

## Avera Health Frees \$2.1 Million from Claim Status Bottleneck

*Health system turns to Recondo Technology to automate claim status queries to insurers' web portals; improves cash flow by millions while reducing aged A/R accounts by 52 percent.*

As one of the leading integrated health systems in the Upper Midwest, Avera Health cares for hundreds of thousands of patients across dozens of hospitals in South Dakota and surrounding areas of Minnesota, Iowa and Nebraska. Due to rapid growth, outstanding claims have steadily increased – creating a persistent backlog for staff to wade through.

In response, Avera's VP of Central Business Office Services, Mary Wickersham, ultimately led a reinvention of how her department verifies if a claim is approved or denied.

During the first year under the new program, doing so has effectively liberated \$2.1 million from a cash flow bottleneck, significantly reduced aged accounts, and enabled Wickersham's department to close tens of thousands more claims at a new speed and scale—without adding more staff.

### **Aging accounts and stressed out staffers: time for a business office overhaul**

As of 2016, Wickersham's staff were individually tasked with closing 13,452 claims per year. To do so, they relied on phone calls with payers, or visiting payers' websites to hunt down a claim's status. With either approach, staff had to manually log the status into their workflow system.

*"My staff were living in backlogs of work, and unpaid accounts could remain unresolved up to 82 days or even 120 days in some facilities. Because of this lack of timely filing, we were also doing considerable write-offs," Wickersham recalled.*



### **SUCCESS SNAPSHOT: AVERA HEALTH**

Significant backlog of claims was overwhelming staff and impacting cash flow.

Implementing ClaimStatusPlus™, the groundbreaking web-sourced automated claim status verification offering by Recondo Technology delivered:

- \$2.1 million cash flow improvements
- Up to 52 percent reduction in aged accounts
- Avoided need to hire 5-7 FTEs

Wickersham determined that automation technology could alleviate the backlog, but she had several strong requirements. The solution must be able to:

- Automate the process of finding the status on their entire claims inventory at a fraction of the time it takes to do so manually
- Leverage automation to ensure that staff is addressing only the claims needing intervention
- Integrate automated claim status verification with the health system's Meditech environment – which no vendor had done to date

### **Avera Accelerates Cash Flow with ClaimStatusPlus™**

Wickersham connected with Recondo Technology, whose ClaimStatusPlus™ offering turns the hospital's revenue cycle department into a revenue generator. Recondo's core competency is the ability to integrate actionable

payer intelligence with health information systems, which it has done for years with major systems such as Epic to Cerner. The company was confident it could do the same with Meditech.

“Recondo really stuck its neck out for us to do what no vendor had previously done. I was very impressed by that,” Wickersham said.

The company successfully integrated its ClaimStatusPlus™ into Avera’s Meditech system, giving Wickersham’s business office newfound capabilities.

## Results:

- **\$2.1 million reduction in aged AR accounts over 90 days.** In two high volume payer examples, Medicare aged accounts over 90 days have dropped from 10 percent to 6 percent, while Blue Cross has dropped from 20 percent to 7 percent.
- **30 percent to 52 percent reduction in aged accounts.** Avera Health has seen aged AR accounts reduce from 82 and even 120 days to 57 days, and trending to 30 days.
- **50 percent reduction in credit balances.** Due to enhanced data on “paid” claims, misapplied payments are substantially decreasing.
- **26 percent increase in closed claims.** With ClaimStatusPlus™ by Recondo, the annual allotted number of claims per staff member has increased from 13,452 to 15,001 – while taking staff far less time to close.
- **Avoided hiring 5 to 7 additional FTEs.** Avera Health also avoided associated training and turnover costs.

Query unlimited payer websites

Retrieve approved or denied status

Normalize data queries from multiple payer formats

Remove “approved” claims from workflow and route “denied” claims with reasons for denial to specialist staff – creating a virtually touchless claim

*“Recondo’s solution promised to alleviate the burden on my staff. This was important. We do get some turnover, which is expensive.*

*For Avera Health, the cash improvements and cost savings have been very apparent – it’s much less expensive to automate claim status verification with Recondo than add new staff.”*

– **Mary Wickersham**

*Vice President of Central Business Office Services, Avera*



## Ready to see what Recondo can do for your organization?

Contact us today at 888-732-6672 or [info@recondotech.com](mailto:info@recondotech.com)

Recondo Corporate Headquarters  
7900 E. Union Avenue, 4th Floor  
Denver, Colorado 80237

303.974.2800 • 888.732.6672

[www.recondotech.com](http://www.recondotech.com)

Copyright © 2007-2018 Recondo Technology

All rights reserved. Patents Pending.