



## CASE STUDY

### Situation

When Hayes began working with this academic physician practice, its practice management and billing and collection indicators were in the lowest ten percent of comparable hospital-based practices. We initiated a multi-phased assessment, implementation and maintenance approach, working through physician based committees and practice administration.

### Our Approach

**Phase I: Assessment** The assessment was geared toward a rapid evaluation of the operational, financial, human resource and information system health of the organization. At the end of the two-month assessment phase, the organization had realized the following objectives:

- A thorough understanding of operational workflow, from the first patient contact at scheduling to the final collections processes
- A knowledge base of staff productivity and responsibilities, benchmarked against MGMA standards
- An analysis of current financial A/R and collections activity
- An analysis of the information systems infrastructure and its role in supporting the departments business operations

**Phase II: Implementation** An integrated set of high-impact business objectives was developed; each objective associated with a set of measures that could easily be reported on by the organization including:

- Centralized front-end scheduling, registration, and referral operations, while re-engineering staff roles and organization
- Re-engineered billing and collections operations
- Optimized existing information system applications to enhance collection and reporting activities
- Implemented software applications which added measurable value
- Developed a month end report set
- Initiated a managed care re-contracting process

### Results

#### Patient Access Cycle

- Outpatient charge lag went from 6 to 1.5 days
- Inpatient charge lag decreased from over 30 days to 12
- Collection of self-pay payments at the time of service increased from \$6,000 per month to \$30,000 per month
- Percentage of unbilled charges went from 5% to 0% (increasing revenue by \$1.1m annually)
- Patient volume has increased by approximately 200 patients per month with one less physician practicing

#### Revenue Cycle

- Claims denials rates decreased from 34% to 16%
- Days in A/R declined from 175 days to 85 days
- Overall net collection rate for the group increased from 43% to 94%
- Gross collection rate has increased from 25% to 34%
- Annual cash collections grew from \$5.2m to \$7.1m

## Academic Physician Practice

### MDApproach™ Revenue Cycle Improvement

### About Hayes

Hayes works with healthcare organizations to solve mission-critical operational challenges by providing services and software solutions that improve quality and efficiency with the ultimate goal of improving the patient experience.