



SCHOOL OF MEDICINE • SAN ANTONIO

UT HEALTH SCIENCE CENTER®

CONTINUING MEDICAL EDUCATION

**Decreasing Collection Time of Accounts
Receivable for Jointly Sponsored Activities
in the Continuing Medical Education Office**

The Team

- **CSE Participants**

- **Leticia Bresnahan, MBA**, Project Coordinator
- **Marissa Howard**, Accreditation Manager
- **Brenda Johnson, MEd, CCMEP**, Director

- **CME Staff**

- **Peggy McNabb**, Office Manager
- **Joe Cepeda**, Web and Information Management Specialist

- **Facilitators**

- **Amruta Parekh, MD, MPH**, Education Development Specialist
- **Wayne Fischer, PhD**, Analyst, MD Anderson Cancer Center

The Team



Aim Statement

Decrease average number of days to receive CME
Jointly Sponsored Activity application fees from 165
days to 45 days by September 1, 2010

Definitions

What is Accounts Receivable?

- Money owed for sales or services performed. Included as a current asset on the balance sheet.

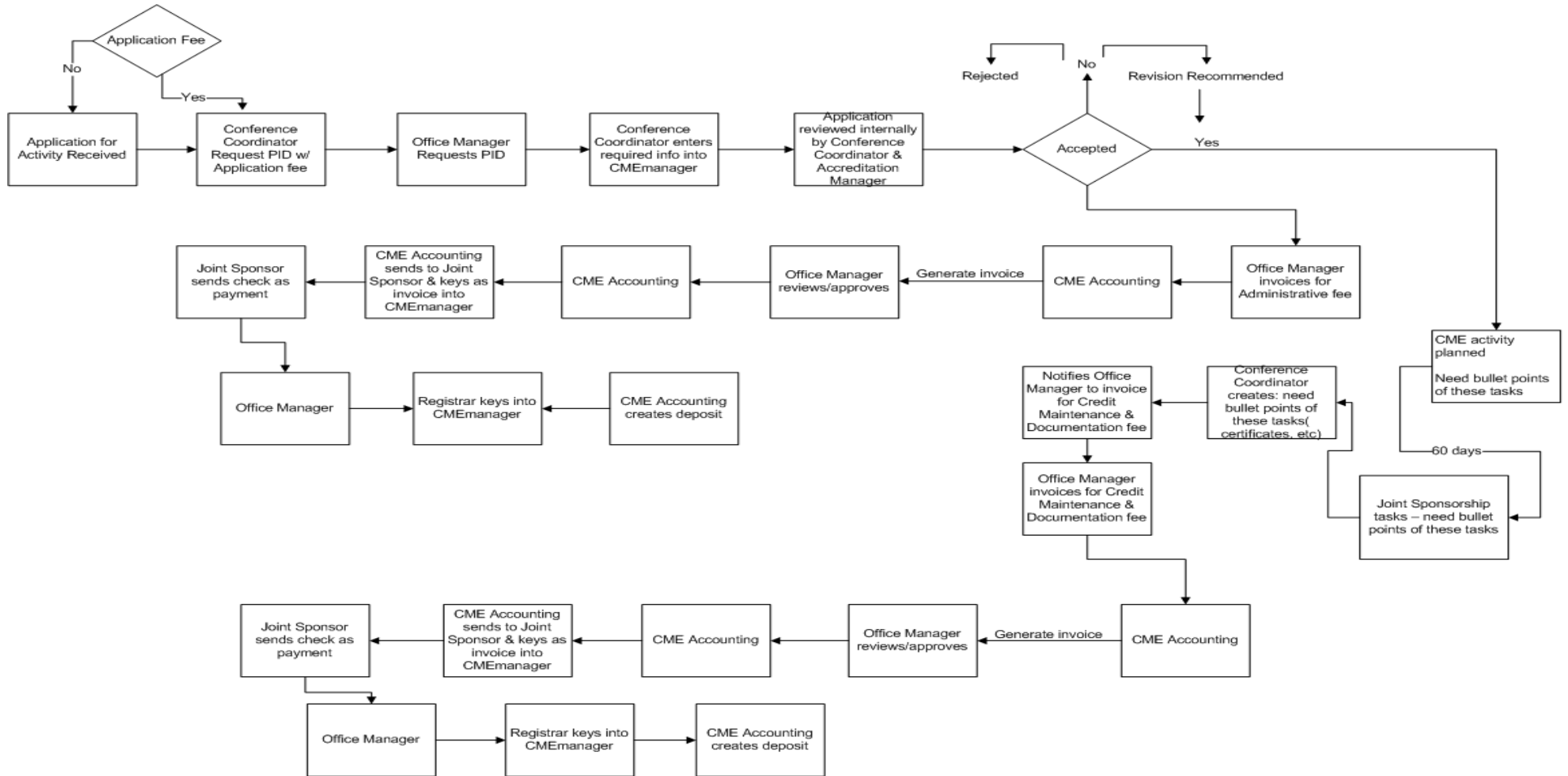
www.sbaloans.com/sba-glossary.php

What is Aging of Accounts Receivable?

