

Carolinas Healthcare System Achieves 80 Percent “Touchless” Accounts with Patient Access Automation



Recondo’s SurePayHealth® and Auth-DP™ spike big increases in collections and productivity

Introduction

High administrative costs continue to challenge hospitals across the country. Rather than reduce necessary services and staff to make up the difference, Patient Access executives like Katie Davis of Carolinas HealthCare System are taking the lead in bolstering revenue performance – by deploying automation across some or all of these transactions.

In this newly automated environment, Carolinas HealthCare System has improved pre-service collections by nearly \$1 million while significantly reducing denied accounts and denied dollars. One of the health system’s most impressive achievements was a sharp increase in “touchless” claims, those requiring minimal human interaction when calculating and communicating patient financial responsibility and authorization status checking. Specifically, the percentage of patient encounters that require manual intervention has dropped from 100 percent to less than 20 percent, freeing the highly skilled staff to focus on exceptions that pose the greatest denial risk.

The Challenge: Lack of access to accurate data puts pre-service collections and patient satisfaction at risk

Carolinas HealthCare System is one of the largest health systems in the Southeast, with nearly 7,500 licensed beds, annual revenue exceeding \$7.7 billion, and more than 900 facilities located throughout North Carolina and South Carolina. It is not difficult to imagine the sheer volume of financial transactions the health system’s Patient Access

AT A GLANCE

- Product used: **SurePayHealth® and Auth-DP™**
- Carolinas HealthCare System is one of the largest health systems in the Southeastern United States.
- 900+ facilities throughout North Carolina and South Carolina
- 7,500 licensed beds
- 60,000 employees
- Annual revenue exceeding \$7.7 billion

department must process on a daily basis, including estimates of patients’ financial responsibility. To aid staff in these efforts, Carolinas HealthCare System used a large book full of pricing codes, later supplemented by a free pricing estimation tool that came with one of the patient accounting systems—confirming the timeless adage that you get what you pay for.

“You could run two patients getting the same procedure covered by the same payer, and get different estimates,” recalls Katie Davis, Assistant Vice President of the Western Division of Corporate Patient Access at Carolinas Healthcare. “You could run the same patient twice and get a different estimate.”

The tool had other odd quirks. If a facility hadn’t performed a procedure a number of times in the past, for example,



the tool wouldn't provide an estimate at all. Or it would provide an unexpectedly higher estimate for an outpatient procedure than the same procedure in-house. The end result was, unsurprisingly, lack of trust in the data. This left the pricing estimation tool effectively unusable for pre-service collections, one of the most ideal areas for improving revenue performance in this era of financial transaction complexity.

"I said to everyone, just wait until pricing transparency gets here. If we don't have a workable price estimator by then, we're going to be behind the eight ball," Davis remembers.

Of chief concern to Davis and her team was the potential for patient dissatisfaction issues. A patient that is given wrong estimates, delayed estimates, and/or overcharges is a stressed patient dealing with already stressful health issues. As a healthcare system that places the wellbeing of patients above all else, Carolinas HealthCare wanted to remove any factor that would lead to anything less than a quality patient experience.

"We knew we just needed to get estimates right the first time up front. For that, we needed the right tools," Davis notes.

More limitations with manual patient access processes

Along with their price estimation challenges, Carolinas HealthCare System also relied on manual verification of authorization for services. This required considerable employee hours, yet despite the time and effort invested, denials were higher than Davis thought they should be. Appealing them was another lengthy endeavor. It also regularly turned out that employees had been chasing after authorization status on accounts that payers had already authorized. Such an opaque authorization process is a common—and

Success Snapshot

Healthcare administrative costs are climbing, with no end in sight as payer transactions become increasingly complex. Hospitals need to counter these pressures on revenue with automated patient pricing and authorization processes that "get it right the first time" to reduce unnecessary staff time chasing after the latest information from payers.

The Challenge

Manual patient price estimation requires repeated visits to payer website, with a lengthy log-in and search for each service. Most hospitals avoid this by using masses of internal spreadsheets, a system only slight less cumbersome. Authorization verification is a similar experience, with staff having no way of knowing if they are spending time following up on services that are going to be authorized, or ability to retrieve tangible proof of authorization in the event of a later denied claim.

