

Consolidated Patient Account Centers Fact Sheet

In 1997, VHA was authorized by law to seek reimbursement and retain collections from third-party health insurers in order to support medical care services for our veterans. Since then, there have been continuous efforts to improve revenue outcomes and performance throughout VHA. These funds are directly used to expand and improve services for our nations' veterans; therefore efforts to improve collections are critical.

Beginning in June 2005, a workgroup composed of key VHA personnel, Chief Business Office (CBO) leaders, and industry experts began examining ways to further enhance VHA revenue potential and improvement opportunity. An evaluation of top private sector revenue cycle performers was completed which identified the following common traits:

- Centralized control and regional consolidation
- Utilization of best practices and business tools
- Intensive training and development
- Extensive use of metrics to measure and validate performance

The Consolidated Patient Account Center Pilot Project

In Fiscal Year 2006, a pilot project was developed to create a Consolidated Patient Account Center (CPAC). VISN 6 was selected for this pilot due to having already centralized revenue functions and was named the Mid-Atlantic Consolidated Patient Account Center (MACPAC).

1. The primary objective of the MACPAC is to align facility-based front-end revenue activities with regionally consolidated back-end business functions.
2. The MACPAC operates under a new organizational structure and has established best practice revenue cycle processes, enhanced staff training, established consistency across VISN facilities in key revenue cycle functions and uses work drivers to track and prioritize key revenue cycle activities.
3. The following chart summarizes the MACPAC operating model:

Revenue Function	Provided at Facility by VAMC staff	Provided at Facility by CPAC staff	Provided at CPAC by CPAC Staff
Eligibility Determination	X		
Scheduling	X		
Intake/Insurance Identification	X		
Check Out	X		
Coding	X		
Utilization Review		X	X
Specialty Billing Coordination		X	
Revenue Customer Service		X	
Insurance Verification			X
Billing			X
Accounts Receivable Management			X
Cash Management			X

Figure 1 - Chart MACPAC Operating Model

- During its pilot period in Fiscal Year 2007, the MACPAC significantly enhanced cash collections for VISN 6 and achieved many of the goals for consolidation including process integration and standardization. MACPAC collections were over \$151M, which represents an increase of 18% compared to the previous fiscal year.

MACPAC Pilot Project Expansion Efforts

Due to the success of the MACPAC pilot project servicing VISN 6, operations were expanded in Fiscal Year 2008 to service VISN 7 which created the first multi-VISN consolidated revenue program within VHA. In the reorganization to the MACPAC, all impacted revenue employees in VISN 6 and 7 received either a position as a MACPAC employee at their local facility, transferred to the

MACPAC in Asheville, NC or were placed in positions at their local facility to utilize their skills and expertise.

National CPAC Strategy

Based on the success of the pilot, CBO developed a national strategy which will add a third and final VISN to the MACPAC and six additional regional consolidated centers. The CPAC National strategy was ratified by the VHA National Leadership Board without objection and subsequently approved by the Deputy under of Health for Operations & Management on September 26, 2008. Additionally, **Public Law 110-387 requires VHA to establish seven CPAC organizations within the next five years.**

1. Seven (7) total consolidated centers were selected as the optimal number of locations based on the speed of implementation, potential geographic synergies, manageable workload volumes, implementation costs, and industry best practices. The seven centers are shown in the map below:

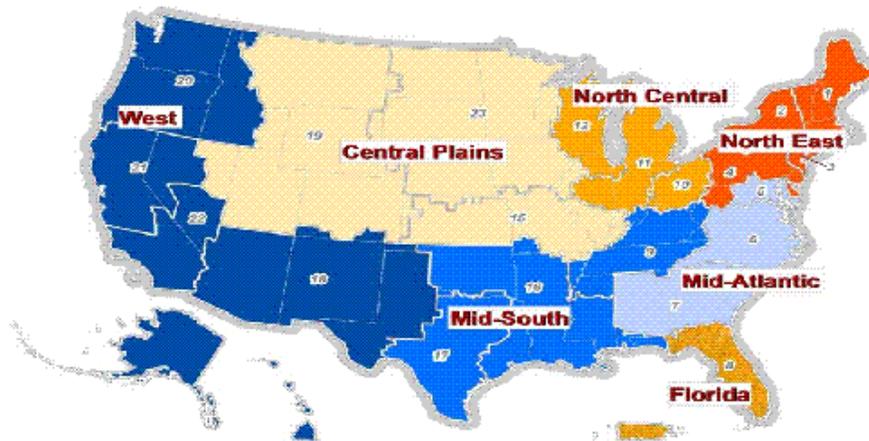


Figure 2 - Map of Consolidated Centers

2. The seven CPAC’s will be implemented over a 5 year timeframe, as follows:

CPAC	VISNs	Location	Transition Year
Mid-Atlantic	5, 6, 7	Asheville, NC	FY 2009
Mid-South	9, 16, 17	Murfreesboro, TN	FY 2010
North Central	10, 11, 12	Madison, WI	FY 2010
North East	1, 2, 3, 4	Pending	FY 2011
Central Plains	15, 19, 23	Pending	FY 2012
Florida	8	Pending	FY 2012
West	18, 20, 21, 22	Pending	FY 2013

Figure 3 CPAC Implementation Schedule

Next Steps

In late August 2008, our national labor partners were notified of VHA's intent to implement CPAC across VHA. VHA must meet labor obligations before proceeding with the CPAC implementation. Once our obligations have been met, additional information will be widely communicated on the CPAC plan and the planned implementation. Most critically, no employee will lose a job in VHA as a result of this transition to regional centers.

Summary

One of the great strengths of VHA lies in the skills and commitment of our staff, which directly contribute both to the success of VHA and to the well-being of the veterans we serve. CBO is committed to making sure that our employees remain dedicated to our mission and that VHA remains an employer of choice within our respective communities.

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