- A periodic report that categorizes a company's accounts receivable according to the length of time an invoice has been outstanding.
- Accounts receivable aging is a critical management tool as well as an analytic tool that helps determine the financial health of a company's customers, and therefore the health of their business.

www.investopedia.com/terms/a/accounting

Pre-intervention Process Flow Chart



Background

CME Department was experiencing exceptionally long delays in accounts receivable cycle.

- Application process demonstrated a 3-phase and date-driven cycle
- Amount of time from

1. **Application filing date to application fee invoiced**

2. Application fee invoiced to application fee received

3. **Aggregate:** Application received date to application fee received

- Data showed greatest delay was from application received to Application Fee Invoiced.

Invoice date is internally controlled

Selected Process Analysis Tools

- **Fishbone** – depicts areas causing the greatest and most significant delays
- **Flowchart** – helped us in process mapping
- **Statistical Process Control Charts** – helped visualize the problem

Plan

- Met as a team to brainstorm
- Assigned specific tasks
 - Developed process flowchart
 - Conducted Data Collection
 - Identified Performance Metric
- Established process improvement timeline

Timeline

April 22nd
1st class
Aim Statement

May – 10th – 30th
Work on Cause and Effect
& Process Flow Chart

June 17-18th Meeting –
Wayne reorganized
data, statistical
process control charts

July
Analyze cause and
effect data and
determined
It is “us” not them

September
17th –
Graduation

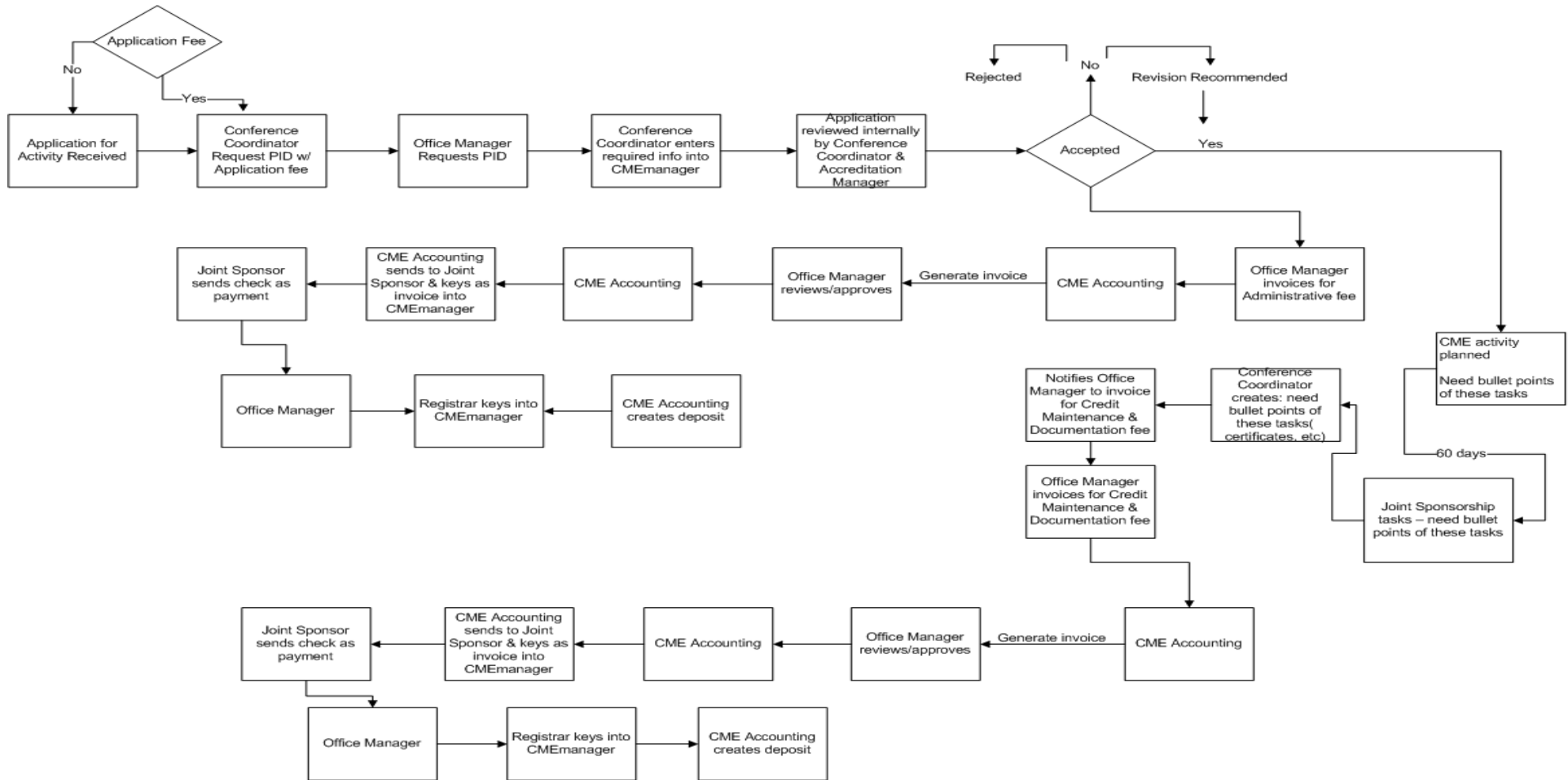
May 10th
Meeting – Office of Continuing
Medical Education key team
members

