

Read how University of California San Diego Health improved collections and reduced bad debt.

Collections Optimization Manager and Coverage Discovery®

University of California San Diego Health (UCSDH) is one of the top health systems in the United States, ranked number one in San Diego by US News and World Report. More than 100 physicians have been voted “top docs” in more than 40 specialties in San Diego Magazine’s annual survey. The health system has also received Magnet® recognition for nursing excellence multiple times. With more than 9,000 employees, it generates over \$2 billion in net patient revenue each year. Its mission is to create a healthier world — one life at a time — through new science, new medicine and new cures.

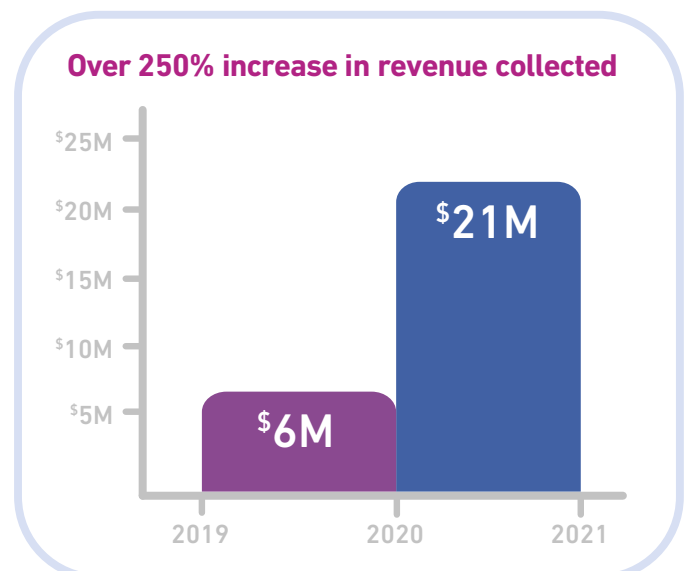
The Shared Business Office (SBO) at UCSDH unifies the patient-servicing elements of the billing office, providing a single point of contact for questions about billing, financial assistance and payment plans. Patients are given a single statement for hospital and professional services.

Challenge

The SBO’s number one goal is to provide a best-in-class financial experience for patients. The team relies on Experian Health technology and data to collect revenues in an effective, efficient and compassionate manner. The team, led by Terri Meier, System Director of Patient Revenue Cycle, wanted to explore additional opportunities to promote automation and agile working to further improve the patient billing experience and to empower team members to find their professional purpose.

A particular focus was placed on reducing bad debt by identifying insurance coverage for patients who may be eligible for support under the California Medical Assistance Program (Medi-Cal).

They also set goals around improving cash collections and ensuring regulatory compliance, especially with third-party collections agencies.



Case study

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Resolution

Terri implemented a three-pronged strategy built around people, processes and technology.



People

To offer a differentiated approach to the patient experience around billing and collections, Terri's approach began with a focus on her SBO staff. This included hiring knowledge workers, compensating them well and supporting their professional development.

"We focus on the quality of our calls versus the quantity of calls made. I want my customer service representatives to be 'ready to call' 65% of their working hours. We serve our patients well when we can spend time with patients explaining their bills, what's been covered by their insurer and what payment options they have. And that takes time. We spend time with insurance companies researching coverage, and we spend time corresponding with our patients on these complicated issues so that they can feel confident in what is owed and why."



Processes

The next step was to invest in continuous process improvements. Lean Six Sigma and Agile working practices reinforce the emphasis on quality over quantity. Lean principles allow the team to productively streamline their work, optimize their time and resources, and offload some of the workloads of the customer service representatives who simultaneously juggle both patient calls and working through the patient accounts.

Additionally, Terri fosters a transparent work culture with the maxim, "if you see something, say something." Regular team stand-ups provide the forum for team members to discuss and solve for these opportunities. Resulting improvements aid in higher productivity and employee engagement, ultimately adding to a positive patient financial experience.



Technology

By automating the "provider grid" of scheduling rules, agents can more quickly and more accurately find the right provider and schedule the right appointment without having to log in to multiple systems. Additionally, as agents needed new scripts to screen patients for COVID-19, the questions were quickly built into the system to ensure agents walked patients through the right prompts. This helped facilitate these quickly needed changes and made training much easier as the prompts were automated in the system and the solution was configured to guide patients to the right options based on their answers.

Results

To support this strategy, Terri and team use Experian Health's [Collections Optimization Manager](#) to score and segment each patient's propensity to pay and to automate charity write-offs. Each week, an accounts receivable file is used to extract accounts that meet certain criteria, including true self-pay, open active accounts and California residents.

To support eligible patients, with or without health insurance, UCSDH has a Financial Assistance and Payment Policy in place that provides financial assistance based on family income and size. To identify which patients are eligible for assistance, UCSDH relies on Experian's Federal Poverty Level (FPL) data to estimate household income. These estimates, along with the segmentation of patient accounts, automate the presumptive charity process, providing a positive patient experience and reducing bad debt.

