Children's Professional Staff,

Arriving at the hospital, emergency department or clinic with a sick child can be a stressful experience for parents. Not only are they worried about their son or daughter, but many of them also have another concern lurking in the back of their minds – the bill. Luckily for parents, we do a wonderful job caring for their kids. But we sometimes fall short in helping families understand how much they can expect to pay for their visit – and whether they might be eligible for some kind of financial assistance.

Children's new vision is to be every family’s essential partner. And we believe that in order to truly partner with families, we need to be better financial stewards for them. Health care expenses are the leading cause of bankruptcy in Minnesota, so we know many families come to us panicked about cost and are too often surprised about how much they’re expected to pay out of pocket. As part of our commitment to providing family-centered care, we have an obligation to ease those concerns. That’s why we’re working on a project called the Children’s Financial Stewardship Initiative. With the help of Huron Consulting Group, we believe we can improve our internal processes to help eliminate some of the stress our families face.

Not only will this initiative benefit our patient families, it will create some important wins for our business, too. Like many of our peers in the industry, we have identified opportunities to become more efficient, helping protect our financial viability in this era of health care and payment reform. To achieve these gains we are focusing on three areas:

- **Case management.** Case management involves monitoring patient status and discharge planning throughout the patient’s stay to ensure a smooth transition home or to the next level of care. We’re creating a new case management team made up of RN Case Managers and Case Manager Assistants to help eliminate barriers to discharge, complete level of care assessments and to improve our communication with patients and families.

- **Coding/documentation.** We have an opportunity to more precisely document procedures and diagnoses so that full credit and reimbursement is realized for the high-level acuity and exceptional care we provide every day. We currently review about 65 percent of our cases and we’ll be expanding that to include all cases.
• **Revenue cycle.** This area involves adjustments to our processes in pre-registration, scheduling, admission, billing and follow up. We’ll begin collecting minimum data set (MDS) information at the time of scheduling. This will help reduce appointment wait times, while also making sure we have accurate data to process insurance verification and billing. We will also standardize our hospital and clinic practices related to co-payments, whereby we’ll discuss and collect from commercially insured families before and during each non-emergency visit, rather than billing them weeks after service. These efforts should reduce surprises to Children’s and the families we serve, resulting in higher satisfaction scores and more accurate and timely billing and payment. Importantly, this is the first step in a longer term effort to create transparency for commercially insured families about their anticipated financial responsibility prior to a procedure being done.

Be assured: **Children’s will keep our commitment to treat any child in need.** We remain focused on delivering high quality, safe care to any child who needs it, regardless of their ability to pay. By tightening up our internal practices and the consistency of important financial conversations with families, we can feel better knowing that we’re setting up our families and our business for success.

This is a high-level overview of a multi-phased project. We’ll continue to share more information as the rollout continues through 2014. If you have questions or concerns at anytime, please don’t hesitate to reach out. Thank you.

Phil Kibort, MD, Vice President of Medical Affairs and Chief Medical Officer