June -
Collect Data

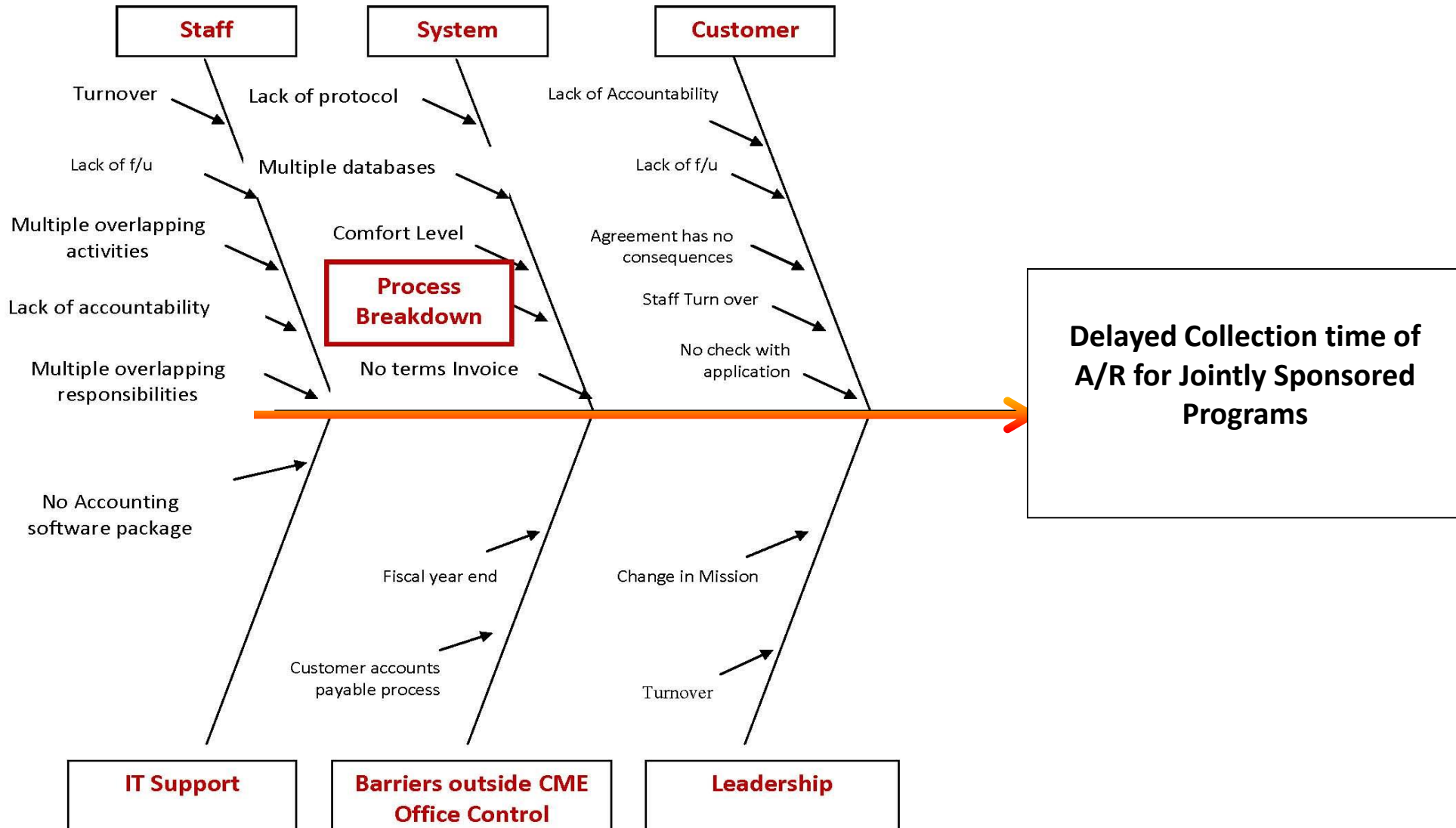
June 24th Team
Meeting

August 13th
Team
Meeting

