Client. Central Oregon-based multi-specialty practice with 100 providers at six locations.

Challenge/Objective. Ensuring accurate payment from payers and patients.

Resolution. Experian Healthcare Patient Responsibility Pricer integrated with Experian Healthcare Eligibility and Benefits Verification electronically verifies patient eligibility and benefits coverage in real-time and calculates patient financial responsibility; Experian Healthcare Contract Management and Analysis track payer contract compliance at the line-item level and facilitate analysis of proposed contract terms; Experian Healthcare Payer Alerts provides daily updates of payer policy changes; Experian Healthcare Claim Scrubber validates the accuracy of medical claims prior to submission.

Results. Increased patient collections by 10 percent and recovered $65,000 a month in underpayments on average, for a return on investment of more than 300 percent; reduced A/R days; and improved clean claims rates.

“Experian Healthcare has increased our patient collections, improved our payer contract negotiation strategies and allowed us to proactively track the performance of each of our contracts.”
— Shane Irving, Chief Business Administrative Officer, Bend Memorial Clinic

Bend Memorial Clinic adds $4.5 million to bottom line with Experian Healthcare
“We've optimized payment from patients and payers by submitting more accurate claims, increasing time-of-service collections, recovering underpayments and negotiating more favorable contract terms.”

Client
With $7 million in monthly revenue, Bend Memorial Clinic's cash flow suffered from an inability to consistently verify patient eligibility and insurance coverage and estimate patient responsibility at the time of service. Since practice staff had no means of accurately determining what the payer would allow for various treatments, they were unable to collect patient fees up-front, leading to extended billing cycles and frustrated patients.
Claim denials resulting from patient eligibility errors also contributed to payment delays and required time-consuming rework.

In addition, the clinic found that manual monitoring of its payer reimbursement was missing many, if not most, claims underpayments. “Our two analysts responsible for monitoring payments and watching for variances were well-versed in our payer contracts, but it’s unrealistic to expect someone to remember every detail of such complex agreements,” says Shane Irving, Chief Business Administrative Officer at Bend Memorial Clinic. “Our processes were extremely labor intensive. We manually evaluated payer payments, based on the application of fee schedules, and identified suspect claims. Yet we couldn’t be sure we were being paid accurately, according to our contracts.”

**Challenge/Objective**

Practice leadership recognized the need for an automated system that would analyze reimbursement from payers and identify claims that did not comply with payer contract terms. Bend Memorial Clinic also wanted to streamline workflow for staff and better manage the appeals process. While the clinic’s practice management system had tools to help identify underpayments, the system was complex, difficult to use and required staff to manually update contract information. Instead, Irving says, “We wanted a system that would help load and maintain the contracts so we could focus on identifying underpayments and managing appeals.”

In addition, Bend Memorial Clinic sought the reporting capabilities needed to run “what-if” scenarios and assess the financial impact of alternative contracts proposed by payers. This capability would enable the practice to better project revenues and expenses associated with new services under consideration.

Finally, the practice needed tools to help accelerate payment, including both out-of-pocket fees from patients and reimbursement from payers. With patient revenues making up an increasing share of practice revenue, Bend Memorial Clinic desired the ability to quickly verify a patient’s insurance and benefits coverage so it could more accurately estimate out-of-pocket fees prior to the time of service. “Patient financial responsibility for medical expenses continues to increase, but actually bringing in that money is time-consuming, expensive work that often leaves a lot of revenue on the table in the form of patient bad debt,” says Laurie Simpson, Business Services Manager at Bend Memorial Clinic.

Likewise, ensuring the accuracy and completeness of medical claims was a tedious challenge. The clinic submits more than 1,700 claims each day, leaving little time for staff to manually verify the accuracy of each claim or visit payer websites to search for the latest policy and procedure changes.

**Resolution**

After evaluating products from several vendors, Bend Memorial Clinic selected Contract Management and Analysis because of its proven ability to define, model and maintain payer contracts. Prior to going live, Experian Healthcare’s contract analysts defined and modeled 16 payer contracts that accounted for approximately 80 percent of the practice’s overall claims volume. Following the three-month implementation process, Bend Memorial Clinic began using the application in April 2006.