Collections Optimization Manager helped UCSDH increase collections from around \$6 million in 2019–2020 to over \$21 million in 2020–2021 — an increase of over 250%.

\$6M

Collections in 2019–2020

\$21M+

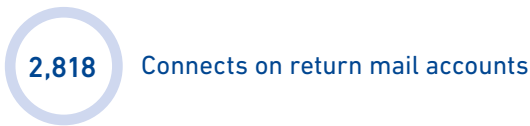
Collections in 2020–2022

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Segmentation data, which estimates each patient's propensity to pay, supports a more efficient approach to outbound call campaigns. For example, the team created automated messages to send to targeted patient segments in certain time periods when they're most likely to respond to calls, leading to a higher collections rate.

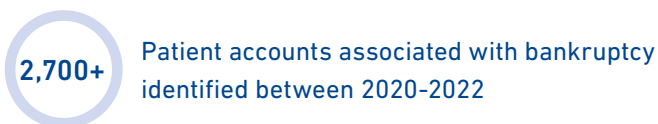
Autodialer outcomes 2020–2022



The screening feature then identifies patient accounts that belong to Medicaid, are eligible for charity, are deceased, or are bankrupt and should not receive these messages. These accounts are automatically removed and placed in specialized work queues associated with the account type.

Between 2020 and 2022, this screening method helped the client identify more than 1,700 accounts belonging to deceased patients and more than 2,700 accounts attached to bankruptcy petitions. This enabled the team to spend their time effectively on patient accounts that are likely to yield revenue and reduce their cost to collect.

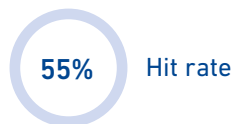
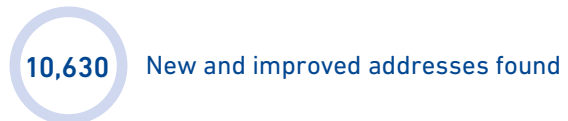
Screening outcomes 2020–2022



Data errors, transient patients and outdated information cause delays and inefficiencies when reaching out to patients. For UCSDH, this was an issue not only when they were sending out patient statements, but also when refund checks were being returned because of inaccurate patient addresses. The team leveraged [Return Mail](#) to refine

outreach lists by finding the correct current address for each patient. The solution corrects known bad addresses that have been returned as undeliverable by the United States Postal Service® (USPS). It ensures that corrected addresses are Coding Accuracy Support System (CASS) Certified™ and meet USPS postal formatting regulations. This automated address correction corrected more than 10,600 addresses. Accounts without a verified address were allocated to an auto dialer for automated outreach, resulting in an 8% collections rate. This helped them reduce manual labor required to finding patient addresses, reduce bad debt and realize improved collections rates.

Return mail updates 2020–2022



Evaluating vendor performance

Terri and team also use [Collections Optimization Manager](#) to help evaluate third-party collection agency performance to reduce the cost to collect and stay compliant with licensing.

Monthly agency scorecards track third-party collection agency performance against target indicators. These scorecards provide a head-to-head performance comparison, balance breakdowns and collections rate comparisons. They also match closed patient accounts within Epic®. This makes it easy for the client to identify account management discrepancies and stay on top of agency compliance with state licensing rules.

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Finding missing coverage

Finding missing or forgotten insurance coverage is another essential ingredient in improving the patient experience and increasing revenue. UCSDH used Coverage Discovery® to track down available insurance coverage amounting to more than \$5 million in 2021. Without it, this active coverage would have been missed, and these dollar amounts would have been written off as bad debt or erroneously marked as charity care.

\$5M+

Value of coverage found in 2021

19%

Hit rate in 2021–2022
(4% increase from the previous year)

\$4M+

Value of Medi-Cal coverage found in 2021

9%

Hit rate in 2021–2022 for Medi-Cal scrubs

These tools and Experian Health's expertise contribute to a more compassionate patient experience by enabling staff to reach out to the right patient at the right time, with simple and clear information. Omnichannel customer service support and a choice of payment options give patients choice over how they manage their bills, further improving collections rates.

About Experian Health

Hospitals, health systems, and physician groups have come to rely on Experian Health for revenue acceleration and profit gains through automation, submitting cleaner claims, fewer underpayments and a reduced cost to collect.

[Collections Optimization Manager](#) helps you identify "who's who" using in-depth data and advanced analytics so you can focus staff and agency resources where they make the most sense.

[Coverage Discovery](#) spans the revenue cycle and helps you find billable commercial and government coverage that was previously unknown or forgotten. Additionally, it identifies accounts that may be submitted for immediate payment with primary, secondary or tertiary coverages.

Find out more about how [Collections Optimization Manager](#) and [Coverage Discovery](#) help healthcare organizations accelerate collections and deliver an outstanding patient experience.