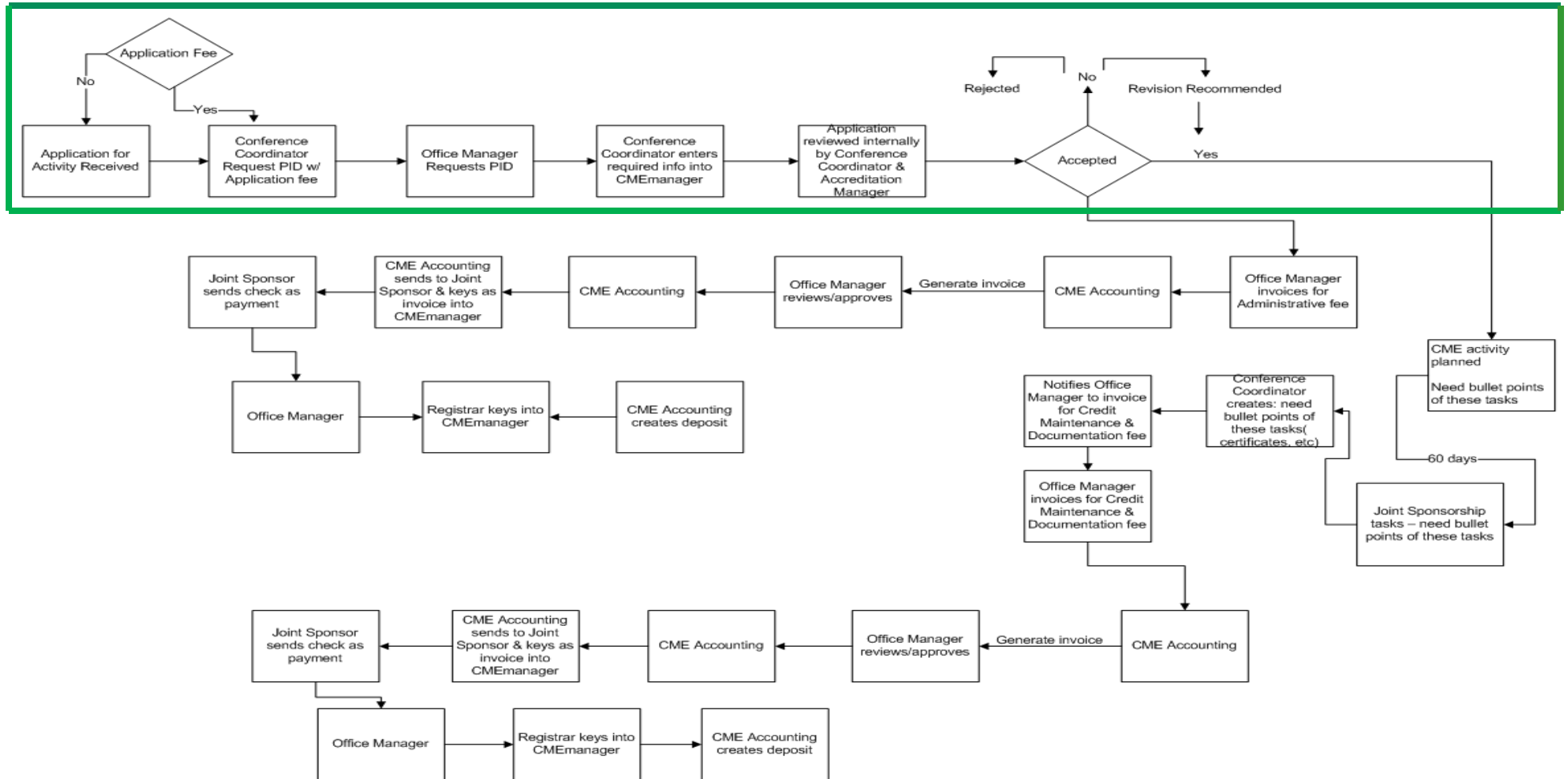
Pre-intervention Process Flow Chart



Cause and Effect of A/R Process Breakdown for CME JS Activities



