CASE STUDY: THE READING HOSPITAL MEDICAL GROUP
Firm Builds Strength for the Future with Improved Revenue Cycle Management

Challenge

The Reading Hospital Medical Group (TRHMG) needed robust revenue cycle management tools to improve its financial position in a depressed economy. The practice desired a clearinghouse with vigorous claims editing and reporting capabilities to combat high denial rates and simplify and unify their revenue cycle.

Solutions

Navicure, now known as Waystar, met TRHMG's needs with real-time claims editing tools that ensure clean claims on initial submission, as well as dynamic reporting features that strengthen coding, billing and payer processes, making it faster and easier to maximize revenue and optimize results.

Results

Since transitioning to Navicure, TRHMG has improved its initial claims acceptance rate, educated staff to prevent chronic coding errors, and recaptured revenue that had been inappropriately denied by payers.

The Choice

When The Reading Hospital Medical Group (TRHMG) first formed in 2007, it suffered from both an inefficient revenue cycle and an excessive number of denials. The root cause of the problems: rudimentary practice management tools available from the group's claims remittance system. Overall, this independently operating subsidiary of The Reading Hospital Medical Center was severely hampered by limited claims editing and reporting capabilities.

To make matters more difficult, it began experiencing the unquestionable effects of a sagging economy. More than 100 clinicians at TRHMG offer primary care services, including internal, family and geriatric medicine, as well as gynecology and obstetrics and pediatrics. But many of the group's patients were out of work and without insurance. Those patients who did have health coverage were trying to lower out-of-pocket costs by choosing plans with high co-pays and deductibles. As a result, TRHMG faced rising self-pay balances.

The practice knew that overcoming these financial hurdles would require more robust clearinghouse capabilities. Transitioning to the end-to-end, Web-based clearinghouse solution offered by Navicure, now known as Waystar, has given TRHMG the tools to thrive despite difficult economic pressures. Claims rejections have plummeted due to real-time editing and scrubbing features that enable billers to submit clean initial claims. Just as important is robust reporting functionality that has allowed the group to increase staff productivity while aggressively appealing inappropriate payer denials, leading to a substantial reduction in rejected gross charges.

Navicure Solution

Basic tools, sluggish revenue cycle

Even now, economic conditions continue to force hospitals and physician groups into greater financial liability, with higher collection costs and levels of bad debt. Healthcare organizations require real solutions—not only to preserve their current revenue streams, but also to optimize reimbursements for increased cash flow.

Before adopting Navicure, denials and partial payments caused significant across-the-board problems for both the bottom line and productivity. Billing staff devoted an excessive amount of time, energy and resources to correcting initially denied claims, then resubmitting them in the hope of gaining reimbursement the second time around. As claims aged, the chances of collecting for services decreased rapidly.

In addition, TRHMG's managed care contracts suffered from limited ability to gauge two factors critical to effective revenue cycle management: 1) individual payer performance, and 2) whether the group was paid according to contract terms.

The less-than-optimal claims remittance system at TRHMG was placing a strain on its entire revenue cycle.

Navicure's solution helps achieve practice goals

TRHMG knew it would never reach maximum revenue cycle efficiency without a robust claims management solution. So, it began to search for a system that met a substantial set of core criteria:

- Web-based claims submission
- Denial management
- Electronic remittance and posting
- Claims reporting and analysis
- Remittance reporting and analysis

Fortunately, several TRHMG employees had previous experience with many of the systems and clearinghouses available on the market. They knew what they wanted and requested Navicure.

For starters, the ability to work claims in real time meant errors could be corrected before ever reaching the payer, vastly decreasing the group's rejection rate. TRHMG also appreciated the reporting functionality that can help prevent coding and billing errors in the first place. Rather than squander time on the back-end working denials, TRHMG billers looked forward to the productive use of Navicure's dynamic reporting tools to spur front-end educational efforts and process improvements.

Results

Improved productivity, more reimbursement

It's not a stretch to say that TRHMG began experiencing positive outcomes the moment it deployed Navicure's claims management system. The clearinghouse immediately began identifying claim errors, allowing billers to correct potential problems before they ever reached the payer.

In addition, the group benefits from Navicure's dynamic rules engine, which grows stronger and bigger by incorporating each claims rejection into a comprehensive database. TRHMG could increase their first-pass rate utilizing this feature. But it's not just the real-time, Web-based claims submission that TRHMG enjoys. Improvements enabled by Navicure's solid reporting functionality have had a tremendous impact as well.

Soon after implementation, for example, TRHMG used the National Correct Coding Initiative (CCI) edits embedded in Navicure to launch an investigation into its coding and billing patterns. The group identified several chronic coding issues, then educated front-end staff on how to correct them.

Now, Navicure's electronic remittance features also ensure that if a service is denied due to bundling edits, the denied service can be posted as it originally was billed.

REJECTIONS DECLINE. The powerful combination of real-time claims monitoring and substantive business intelligence yielded a 65% drop in TRHMG's claims rejection rate over a six-month period.

APPEALS IMPROVE. While proactive coding changes have done a lot to cut down rejections and denials, TRHMG now also uses Navicure's denial management features to ensure appropriate payer reimbursement. Reports that track inappropriate denials allow the group to aggressively and confidently appeal them. The benefit to the bottom line was an impressive 63% drop in rejected gross charges over a six month period.

PRODUCTIVITY GROWS. TRHMG took advantage of various edit reports to enthusiastically examine its front-end processes. Managers were able to use reports to work with charge-entry staff, for example, to enhance the registration process. The end result: a 50% reduction in demographic errors within four months, as well as the submission of cleaner charges.

PAYER CONTRACTS BENEFIT. Arguably one of the most vital places where Navicure has had a positive impact is at the negotiating table. TRHMG can now pull claims management reports that help identify why a particular managed care payer might deny a specific service. These reports prove to be useful ammunition during contract talks.

Impact

Strength for the future

A recent survey by the Healthcare Financial Management Association (HFMA) illuminates the importance of efficient revenue cycle management—especially in times of economic uncertainty.

Of the providers who responded to *The Changing Face of Self-Payment in Hospitals Survey*, an astounding 97% revealed that they were dealing with increased self-pay receivables. A full one-third of the responding organizations saw a jump of 10% or higher in overall self-pay balances; 20% experienced a 10% increase in bad debt write-offs.

Practices must be prepared for a future in which self-pay balances continue to rise and reimbursement rules squeeze ever tighter. But backed by the vigorous claims management and reporting functionality offered by Navicure, TRHMG is confident that its revenue cycle will remain strong. The group now has the tools it needs to operate at maximum efficiency.

Ready to improve the efficiency of your business processes and enhance revenue? Contact Navicure, now known as Waystar: 1-877-628-4287 or visit us at www.Waystar.com.

ABOUT WAYSTAR

Waystar is the combination of Navicure and ZirMed, the two top-rated providers of revenue cycle technologies. Waystar simplifies and unifies the healthcare revenue cycle with innovative technology that allows clients to collect more with less cost and less stress, so they can focus on their goals, patients and communities.

WAYSTAR
REVENUE CYCLE TECHNOLOGY
NAVICURE + ZIRMED