With Contract Management, the practice no longer has to manually review claims — as it did prior — and the analysts are also more efficient, giving them more time to recover revenue that might otherwise be lost to the clinic. Bend Memorial Clinic also uses Contract Analysis to apply proposed contract terms to the precise mix of services it provides, allowing the practice to assess the bottom line impact of each contract. According
to Irving, “Our CEO really appreciates being able to enter negotiations with all of the information he needs to not only set favorable reimbursement rates, but also to include performance indicators such as accuracy and turnaround time in contracts.”

Along the same lines, Bend Memorial Clinic uses data stored in Contract Management and Analysis when making decisions about new services and new hires. “We’re always offering new specialties,” Irving says, “and the data generated by Experian Healthcare lets us do so with confidence, because we know the projections are accurate.” The practice also uses the data in the recruiting and hiring process to give physicians an accurate picture of their expected compensation.

In 2007, Bend Memorial Clinic went live with Patient Responsibility Pricer, which enables the practice to accurately generate patient estimates prior to the time of service, increase up-front collections and reduce billing and collection costs. Integration with Eligibility and Benefits Verification ensures that estimates are based on the latest, most up-to-date eligibility data, payment rules and contract terms, helping to minimize the need for time-intensive validation processes and increasing overall efficiency.

“Electronically gathering details related to patient co-pays, benefits and deductibles results in more accurate data and fewer eligibility-related errors,” says Simpson.

Payer Alerts expedites workflow as well by providing daily updates of payer policy changes specific to the practice’s specialties and payer relationships. With this information at their fingertips, staff can submit more accurate claims and avoid potential denials.

"It only takes one rule modification to impact an entire line of business," says Simpson. “With Payer Alerts, we have the peace of mind that we are staying on top of these changes.”

Claim Scrubber further enhances the clinic’s ability to submit more accurate claims and speed payment. Since implementing the tool in 2011, coding and EDI staff can track, scrub, edit, submit and correct claims online in real-time, leading to increased efficiencies and greater visibility into reimbursement trends and denial patterns.

“Claim Scrubber has been a tremendous help in improving our clean claims rate," Simpson says. “Plus, since we were already using Contract Management and Analysis, we now have the ability to audit claims both pre- and post-remittance, which allows us to secure more timely reimbursement.”

Results
With Contract Management and Analysis, Bend Memorial Clinic quickly reached an average monthly recovery rate of $65,000 — more than double the high end of its initial target.

Additionally, the practice has been able to negotiate more favorable contract terms based on percentage of fee schedules rather than on relative value units (RVUs) by tapping Experian Healthcare’s contract analysis capabilities. “Experian Healthcare has helped us get a better understanding of all of the variables that impact our bottom line,” Irving says.

With Patient Responsibility Pricer integrated with Eligibility and Benefits Verification, Bend Memorial Clinic has raised cash flow by 10 percent and reduced patient responsibility A/R by 40 percent. Automating insurance and benefits verification processes has dramatically improved workflow while the daily Payer Alerts notices have helped contribute to the decrease in claim denials by making staff aware of services that are no longer covered.

Claim Scrubber further reduces denials with targeted edits that enable the clinic to submit cleaner claims and eliminate costly rework. In fact, claim error rates decreased from 2.7 percent at the time of implementation to 1 percent after three months of use.
Experian Healthcare
recover $65,000 in
revenue each month
Bend Memorial Clinic,
April 2006–January 2012
Claims with successful
appeals: $4,500,000
Underallowed commercial
variance: 3 percent

Days in accounts receivable also dropped from 40 to 30.

Overall, Experian Healthcare has exceeded expectations when it comes to the return on investment. After partnering with Experian Healthcare for nearly six years, Bend Memorial Clinic views these tools as not only valuable for recovering underpayments, but also for increasing up-front collections and improving cash flow.

"In today’s complex healthcare climate, you constantly have to be on top of your game to stay profitable, and we couldn't do that without Experian Healthcare," Simpson says. "I am completely confident in their ability to make our revenue cycle processes work for us. They give us insight into where to focus our efforts and the information they provide is both clear and accurate."

About Experian Healthcare
Experian Healthcare provides revenue cycle products and consultative services powered by data and advanced analytics that allow health systems, hospitals, medical groups and specialty healthcare organizations to more effectively manage critical financial decisions. Its suite of patient access, claims and contract management and billing and collections products and consultative services empowers clients at more than 900 healthcare organizations to optimize payment from patients and payers at every step of the revenue cycle, resulting in lower costs, improved cash flow and enhanced financial performance.