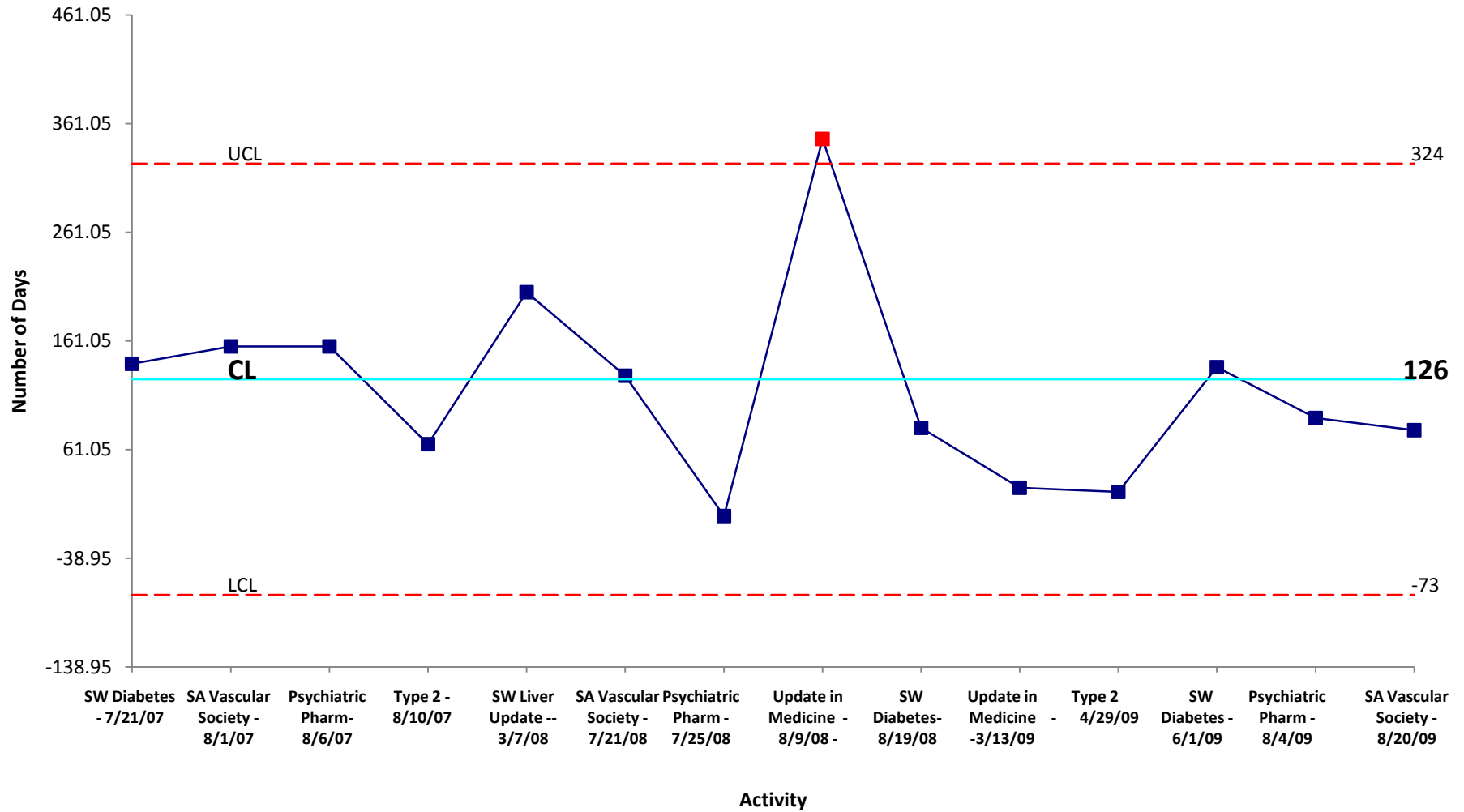
Pre-intervention Process Flow Chart



What Performance Measures Determine Progress?

