Insurance Verification Problems at a Medical Office
A Performance Analysis

Introduction:

Two doctors who own and operate a small medical office noticed that the profit they generate from billing the insurance companies has substantially dropped in the past two years. They realized that the reason for this significant drop was the fact that ***the coverage eligibility for up to 15 percent of their new patients was not being correctly verified***, resulting in the lack of ability to collect money from the insurance companies.

The preliminary investigation showed that this medical office has recently hired several new front-desk employees. These new-hires are responsible for receiving the insurance information from the new patients during the initial consultations. Later, they need to contact the insurance companies to verify eligibilities for the patients. But often, these front-desk employees failed to complete this important step accurately, thus, resulting in patients receiving care and procedures they were not eligible for. As a result, the doctors could not bill the insurance companies for the services they provided to the patients, consequently losing a considerable sum of money.

In order to unravel this significant problem and come up with a possible solution, a performance analysis will be conducted. This analysis will focus primarily on the performance of the front-desk employees, who are the main audience for this study, and who were entirely responsible for performing the insurance verification process.

Sources:

Sources for this analysis are divided in the following two categories:

1. The first category consists of the two doctors who own and operate this medical office. These doctors, who are being directly affected by the above predicament, are responsible for interviewing and hiring the front-desk staff. Furthermore, they play an essential role in evaluating the performance of the front-desk employees. As a result, their input is significant in defining the optimals and identifying the barriers that help in determining the existing gaps in the performance of the front-desk workers.
2. The second category includes the front-desk staff whose performance will be the major focus of this analysis. Currently, there are five staff members who perform the front-desk duties.
   - Of these five individuals, three have been employed by this office for about 18 months. All three have had a one year review conducted by the two doctors, resulting in scores which highlight their overall performances. The score measurements used are as follow: 1-Poor, 2-Below Average, 3-Average, 4-Above Average, 5-Excellent. One of these individuals received a three, indicating an average performance, while the other two received a four, demonstrating a better than average performance.
   - The remaining two employees have been working for this office for an average of nine months, and have not yet had a formal review. But, when the doctors were asked to state their informal opinion about the overall performance of these two individuals, both expressed confidence in the abilities of the two new employees in properly performing their assigned duties.

Gap Analysis:

A gap analysis has been performed by defining the optimals, observing the actuals, and exploring the causes which have created a gap between these two.

Defining the Optimals:

A discussion with the doctors has helped define the optimals for this analysis. The doctors define the ultimate goal to be for "**The insurance verification to be done correctly for one hundred percent of the patients**". But due to the broad nature of this goal, a ***Goal Analysis*** has been performed to break down this vast goal into four smaller and measurable ones.

Goal Analysis:

Goal analysis is used to break down the ***one vast goal*** into the following four smaller ones that define the optimals for individual performances, and based on these optimals, performance objectives can be set. This process will help both the front desk employees and the doctors in the following ways:

- When each of these smaller goals is communicated to the front-desk staff, they will have a set of specific objectives guiding them to achieve the clearly defined goals.
- This process will make it easier for the doctors to measure more narrow and specific goals, and determine whether each employee has achieved the objectives set for them

Optimals	Performance Objectives
Know ***exactly which*** method to use for each insurance company to verify eligibility	For each insurance company, the front-desk staff must know the **exact** method of contact to verify patient eligibility: **1**- Online, **2**- Telephone Call
Accurate information available before contacting the insurance companies	The front-desk staff must know the **precise** information they need to have available before contacting the insurance companies.
Complete the insurance eligibility process	The front-desk employees **actually do perform** insurance verification using one of the two appropriate methods.
Document the completion of the insurance eligibility process	After finishing the insurance verification for each patient, the employees must **document** this completion in a log.

Determining the Gaps by Comparing Optimals and Actuals:

Now that the optimal performances and the objectives they set have been clearly defined, they are compared to the actual performances of the front-desk employees to determine the existing gaps.

Optimals (100%)	Actuals
All front-desk staff knows which method to use to verify insurance eligibility.**1**-Online, **2**-Phone Call	***Four out five*** front-desk staff do not know which method to use to contact different insurance companies in order to verify patient eligibility. **(Gap = 80%)**
All front-desk staff knows the ***exact*** information they need before calling the insurance companies.	***Three out of five*** front-desk staff do not know the list of information they need to have prior to contacting the insurance companies. **(Gap = 60%)**
All front-desk staff ***actually*** performs the insurance verification	***Four out of five*** front-desk staff admitted that they sometimes forget to check for patient eligibility**(Gap=80%)**
All front-desk staff documents the completion of the insurance verification process.	***None of the five*** front-desk staff currently documents the completion of the insurance verification process in a log. **(Gap = 100%)**

Attributing Causes and Recommended Solutions:

Drivers (Description)	Solutions
Environment	
Currently, the front-desk staff is mainly using the **only** computer in the noisy reception area.	A recommendation has been made for the front desk staff to use the **other** two computers in the examination rooms, if the rooms are available.
Incentive	
A study of the wages for the front-desk employees in the surrounding area confirmed that the earnings received by the staff members in this office were comparable. Therefore, it was concluded that other incentives such as **lack of proper feedback** may have contributed to the poor performances.	The following recommendations have been made to the doctors: **1.**Give regular **feedbacks**(positive and negative) to the staff regarding their performances. **2.** R**eward** the employees who continuously perform *accurate and complete* insurance verifications. Example: Movie tickets/gift cards
Motivation	
The motivation level of the front-desk staff was low. All five claimed that they were too **busy** doing other tasks, so they lacked sufficient time to do the insurance verification.	**1.** It was recommended that the doctors divide the routine tasks into several categories, and assign each category to a specific employee. Then, rotate the responsibilities each month. This way, **not all** of the employees are **busy** doing the same things at the same time. **2.**The **feedback** and **reward** solutions in the Incentive section above, may also help increase the motivation for these employees.
Skills and Knowledge	
1. Two out of five employees were **not skilled** in surfing the Web to find necessary websites. **2.** All five employees did not know which verification **method** (Phone, Internet) to use. **3.** All five employees did not have a **list** of phone numbers or Website addresses for all of the insurance companies. **4.** Three out of five employees did not know the list of necessary **information prior** to contacting the insurance companies. **5.** All five employees were not aware that they needed to **document** the completion of insurance verification.	**1.** A quick **web-surfing training** was suggested for the two employees who needed it. **2.** A tentative **job aid** was recommended to eliminate causes #**2, 3, 4,** and **5** (*left column*) by • Providing the knowledge of the correct verification method to use. • A list of phone numbers and website addresses for all of the insurance companies • The information the staff needs to have, prior to contacting the insurance companies. • Ability to log the completion of the verification process, and the staffs' names.

Job Aid to Close the Gaps Caused by Skills and Knowledge Barriers:

This **tentative** job aid will consist of an **internal website** that will display a list of all necessary information that the front-desk staff must have ready prior to contacting the insurance companies. It will also contain a menu of all of the insurances that this medical office accepts. Upon selection, if that particular company allows insurance verification via telephone only, then the appropriate phone number will be displayed. Otherwise, for verification via Internet, the system will automatically connect to the website for that particular insurance company. Finally, this website will include a section for the person performing the verification to document the completion of the process, as well as his/her own information. This job aid will potentially eliminate Skills and Knowledge barriers **#2, 3, 4**, and **5** in the above table.