

Accurate patient demographics positively impact revenue cycle

ValleyCare Health System eliminates 90 percent of incorrect patient mailing addresses and drastically reduces costly manual follow-up

Client. A 200-bed private, not-for-profit medical center based in northern California.

Challenge/Objective. Improve patient address accuracy and reduce volume of returned mail.

Resolution. Experian Health Identity Verification enables ValleyCare's pre-registration and check-in employees to verify patient demographics, view alerts regarding changes, and make required updates quickly and seamlessly.

Results. Decreased undeliverable return mail from 1,500 pieces per month to 150 pieces — a 90 percent reduction.

Client

With 1,500 pieces of undeliverable returned mail arriving per month, ValleyCare Health System was struggling with the expensive and labor-intensive process of tracking down correct patient addresses. Every returned patient bill required employees in the health system's Patient Financial Services (PFS) department to go through a five-step process:

1. Open the mail;
2. Manually note the "returned mail" status in its electronic records;
3. Transfer the returned mail file monthly to an outside agency;
4. Pay a fee for all identified addresses via the agency's skip tracing software; and
5. Enter the correct address into the patient's account.

This process was not only time-consuming, but also required the health system to pay an outside agency to find correct addresses. Meanwhile, associated past-due balances went uncollected for at least 30 days.

ValleyCare is a not-for-profit health system and reinvests any profits from operations into new facilities, equipment and services — so every dollar it collects directly impacts patient care.

Not surprisingly, demographic errors can cause a dramatic rise in return mail, fraud rates, denied insurance claims and aging accounts receivable for self-pay patients. The PFS management team analyzed the reasons for the return mail and found that verifying addresses for Emergency Department and Urgent Care patients was low priority. Other reasons for wrong addresses included keying errors at the time of data entry, or patients providing false information to avoid a bill.

"Our staff was spending hours with return mail — we have boxes and boxes of it that we had to go through piece by piece. The mail was returned for a myriad of reasons — from typos to people intentionally giving us fraudulent information."

—Cindy Rudow, Director, Patient Financial Services at ValleyCare Health System

ValleyCare Health System

Challenge/Objective

The PFS and Patient Access Services (PAS) management teams started researching tools to assist with obtaining correct patient demographic information at the point of service — before a patient is discharged. The teams discovered that Identity Verification could deliver an immediate and dramatic impact on the revenue cycle. In addition to validating addresses for all accounts, the service could also screen all self-pay patients for possible financial assistance, such as directing them to charity services or a means-tested payment plan.

Although there was no budget allocated for Identity Verification, ValleyCare's CFO recognized the importance of the tool and agreed to let the teams go forward with the purchase and implementation of the software.

Resolution

Going live in 2008, ValleyCare began using Identity Verification, which uses the industry's most expansive and trustworthy data sources to give patient access staff the latest demographic information, including name, address, Social Security Number, date of birth and phone number. The health system's employees rapidly embraced the solution, expanding searches on the application from 272 queries to nearly 10,000 in less than six months.

Identity Verification helps validate and correct demographic data during pre-registration and check-in by opening a dialogue between ValleyCare employees and patients. Questions such as: "Our address verification system shows a different address for you. Can you please confirm your mailing address?" or "Can you please confirm your legal first name?" or "Can you please confirm your date of birth?" were found to be non-confrontational means to determine accurate information.

"We definitely saw a benefit in the reduction of fraudulent information being given to us," says Janine Edwards, Patient Access Services Quality Assurance/Training Coordinator at ValleyCare Health System. "Our scripted exchanges — plus the patient simply knowing that we had the verification service — reduced the number of intentional errors that we received."

Results

Since implementing Identity Verification, ValleyCare has saved considerable labor plus expedited revenue cycle collection activity. The amount of returned mail has dropped by about 90 percent from the 1,500 pieces of mail received per month prior to the search tool implementation.

All returned information meets United States Postal Service® standards and uses appropriate formatting so ValleyCare can ensure the proper delivery of patient statements and insurance claims. Validating the identity of every patient at the time of treatment also significantly reduces the patient bad debt risks associated with medical fraud, return mail and lost invoices.

Overall, Experian Health has exceeded expectations when it comes to the return on investment. After partnering with Experian Health for four years, ValleyCare Health System intends to expand usage of Identity Verification into other departments.

"As more hospitals are trying to streamline operations and reduce labor, we were able to offset our manual hours," says Rudow. "We were pulling in additional help to get through our return mail. We're now able to better utilize our resources as a direct result of our partnership with Experian Health."

"Since implementing Identity Verification, we've improved the accuracy of patient demographic information throughout ValleyCare Health System. More valid data up-front means better revenue cycle results on the backend."

—Janine Edwards, Patient Access Services Quality Assurance/
Training Coordinator