- **Accounts receivable as a percentage of revenue** – Typically measured as accounts receivable at month end divided by the last three months annualized sales.
- **Day's sales outstanding** – This measurement is calculated in a number of ways. The key is not the precise method of calculation; it is that the calculation is **consistent** over the measurement period because it is a trend measurement.

Days from Date of Application to Date Application Fee is Invoiced

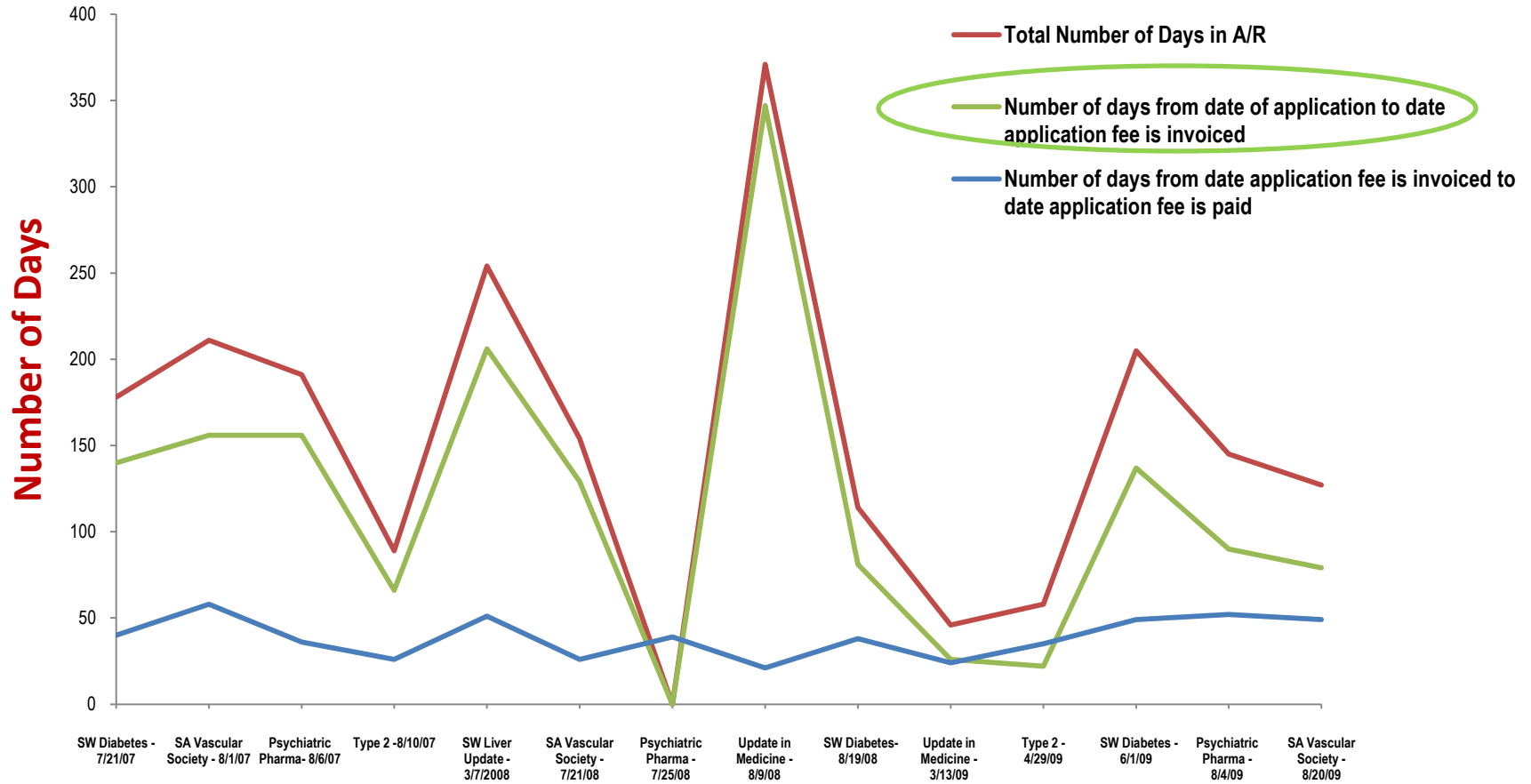


Results/Impact

Check

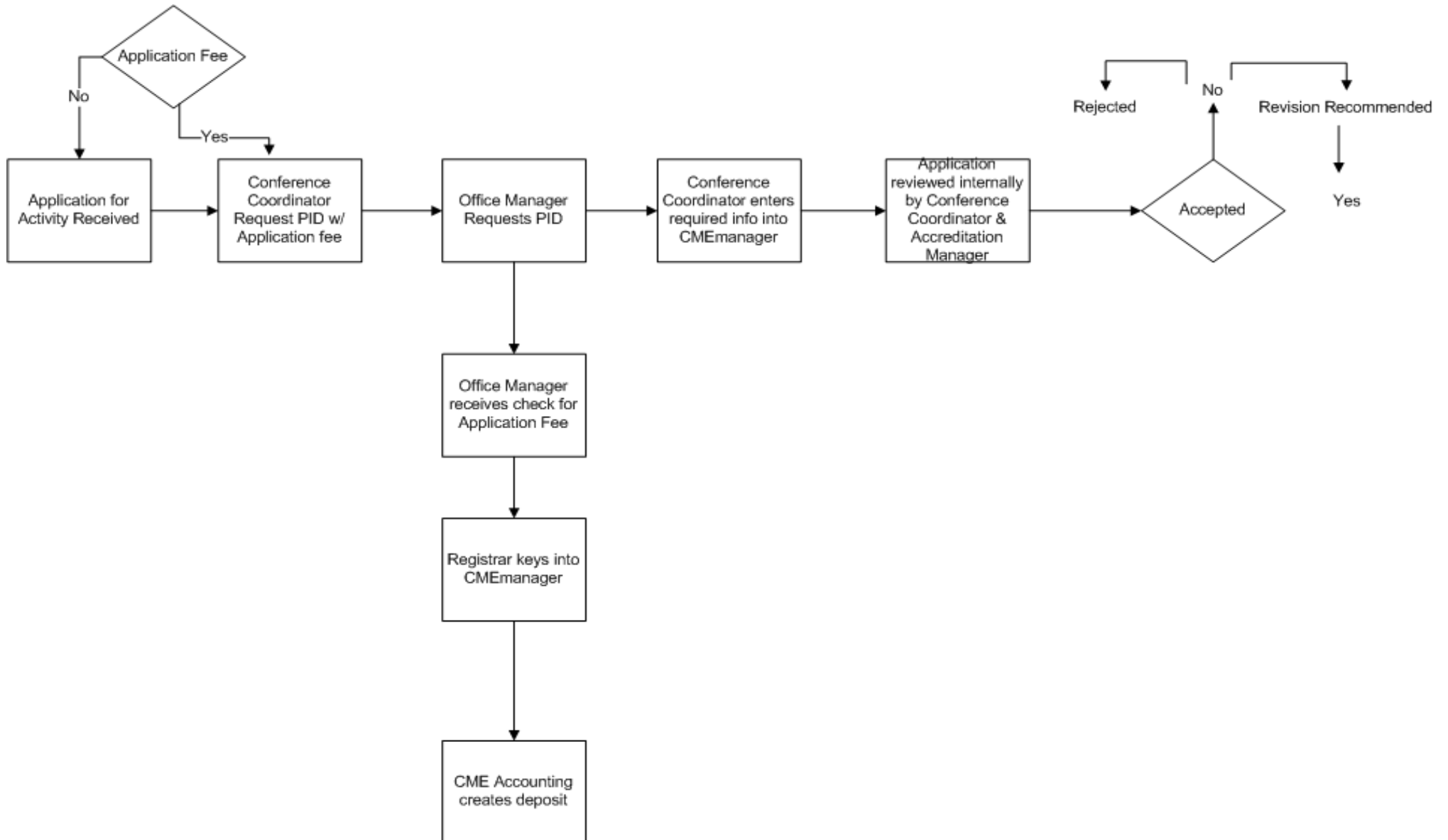
- Met with Wayne Fischer - instructed us to revisit data,
 - Data in chronological order
 - Selected Date of Application as a starting point date
- Suspicions were validated after viewing the cycle time graph.
- Took 6 pre intervention activities, implemented the new policy , plotted days from application to invoice , result was average of 35 days.

