

Case Study: Advocate Health Care - The Value of a Revenue Cycle Partnership

Advocate Illinois Masonic Medical Center and Nebo Systems, a member of the Passport family of companies, partnered to develop and implement tools to provide the following benefits to the hospital: consistent and accurate patient payment estimates, improved time-of-service collections, streamlined workflows for insurance verification and real-time alerts for registration accuracy. The project produced many positive results in line with the hospital's pursuit of pricing transparency, data integrity and increased productivity.

Advocate Health Care, headquartered in Oak Brook, is the largest health care provider in Illinois with nine hospitals and two children's hospitals.

Advocate Illinois Masonic Medical Center

- 354-bed acute care hospital Level 1 trauma center located in Chicago
- received Magnet designation in 2008 for excellence in nursing
- total annual revenue: approximately \$1 billion
- diverse payer mix: 44 percent managed care, 26 percent Medicare, 23 percent Medicaid and 7 percent other

Objective 1: create a quick and accurate method for providing price estimates to patients

Following Advocate Health Care's corporate initiative to achieve pricing transparency for its patients, Advocate Illinois Masonic Medical Center analyzed its own processes for estimating patient financial liability and found much room for improvement.

- The charge data master (CDM) was difficult to interpret.
- Manual processes and paper spreadsheets were used to look up prices.
- Patients were only notified of price estimates and/or discounts verbally.
- Staff scripting widely varied.
- No firm record-keeping system existed for discussions with patients.

"We needed to better equip personnel in scheduling and pre-registration, patient access and patient accounts with tools and training to enable them to set proper expectations with patients," said Michael Sciarabba, director of access services at Advocate Illinois Masonic Medical Center.

Because the hospital had used Nebo's electronic insurance eligibility verification and medical necessity compliance services, it had a strong interest in building off existing utilization to expand functionality, integrate work processes and eliminate additional training for staff already familiar with Nebo tools.

After initial development the estimator product was implemented in the hospital for beta testing. User feedback was critical to Nebo during the 3-month testing period as it made repairs and performance enhancements. The project also allowed the hospital to request changes to customize the tool to its desired workflow. Constant communication and collaboration between the two parties guaranteed that adjustments were made quickly and accurately.

Results:

The new patient payment estimator tool was linked to an updated CDM to pull payer contracted rates and integrated with Nebo's front end platform for patient eligibility and benefits data. It allowed staff to quickly look up price estimates and evaluate discounts for self-pay and prompt-pay patients. Equipped with accurate information, the hospital's front end personnel bought into practices that had a significant financial impact.

- Price discussions with patients became consistent and documented.
- Accurate pricing made staff feel more comfortable asking for payment up front and collections increased. **Patient payments in the first quarter of use exceeded \$30,000.**

"We tracked collections quarterly and saw an immediate increase in cash flow," said Sciarabba. *"It provided a tangible return to the bottom line. I also think it was a good move from a customer service standpoint. Our front end staff was more educated on the organization's financial policies and more comfortable discussing with patients, so they set the proper expectations."*



Objective 2: increase registration accuracy through automated QA

The hospital also wanted to improve the quality of outpatient registrations, which were not audited for accuracy until weeks after a patient encounter, if at all.

- Front end personnel habitually bypassed error alerts and were not motivated to correct work because there was no system in place for accountability.
- Those who performed audits were not registrars and, as a result, were less familiar with day-to-day challenges and common practices.
- A large volume of outpatient visits – 200 daily – prohibited manual auditing from being effective as there simply wasn't enough manpower.
- High-dollar procedures were given ad hoc priority but overall outpatient registration quality was not a focus.

These challenges created additional work for hospital staff in the business office. Some claims were corrected prior to billing, but mistakes that made it through the system resulted in rejected and/or denied claims. At a minimum the hospital incurred unnecessary re-filing work and worst case total lost revenue.

Nebo worked with Sciarabba and others to implement a registration quality assurance (RQA) solution that provided automatic, real-time alerts for every patient registration at the hospital. The system identified errors and provided an avenue for staff to immediately correct data discrepancies before a patient was treated. It also gave management a mechanism for monitoring accuracy on an individual level and tracking department trends.

Results:

"The RQA service helped us achieve a better accuracy rate but was just as – if not more – important for our staff training and professional development," said Sciarabba. "The immediate feedback is so valuable because it allows users to understand errors while the information is fresh. They learn from mistakes by correcting errors themselves and know that ongoing quality is expected. It creates accountability without being punitive."

- Using RQA the hospital discovered that 20 percent of outpatient registrations per day contained errors, which were able to be corrected pre-billing because of alerts.
 - o 10 percent of all outpatient registration had eligibility errors. Many of these were for Medicaid coverage discrepancies.
 - o 3 percent of all outpatient registration had coordination of benefits errors.
 - o 7 percent of all outpatient registration had data errors, including incorrect social security number, date of birth, subscriber, guarantor, etc.

Objective 3: automate and streamline insurance verification workflow

Nebo's access management platform was installed to integrate the PPE and RQA tools within the front end workflow and promote real-time electronic patient insurance eligibility verification. Work list generation within the product provided a single condensed, organized and easy-to-use workflow management system for front end staff.



Prior to installing the work list tool the hospital relied on manual paper processes which produced late insurance verification, data errors in translating eligibility and benefits information between departments and ultimately administrative claim denials.

Results:

"With the work list we completely redesigned our processes – for the better," said Sciarabba. "Automating insurance verification alongside the new PPE and RQA tools tied everything together in a way that increased productivity and accuracy."

- Real-time insurance eligibility verification was performed for every patient in advance of admission or within 24 hours for inpatients vs. multiple days after admission previously.
- Eligibility-related phone calls were drastically reduced overall and in most cases eliminated.
- Staff productivity was clearly defined and monitored.
- Eliminating redundant tasks reduced paper costs and manual error.
- Electronic files provided documentation to support challenging denials.

Advocate Illinois Masonic Medical Center continues to work with Passport and Nebo as a showcase site for revenue cycle best practices.

"Our partnership creates better products that are mutually beneficial," said Sciarabba. "The tools help us meet our goals, and the projects were definitely worth the effort when we consider how much we have improved."

Join us on June 11 as Advocate Illinois Masonic Medical Center leads an educational webinar to show how the hospital has applied integrated tools for patient payment estimation and registration quality assurance, among others.

Hospital Case Study: Pioneering Technology
June 11, 2009 at 10AM PT/ 12PM CT/ 1PM ET

<http://www.passporthealth.com/Advocate061109EM.htm>

