

Quality Improvement Story Board

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PLAN

Problem Statement

The KY Department for Public Health (KDPH) currently pays an administrative fee of \$6.36 per local health department (LHD) employee who receives health insurance. The employee listings are not always accurate and thus KDPH may overpay these fees. The process to reconcile these listings to ensure proper payment is very labor intensive and costly for KDPH.

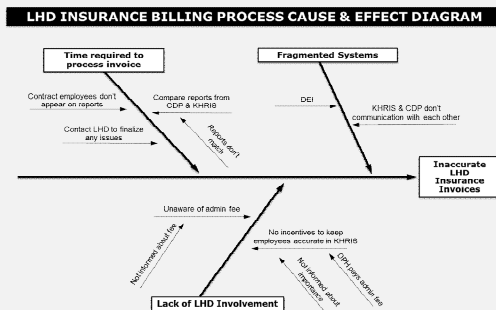
Aim Statement

Improve the LHD health insurance invoice process for and accuracy of the administrative fee bill by January 1, 2013.

Process Outline & Relevant Data

The process is important to change because it will save administrative fees for AFM, will assist DEI in receiving timely payments and help agencies keep employee insurance information correct.

Identify Potential Causes



Identify Potential Solutions

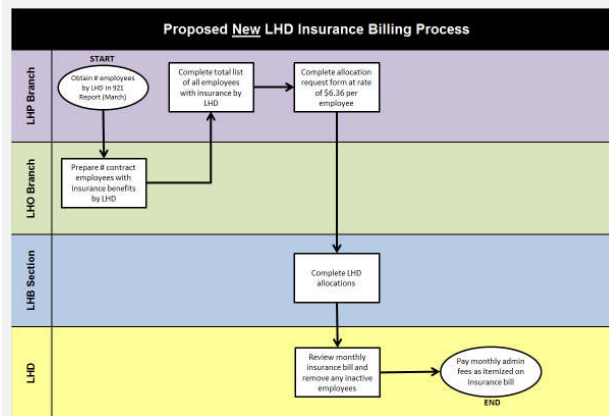
Outline a new process that would allow LHDs to pay the health insurance administrative fee with their monthly insurance invoice in the Kentucky Human Resource Information System (KHRIS). KDPH would still cover the cost of this expense by providing an allocation to each LHD.

Improvement Theory

By implementing this project, KDPH will have a financial savings related to labor cost and expenses related to inaccurate employee billing statements. Health Departments already reconciling their monthly insurance bill and the addition of this administrative fee should not significantly increase their workload. LHD will be better able to adjust and ensure accuracy of those employees who require payment for the health insurance administrative fee.

DO

Test the Theory

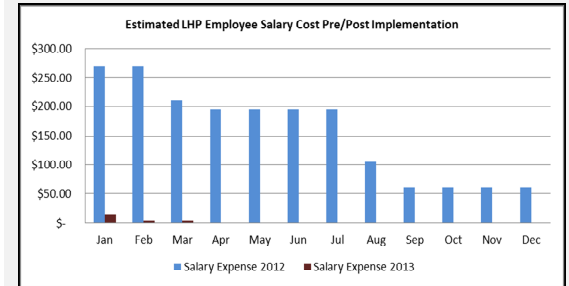


A test run was done with KHRIS testing the new system. The new line was added on the LHDs bills starting January 2013. In 6 months LHP will check the number of employees against the 921 report and compare this to the allocation that will be given to the Health Departments.

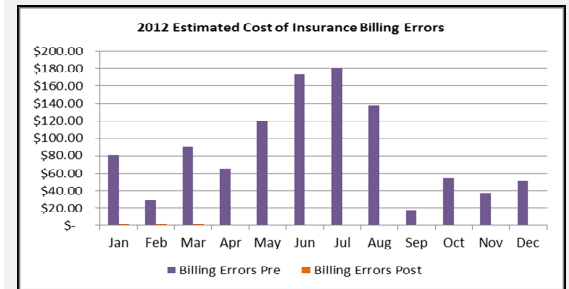
CHECK

Study the Results

Data indicated that the overall time/salary required to review insurance bills for errors decreased over time. For 2013 the time/salary in January was slightly higher due to initiating the new procedures and receiving questions from LHDs. LHP time/salary was minimal or non-existent for February and March.



The estimated cost of insurance billing errors decreased after implementation of the new billing procedure. While the amount of savings seems relatively small, the compilation of these errors of many years would be significant. As outlined in the new process, LHD insurance coordinators are now reviewing these bills thus no error are noted on the graph for 2013.



ACT

Standardize & Future Plans

KDPH has standardized this process and it has been fully implemented. KDPH will evaluate the process again in one year and determine if the new process has proven to be effective.