

Streamlined Enrollment Nets Big Results for Healthcare Leader

Situation Analysis - The revenue reports painted a clear, but startling picture for leaders at Kaiser Permanente Colorado: The organization's Medicaid line of business was losing more than \$100,000 a month in revenue because filing deadlines were missed repeatedly.

A quick investigation revealed that missed deadlines were primarily due to inefficient enrollment processes. A member's Medicaid ID had to be entered in both the membership and billing systems before the organization could generate a bill—when this wasn't done, Medicaid claims were automatically denied, leading to a significant loss of revenue for the healthcare organization.

Quality Solutions - Led by Joseph "JJ" Cassa, the Medicaid Enrollment Project team used Lean Six Sigma methodology to target Medicaid enrollment process inefficiencies. To uncover root causes, the team applied a variety of tools, including value-stream maps, output-process-input (OPI) diagrams, and cause and effect diagrams.

The team validated six final root causes and selected two solutions:

- Using an innovative application of the [lean 5S](#) tool to develop a new standardized enrollment template.
- Creating metrics and work instructions to guide employees in understanding what to do, how to do it, when to expect the inputs, and when to complete each task. These instructions were key to implementing a service-level agreement and a pull system into the enrollment process.

After a two-week trial, the solutions became a permanent part of the process.

Results - Spanning only 90 days, the project achieved the following results:

- Improved process quality from 61 to 90 percent.
- Decreased enrollment cycle time to just 11 days, down from the previous average of 62 days.
- Increased billing revenue by more than \$1 million annually.
- Increased Medicaid membership by 45 percent.

A cost/benefit analysis showed that the overall implementation cost was just under \$50,000 while the benefits topped \$1 million; thus the project's one-year ROI was a remarkable 21:1.

The Medicaid Enrollment Project Team used a variety of forums to share its success story, including delivering a live presentation at the 2008 [ASQ World Conference on Quality and Improvement](#), where it was a finalist in the [International Team Excellence Award Process](#).

[Read the full case study](#) (PDF, 193 KB, Free Registration Required)

To improve the enrollment template process and the template, the team used the 5S tool as follows:

- The fields were *sorted* and unnecessary fields were eliminated.
- The fields were *set into order* based on stakeholder input.
- The team *shined* by creating a Microsoft Access database that would not allow duplicate entries.
- The spreadsheet was *standardized* by protecting it and making it a template.
- A *self-sustaining* system was created by using Microsoft Access (to control data format and duplication) and Microsoft Excel templates (to control spreadsheet format and order).