

# CONCUITY™

A Healthcare Division of Trintech 

## Client Profile

## BUSINESS CHALLENGE

Edward Hospital and Health Services consists of a 317 bed acute care facility, a 92 bed psychiatric facility and a 37 member physician group. The not-for-profit organization operates in Illinois and has 4,500 employees including 1,450 nurses and medical staff of more than 900 representing more than 60 medical and surgical specialties and subspecialties. A centralized office handles all managed care billing and collection activities for both hospitals. A separate office handles physician billing for the Edward Medical Group.

While Edward recognized that the contract management process could be enhanced, as Paula Wilke, Administrative Director, Patient Financial Services said, "There was no easy way to monitor how frequently we were underpaid by managed care payers, nor how successful we were in identifying and collecting the underpayment amounts. If staff were asked, they often reported that there 'were lots of underpayments' and could provide anecdotal evidence of underpayments, but the scope of the problem was understated and not well understood. In addition" says Paula, "because running modeling reports to identify the ramifications of suggested contract term changes was time-consuming, it sometimes limited our ability to negotiate successfully."

In the past a collaborative effort between Decision Support, Patient Accounts and Managed Care Departments was needed to review the terms of a contract and create pro-ration rules within the hospital information system. Contractual adjustments were then calculated and posted at the point of billing. An issue for Edward was that some of the contract terms could not be built within the infrastructure of the pro-ration rules, creating inaccurate contractual adjustments and requiring the Patient Accounts follow-up staff to manually calculate the payment on claims for certain payers and then compare to the actual payment received. Paula states that "because the pro-ration rules in our patient accounting system did not compute accurate contractual adjustments, when managed care payments were

received and posted to the accounts, the wrong patient balance would be computed and the patient would receive a bill for the wrong amount. This generated numerous calls to customer service and in some cases, the wrong patient balance being sent to collections."

Consequently the managed care specialists at Edward responsible for following-up on managed care underpayments and denials would often fall behind in their review of accounts due to the sheer volume and manual review process, and many opportunities to recover the underpayment were being lost. There was no easy way to monitor the collection activity on the underpayments.

Paula explains, "The managed care department would have to rely on reports generated from the decision support system to analyze proposed changes to the contract terms. The reports would often take a week to run, thereby limiting their efficiency in negotiations."

The CFO of the organization was fairly new and had come from an aggressive managed care environment at his previous facility. Having experience using contract management systems, he knew that the hospital's payer mix with significant managed care volume meant they would most likely benefit from installing a contract management system. The first step was to implement a contract management system that could provide a high ROI, low cost of ownership, 100% coverage of all contracts, and become a central repository and point

for all documentation and communication as it relates to Edward's managed care contracts and payments. After funding was secured for the initiative the vendor search began.

Several companies were reviewed, with 3 selected for comparison. In the end Concuity beat out the other vendors hands down.

## Solution

ClearContracts integrated seamlessly with Edward's existing patient accounting system, accepting data output and organizing it to activity lists for the patient accounts staff. ClearContracts was also able to model all contracts giving immediate visibility into underpayment opportunities. Once collectors in patient accounting were able to view their worklists in ClearContracts, they were quickly able to prioritize accounts, locate contract operational requirements, display account details in appeal letters to the payers and create reminders for follow up activities ultimately resulting in higher collection amounts.

Edward utilized Concuity's Revenue Recovery in combination with ClearContracts as a way to realize an immediate return on their investment. Concuity's recovery experts trained Edward's staff on how to maximize ClearContracts to identify and resolve the systemic issues that were causing the inaccurate payments.

**“The ROI for Clear Contracts was realized in a very short time frame,” Wilke remarks, “and we are very satisfied with the results. Our CFO had counted on an additional \$1.5 million in recoveries and we have been able to deliver that and then some, making this the most successful project for the hospital this year. The collection staff finds the system easy to use and the love the bulk appeal capability. Collection projects that would take hours to prepare can now be done in a click and print. We are very pleased with our investment!”**

– Paula Wilke  
*Administrative Director, Patient Financial Services*  
**Edward Hospital & Health Services**

## Results

### **Over \$2.6 million Recovered The First Year**

The Concuity Revenue Recovery Team began collections in the summer of 2008. In the span of 8 months they recovered \$1,102,331. These collections were on managed care accounts that the hospital considered paid and closed. Paula Wilke states that, “The RRS team is totally self-sufficient. They are knowledgeable, dedicated, high-performers.” Paula also mentions that, “In addition to the recoveries from the RRS team, the hospital collection team (3.8 FTE) collected \$1,577,674 on claims in the same time frame as the Concuity team.” This resulted in over \$2.6 million in recoveries in less than 12 months.

## About Concuity

Founded in 2000 by a group of healthcare industry visionaries, and now a division of Trintech, Concuity improves its customers bottom line performance by delivering targeted revenue recovery solutions, including ClearContracts™, that ensure accurate claims reimbursement, improve workflow and payment collection, streamline contract negotiations, optimize cash flow and profitability, and ensure accurate implementation and compliance.

Concuity's rich industry knowledge and market-focused technology solutions and services empower your organization to identify and then eliminate systemic issues that cause revenue inefficiencies. The result is a significant return on investment with long term sustainable improvement in revenue and profitability for our clients.

To learn more about Concuity's healthcare solutions, or to discuss your specific requirements, contact us at **866-342-4636** or email us at **sales@concuity.com**.