



## Medical College of Wisconsin

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“Experian Health does a great job of explaining the reasons why an underpayment exists and why it is a variance.”

— Marion Livingstone, Executive Director of Clinical Practice Services, Medical College of Wisconsin

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**Client.** Milwaukee-based multi-specialty academic practice plan with more than 1,300 physicians/allied health professionals.

**Challenge/Objective.** Expediting the collection of patient payments and payer reimbursement, negotiating more favorable contracts.

**Resolution.** Experian Health Passport Eligibility electronically verifies patient eligibility and benefits coverage prior to service; Experian Health Contract Manager and Analysis validates reimbursement accuracy at the line-item level and evaluates the financial impact of proposed contract terms.

**Results.** Improved cash flow, better performing payer contracts and an addition of \$7.53 million to the bottom line in 6 years.

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### Medical College of Wisconsin teams with Experian Health for improved financial performance

“We definitely achieved our objectives; our group has a great partnership with Experian Health.”

#### Client

When it came to determining accurate reimbursement for medical claims, Medical College of Wisconsin (MCW) had little confidence it was being paid exactly what it was owed. “We didn’t know if we were getting paid appropriately because of the complexity of the payer payment policies in conjunction with contract terms,” says Marion Livingstone, Executive Director of Clinical Practice Services at Medical College of Wisconsin. In 2000, the group began exploring possible ways to tackle this challenge, and first turned to an in-house solution for tracking payer contract compliance.

While this method did help MCW to flag some potential payment variances, it did not provide the functionality the group needed to achieve the level of financial performance it desired. In particular, the program — which relied on fee schedules loaded by the practice — lacked the sophistication required to value a claim based on the numerous variables and payment policies stipulated in a payer contract and could not monitor the overall performance of each contract. “There wasn’t any logic based on things like modifiers or specialty-specific rates,” Livingstone says.

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The process was also inefficient and often caused staff members to research more claims than necessary. Manual processes for eligibility and benefits verification were a drain on staff resources as well, requiring lengthy phone calls to payers and numerous visits to individual payer websites.

### Challenge/Objective

In 2003, MCW began looking for a new solution that would not only streamline workflow and further automate the process of monitoring payer contract performance, but would also provide a more efficient means to file appeals and track the group's success. It also wanted to partner with a vendor that had experience in the physician group practice market, specifically one with a track record of success with other academic practice plans. One of MCW's main criteria was finding a system that would provide intuitive and easy-to-use reporting tools for all staff members. "We wanted something comprehensive that would not create a lot of unnecessary work for our staff," Livingstone says.

### Resolution

After a thorough search, MCW selected Contract Manager and Analysis because "it became clear that Experian Health had the unique combination of technology and consultative services that could get things accomplished in the time frame desired with the bulk of our business," Livingstone says. In particular, MCW wanted to take advantage of Experian Health's expert contract definition and modeling services, which would allow the group's billing and contracting staff to determine accurate payment for medical claims based on a complex mix of payment variables, fee schedules and policies.

MCW also liked the fact that Contract Manager is delivered as a Web-based application, which minimizes the time and expense associated with implementing and maintaining the system.

With this automation, staff members are able to monitor many more payments than they could in the past. "It is a much better process," Livingstone says. "The majority of payments flow through the system."

While MCW's initial focus was on identifying underpayments and tracking appeals, it also uses the system's contract analysis tools to run what-if scenarios that assess the financial impact of alternative contracts proposed by payers. MCW regularly applies proposed contract terms to the precise mix of services that it provides to determine the bottom line impact of each contract.

"This year, three of our major contracts were due for renewal and Experian Health's contract analysis tools were invaluable to us during this time," Livingstone says. "We were able to conduct very sophisticated analyses using multiple parameters and model how different payment schemes would affect payment. As a result, we were able to negotiate the best possible deal for everyone in the practice and determine if there were any big winners or losers."

In addition, MCW utilizes data stored in Contract Manager to perform accounts receivable evaluations. Using a process similar to how claims are valued, MCW is able to estimate the expected value of its accounts receivable. "About 80 percent of our revenue is payer-based, so we are able to use Experian Health for the majority of our A/R valuation," Livingstone says. "It's more accurate than our previous method, which relied heavily on historical information."

After successfully utilizing Contract Manager and Analysis for many years, MCW recently expanded its use of Experian Health to include Passport Eligibility. Automating eligibility and benefits verification has allowed staff to quickly and easily validate the accuracy of patient co-insurance and deductible information, resulting in improved productivity, fewer denials and faster payment. Plus, the most current eligibility information is automatically updated to its practice management system, eliminating the need for human intervention.

"Experian Health has enabled us to increase both the volume and quality of our insurance and benefits verification efforts while also driving notable operational efficiencies," says Beverly M. Gillespie, Practice Services Manager at MCW. "We now conduct more than one million eligibility checks each year. The resulting decrease in denials means less work for our reimbursement team, which has allowed us to reduce our staffing needs by two full-time employees."

### Results

Through its partnership with Experian Health, MCW has streamlined eligibility verification processes and maximized the value of its payer contracts. Additional benefits include:

- Recovery of \$7.53 million in contractual underpayments in 6 years
- Increased productivity for billing and contracting staff
- Less rework for denied claims
- Enhanced payer contract negotiations based on historical mix of service data and what-if analyses

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**Experian Health adds \$7.53 million in 6 years**

Medical College of Wisconsin:  
**July 2005–June 2011**

Recoveries from successful appeals:

**\$7,536,602**

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In addition, more accurate eligibility information helps to ensure claims are sent to the proper payer, resulting in a 50 percent reduction in eligibility-related claim denials. "For Medicaid claims, the results have been even more impressive," Livingstone adds. "We estimate we've been able to cut those rejections by almost 75 percent."

The practice has also strengthened its relationships with payers because appeals now point to specific payment methodology. "Experian Health does a great job of explaining the reasons why an underpayment exists and why it is a variance. When we tell our payers we've been underpaid, we are confident," Livingstone says.