Lake Cumberland District Health Department
500 Bourne Avenue
Somerset, KY 42501

**Quality Improvement Story Board**

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**Electronic Accounts Payable Process**

**Identify Potential Causes**

The Primary cause of increased employee cost to the agency is the proposed pension expenses:

- KERS pension costs to the agency were projected to increase from approximately 50% to approximately 84% of employee salary expense for FY 2019
- None of the three proposed KY State budgets for FY 2019 (Governor’s, House’s, Senate’s) contained funding for Health Department pension increases
- The LCDHD District Board of Directors expressed unwillingness to consider an increase public health contribution rate for each local taxing district from the required 2.8 cents per $100 of assessed property value to the 4.8 cents our agency has estimated we needed to fund the proposed additional expenses

**Identify Potential Solutions**

- Skip having one staff prepare and key a pdf document with the attached bill for an administrator’s review and approval, and then have another staff key each bill payment after it’s approved. Instead have one staff skip straight to keying the bill payment, and have administration approve that payment AFTER the payment is keyed and before the check is released.
- Electronically pay the bills using the bank’s bill-pay feature instead of writing checks

**Improvement Theory**

We theorize we can trim enough steps off the process to reduce the number of employee hours needed for this particular process by 10%, or reduce the # hours needed to perform these tasks from 73 hours to 67 hours

**DO**

**Test the Theory**

- Piloted the new bill pay process that skipped the extra step of preparing a pre-approval document prior to keying the payment
- Piloted paying the Ryan White bills with the online banking bill-pay

**CHECK**

**Study the Results**

- New Bill Payment keying/approving process:
  - Adopting the new process did save hours of staff time each Thursday, but at first it caused the other staff to more slowly process their piece of the process. It took several months before we were able to routinely measure a time savings of 6 employee hours per week, however our goal was 7 employee hours per week
- Online Bill Paying:
  - Online bill-pay proved to be confusing for providers when they received the checks as they came directly from the bank with only a note on the check stub, and providers often weren’t able to determine to which account they should apply payments
  - Online bill-pay was only electronically transferred if the bank had an electronic relationship with the recipient. Otherwise, the bank mailed a check. This meant checks were received 5-10 days later than they would have, had we mailed them
  - Bank reconciliation was more complicated with ACH payments as they were cleared much later than LCDHD checks initiated and mailed in-house

**ACT**

**Standardize or Develop New Theory**

- Online bill pay was abandoned as processing payments this way saved no staff time or resources even after several months, and payments were taking longer to get to Vendors
- Skipping the pre-approval step of the weekly payment of bills has been adopted as the new procedure

**Future Plans**

Process will continue to be monitored to determine if there are any other opportunities for improvement and efficiencies

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