

**INDUSTRY**

Healthcare

**SOLUTION**

Consulting

**PRODUCTS**

Operations and Technology

**CLIENT STORY**

Process Optimization for Kaiser Permanente:

## Simplicity Rewards Patients—and Provider

With approximately 9 million members, Kaiser Permanente is the largest managed healthcare organization in the United States. In keeping with the company's culture of continuous improvement and customer centricity, the Patient Financial Services division had identified potential areas of opportunity in the back-end revenue cycle for five major service lines of the business. Due to the complexity of the processes in these service lines, it was an ideal area of the business to begin a comprehensive improvement initiative.

Our collaborative approach with Kaiser Permanente began with a workshop to acquaint the team with the process fundamentals and concepts that would permeate the design of the new workflows. Through a four-day assessment, together with the team we identified primary areas of improvement, built a roadmap for the program and a prioritized schedule for each major component. Beyond the improvements to business operations, our focus was on drawing the employees into the ongoing pursuit of waste—to consistently seek out and eliminate unnecessary process steps, wasted resources, and wasted time.

We addressed high-priority areas by holding a series of agile, week-long process improvement projects with the team. The team mapped out each action, brainstormed ways to reduce waste and maximize results, and quickly executed on the new plans. Business leaders needed to know that changes would be measurable and sustainable, so process standards and reporting tools were all in place for effective read-out of results. Pilot programs allowed the team to evaluate and refine every idea before it was put into full production. Some of the improvements included:

- Processes were reorganized into sequences that would enable the elimination of redundant or duplicate steps.
- Work areas were redesigned to co-locate people who did similar or related work to create further efficiencies. The Worker's Compensation team, for example, determined that billing orders originally needed to travel more than 4,000 feet just to pass through all necessary workstations. After the changes, that dropped to zero.
- Improved job training resulted in more consistency and more accurate coding.
- Communication boards helped employees shorten turnaround times with a clear way to track the status of work.
- New performance measurements improved the team's ability to use data to proactively solve problems and evaluate the effectiveness of solutions.

The results enabled the division to focus more attention and resources on the quality of the member experience. Process steps and lead times were reduced from 35 percent to 60 percent. Reimbursements that used to take weeks now took only days. The division's renewed commitment to simplicity and member satisfaction paid off: fiscal year collections goals were exceeded by 40 percent, translating into well over \$1 million in incremental benefit from executing the new process.

### RESULTS

**\$1 million** in incremental benefit

Processes saw step reductions from  
**35% to 60%**

Fiscal year collections goal surpassed  
by **40%**