An automated and quickly generated list of accurately priced services would be a tremendously helpful tool for pre-service collections and customer service, while auto-generated lists of patient accounts by authorization status would create a newly productive, "work-by-exception" environment.

The Solution

Recondo's SurePayHealth and Auth-DP have provided Carolinas HealthCare, and hundreds of other hospitals, with the real-time access to payer data that patient access departments need for fast patient pricing and authorization verification. The results have included nothing less than a new way of working that focuses skilled employees only on the accounts that need their attention—a surge in productivity that is also driving a major drop in denials. Meanwhile, the price estimator tool is increasing pre-service collections to historic levels.

Results

- 24.7 percent decrease in denied accounts
- 46.7 percent decrease in denied dollars
- 28.35 percent increase in pre-service collections
- Increase in "touchless" accounts from 0 percent to 80 percent
- Reduced FTE levels while adding additional facilities to pre-service area resulting in less people doing additional work

costly—issue for hospitals. Estimates in the 2014 CACQ Index put the industry cost to manually verify authorizations at over \$18 per transaction, with automation decreasing this cost to less than \$5 per account .

With an eye toward achieving similar savings, Recondo was ready to automate much of its manual patient access processes.

THE SOLUTION

Automation Turns Patient Access Department into Revenue Driver

To increase customer service, employee productivity and pre-service collections, Carolinas HealthCare selected Recondo Technology's SurePayHealth™ patient pricing estimator and Auth-DP, an automated authorization tool. The automated solutions perform price estimates and authorization verification in a number of critical areas in the health system, including Radiology, Surgery, and various other inpatient and outpatient services.

How it works

SurePayHealth draws on the three data sources necessary to create an estimate – charges, contract rates and patient benefit information.

In contrast to manual efforts to obtain this level of detail—which typically require numerous visits to the payer's websites and calls to the payer-- Recondo's ReconBot technology retrieves this data on the provider's behalf, enabling automated patient estimates.

Working in tandem with Auth-DP, SurePayHealth also confirms the patient's eligibility coverage for services. Auth-DP further determines what procedures require an authorization for a given patient type/service and payer and automatically retrieves the status of the authorization —a key feature in reducing denials. Additionally, Auth-DP captures screen images of payer authorization verification, giving hospitals proof of authorization should some or all of a claim later be denied.

A newly productive “Work by Exception” environment

Among the most significant changes Recondo's automated Patient Access solutions drive for Carolinas HealthCare System is a new efficiency in verifying estimates and authorization. Manually, these tasks require staff to visit payer websites and perform a lengthy search for information per patient. Automation significantly reduces this outdated and ineffective process by generating lists of all patient accounts that will need further intervention, based on the most current data available on payers' websites.

47%

YEAR-
OVER-YEAR
DECREASE
IN DENIED
DOLLARS

Results

Automating crucial points in the patient access cycle has made a clear impact on Carolinas HealthCare's pre-service collections, denial rates and employee productivity.

- 24.7 percent decrease in Radiology denied accounts
- 46.7 percent decrease in denied dollars
- 28.35 percent increase in pre-service collections
- Decrease in "touched" accounts from 100 percent to just 20 percent
- Reduced FTE levels while adding additional facilities to pre-service area resulting in less people doing additional work

"With no other changes made in the above time period that would affect Patient Access functions, it's obvious that these improvements are a result of Recondo's automation technology. And work is visibly more productive. Our staff no longer have to spend so much time following up on authorizations and eligibility—the work exception lists just tell you," says Davis.

Next Steps

Katie Davis's team will continue to use Recondo automation not only for price estimation and authorization verification, but to fine tune other tasks. That's because over time, Recondo's automated work exception lists reveal trends in authorization denials. This equips Davis's staff with the information they need to make or lobby for new process improvements. Additionally, Carolinas HealthCare System is looking at customizing SurePayHealth as a patient pricing tool for its dozens of clinics.

As a veteran hospital administration professional, Davis believes it is the job of people like herself in this era of unprecedented pressures on healthcare revenue to always be on the look-out for "the next cutting-edge" solution to these challenges. For her team, automation has proven to help the patient access department stay comfortably ahead of the complexity—and ahead of the curve.

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Ready to see what Recondo can do for your organization?

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