



Scripps Clinic

“Experian Health Contract Manager allows us to identify true appeals opportunities and provides us with tools to collect the underpayments.”

— **Tonja Henderson, Supervisor of Business Services, Reimbursement, Scripps Clinic**

Client. San Diego-based multi-specialty group practice with more than 400 physicians in 50 specialties.

Challenge/Objective. Monitoring the performance of 35 payer contracts generating more than 2 million claims annually.

Resolution. Experian Health Contract Manager verifies line-item contractual allowed amounts for applicable claims to identify, appeal, recover and prevent underpayments; Experian Health Payer Alerts delivers a comprehensive overview of the latest payer policy and procedure changes.

Results. \$10.6 million in underpayments recovered in 9 years; systematic payment errors, such as underpayments for second surgeries and injectible medications, corrected; improved workflow efficiency.

Scripps Clinic captures \$10.6 million in underpaid claims

“If you include the number of underpayments we’ve prevented, it’s at least double that.”

Client

With more than 35 payer contracts generating more than 140,000 claims per month, Scripps Clinic found it couldn’t effectively monitor contract payment performance. “We would negotiate a rate, but when you looked at the money coming in, we weren’t sure we were getting everything we had agreed to,” says Tonja Henderson, Supervisor of Business Services, Reimbursement at Scripps. “We needed a tool to monitor and enforce our contracts.”

Challenge/Objective

Because of the volume of claims and the complexity of its contracts, Scripps knew it needed an automated system to verify reimbursement. Detecting underpayments was particularly difficult, especially for errors that were small, but applied over thousands of office visits. “There’s no way a practice of our size could manually detect all contract underpayments. Automating the process was essential to improving operations for our staff,” Henderson says.

Scripps Clinic

The clinic's inability to successfully monitor contract performance not only resulted in underpayments, it made it difficult to plan practice finances and to effectively negotiate for better terms. "We needed a way to verify our current revenues were correct so we could project income resulting from contract changes and secure more favorable terms."

Resolution

Scripps chose Contract Manager and Analysis because of the company's extensive experience in defining, modeling and tracking multiple contracts. This made it possible not only to detect individual payment variances, but also to uncover patterns of underpayments and identify ambiguous contract language for renegotiation. "We knew if we had a good tool we would find contract issues that we weren't even aware of," says Henderson. "Experian Health had a solution that had been successful in the market for years and had processed millions of claims."

Experian Health and Scripps staff identified and modeled contracts that account for about 75 percent of its claims. Experian Health also trained Scripps staff dedicated to appealing underpayments. "Proper staffing is the key to successfully appealing claims and monitoring the performance of your contracts," Henderson says.

The result is a streamlined unit that automatically verifies payments, allowing the practice to spot and appeal many more payment errors, and patterns of errors, with much less effort. For example, when the practice was being reimbursed incorrectly for injectible medications, it was able to identify the issue and work with the payer to reword contract language to better reflect payment parameters. "Experian Health was instrumental in helping us to figure everything out," Henderson says. "It was a big win for us."

Recently, Scripps also began utilizing the system's contract analysis capabilities to assess the implications of proposed contract terms. "Now we can look at a possible increase and better understand how it will affect overall revenue based on a combination of factors, including utilization," says Henderson.

In 2011, Scripps further streamlined claims and contract workflow with the addition of Payer Alerts, a tool that provides staff with up-to-date notifications on payer policy and procedure changes. One staff member is responsible for reviewing the alerts via Experian Health's Web-based portal or daily email digest in four categories — administrative, clinical, reimbursement and pharmacy — and then routing each alert to the appropriate department. Any required updates, such as changes to service and product

authorization requirements, are tracked and monitored, to help minimize the impact of these modifications on the bottom line.

"In the past, our approach was very reactionary and we'd often wait until we saw a reimbursement issue before we took the time to research it," says Henderson. "Now, we have the tools we need to be more proactive, which ultimately helps us avoid claim denials and speed payment."

Results

"Since the launch of Contract Manager and Analysis, the system has more than paid for itself," Henderson says. Among the benefits Scripps has seen:

- Between March 2003 and February 2012, Scripps identified, appealed and recovered \$10.6 million
- Greatly increased appeals success and reduced turnaround time
- Improved ability to project practice finances and revenues resulting from proposed contract terms
- Strengthened relations with payers thanks to focusing disputes on quantifiable data about contract terms

In addition, Henderson believes the systemic payment errors she has detected and corrected using Contract Manager have prevented at least as many underpayments as Scripps has appealed.

Experian Health adds \$10.6 million in 9 years

Scripps Clinic:
March 2003–February 2012

Claims with successful appeals:
228,166

Value:
\$10,600,000

Underallowed variance:
3 percent

She also reports that payers often return to underpayments after weeks or months of compliance. “It’s usually when they make a contract change. Sometimes the whole contract reverts back to previous rates and terms,” says Henderson. “The value of Experian Health is more than just recovering underpayments — it’s also the peace of mind that comes with the ability to monitor and know with certainty that you’re being paid accurately.”

Beyond the financial rewards, the clinic’s partnership with Experian Health has also resulted in increased efficiencies. In particular, Payer Alerts improves workflow by automating processes for monitoring frequent payer policy and procedure changes.

“We’ve eliminated a lot of unnecessary work across the organization through the use of Payer Alerts,” says Henderson. “It’s a great tool for us.”