CME Joint Sponsorship Fees-Comparison of Cycle Times



CME JS Activities

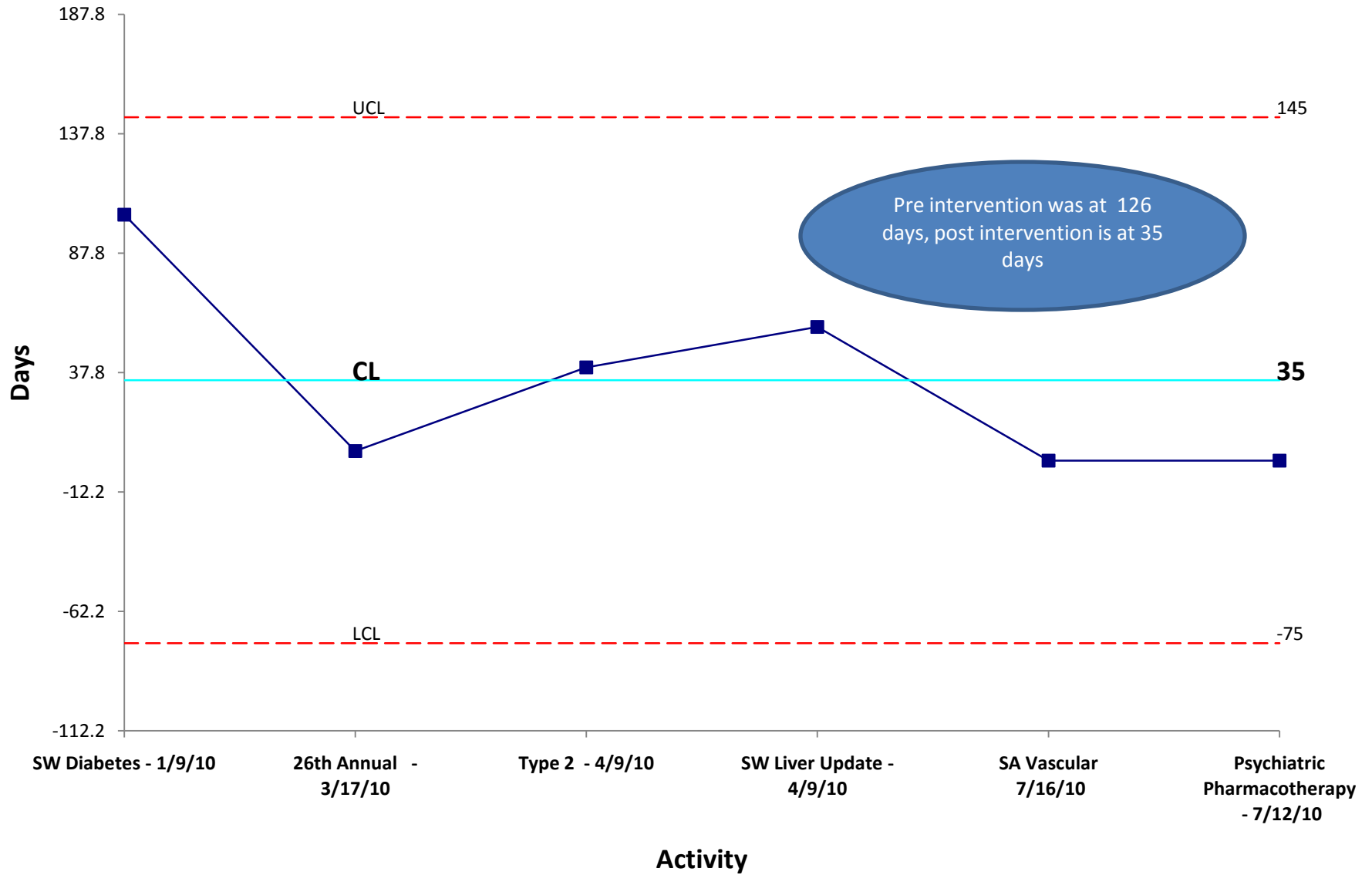
Process Flow Chart



Do

- Clarified the process – application fee must accompany application
- Identified roles and responsibilities
- Educated staff
- Educated customers
- Implemented the process
- Empowered staff

Post Intervention : Number of Days from Date of Application to Date Application Fee invoiced



Act

Monitoring of application fee time in A/R

- Monthly
- Quarterly

Expansion of Our Intervention

Application fee process will be expanded to

- Administrative fee process
- Credit maintenance & documentation fee process

Return on Investment

- Reduction of time from application received to application fee received
 - 165 days to 35 days (avg) = 470% improvement or ~5 times faster
- Improved cash flow
- Improved balance sheet
- Better fiscal bottom-line
- Increased efficiency of staff

Questions



Educating for Quality Improvement & Patient Safety