town halls, departmental meetings, written communications, monthly dashboards, Communications Council etc.).

11. Question: What is the expected timing associated with transitioning all of these functions?

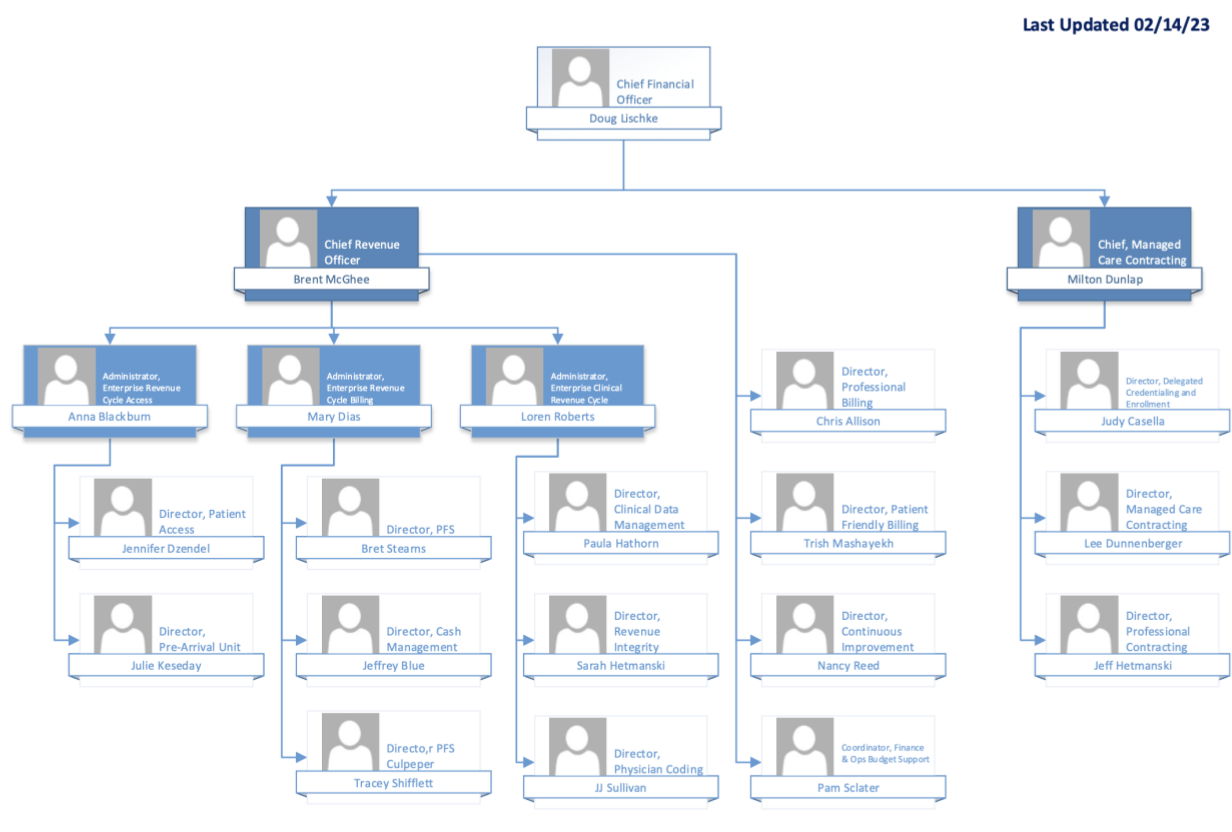
As of the end of January 2023, a majority of the impacted team members have transitioned to the new Corporate Revenue Cycle and Payor Contracting teams. Team members with CPG are currently in the process of transitioning.

12. **Question: What happens to the UPG employees who will work in UVAH's Revenue Cycle but won't change employment from their current entity (i.e., UPG / SOM) during the initial three-year term? Will they be officially changing employment to UVAH after that term, or not, or is that not known yet?**

As we complete the integration and optimization work, we will continue to review optimal organizational structure as well as individual employee impact with respect to each possible structure. We do not know yet what that will look like at the individual employee level but are committed to avoiding substantial adverse impacts to employees as we complete this important work.

13. **Question: What is the new leadership structure for Revenue Cycle and Payer Contracting?**

Brent McGhee and Milton Dunlap serve as the UVA Health Chief Revenue and Chief Managed Care Officers, respectively. The following organizational chart includes the new leadership structure for the integrated Revenue Cycle and Payer Contracting, respectively.



14. **Question: What is the governance structure for this integration?**

An executive team composed of stakeholders from the impacted entities will provide oversight of this integration work. A working group will also be formed to ensure execution of the integration work plan with representation and subject matter expertise from each entity.