

### CASE STUDY

## Adventist Health Sees 20 Percent Increase in POS Collections with Patient Access

### Patient estimates boost collections by \$3.8 million over two years

#### Summary

With uncompensated care on the rise, Adventist Health uses MedeAnalytics Patient Access to increase point-of-service collections, improve the patient experience, and streamline patient registration workflows.



#### Goals

- Boost financial security
- Reduce bad debt and preventable administrative write-offs
- Increase point-of-service collections
- Enhance patient communication
- Improve the patient experience and competitive differentiation
- Streamline patient registration and pre-registration

#### Results

- 20 percent increase in POS collections across the organization
- 55 percent increase in pre-registration on scheduled accounts
- Reduction in registration-related denials

#### About Adventist Health

Adventist Health is a faith-based, not-for-profit integrated healthcare delivery system based in Roseville, California. Providing care in California, Hawaii, Oregon and Washington, Adventist Health includes:

- 19 hospitals with more than 2,700 beds
- More than 180 clinics and outpatient centers
- 50 rural health clinics
- Workforce of 28,900 employees, physicians and volunteers

## Summary

Healthcare is in a state of flux. Reimbursement rates are declining, insurance policies are growing in complexity, and patient responsibilities are on the rise. In 2011 alone, hospitals nationwide lost \$41.1 billion in uncompensated care.

As Adventist Health demonstrates, improving collections at the point of service (POS) has the potential to greatly reduce bad debt. With MedeAnalytics Patient Access Adventist Health boosted point-of-service collections by \$3.8 million over two years, representing a 20 percent increase across the organization.

What's more, the organization's Northern California Network facilities raised point-of-service collections by nearly 50 percent, and some individual facilities have seen increases as high as 200 percent.

### Challenge: Point-of-Service Collections Represent Untapped Opportunity

According to a 2011 TransUnion survey<sup>1</sup>, seven out of ten hospitals and health systems reported collecting less than 30 percent of payments at the point of service.

This directly affects back-office collections and bad debt. Of payments that go to the back office for collections, most respondents said that less than 60 percent of payments were made. In fact, nearly a quarter of those polled said that recovery rates were less than 15 percent.

In the same survey, respondents noted that determining what a patient owes is the biggest hurdle to increasing point-of-service collections.

Given the disparity between front-end collections and back-office recovery rates, any improvements in point-of-service collections enable hospitals to realize a relatively untapped source of revenue and reduce bad debt.

### Solution: MedeAnalytics Patient Access Improves Collections and Patient Experience

Recognizing that patient estimates could help increase point-of-service collections, Adventist Health looked to MedeAnalytics for a comprehensive solution to improve the front end of the revenue cycle. Adventist Health began implementing MedeAnalytics Patient Access across the organization's 19 hospitals.

#### Patient Estimates Alleviate Apprehension and Improve POS Collections

Patient Access is an intuitive, web-based workflow solution that provides detailed patient responsibility information during the registration and financial clearing process. The solution creates accurate estimates for the total charge of services, insurance company coverage, and the patient's portion.

## Revenue Cycle Collection Rates



## POS Collection Challenges



"My impression is that MedeAnalytics is best in breed. Every product that they've got is top notch."

Gary Friestad,  
Corporate Registration Manager

<sup>1</sup> TransUnion, "Pulse Poll" Reveals Untapped Opportunity in Hospital Point-of-Service Collections, August 2011

After registrars enter patient visit and procedure information, Patient Access notifies the insurance company in real time and creates a detailed patient estimate. It includes co-pay, co-insurance, how much of the patient's deductible has been met, and the total charge for the procedure.

Rather than waiting six weeks for an explanation of benefits from the insurance company, patients receive detailed estimates before services are rendered. This eliminates much of the apprehension surrounding their financial obligation. They become more likely to pay, sometimes before they even enter the doors of the hospital.

"We expect this to be a very nice boost to our bottom line," said Gary Friestad, corporate registration manager at Adventist Health.

### Workflows Drive Process Improvements

Patient Access enables Adventist Health registrars to follow a defined workflow to improve efficiency throughout the registration process. It helps to:

- Verify demographic information
- Confirm insurance eligibility
- Create patient estimates
- Increase pre-registration rates
- Provide financial counseling

Tasks are color-coded, allowing the user to quickly identify which tasks need attention and which are complete.

"It's extremely easy to use. It's very intuitive," said Friestad. "It's just a fabulous leap in technology."

Employees can be resistant to change. Yet in this case, Friestad noted, the hospitals were clamoring for the system, wanting to be pushed to the front of the line in the implementation process.

### Easy Registration Improves Patient Experience

People have a choice as to where they receive care, especially for elective procedures. Adventist Health recognizes that Patient Access can be a business advantage. The solution makes Adventist Health competitive and brings value from a patient relations standpoint.

A poor financial experience can taint an otherwise positive clinical experience. Patient Access educates patients up front, mitigating financial surprises and greatly improving the overall patient experience.

"Ultimately, a better experience improves patient satisfaction and can lead to new business," said Jon Giese, chief financial officer of Adventist Health's 188-bed Simi Valley Hospital, the site of the initial Patient Access pilot. "When patients are shopping around, we can give them an accurate estimate within minutes."

## SUCCESS STORIES

After experiencing difficulties with their electronic eligibility system, registrars from one Adventist Health hospital used Patient Access to verify insurance coverage. For four patients, the eligibility system gave ineligible or inaccurate responses. Then, after putting all four patients into Patient Access, accurate eligibility was determined.

At a Portland, Oregon, hospital, Patient Access proved particularly useful when a self-pay patient came to the ER for an unscheduled CT scan. The registrar put in the code for the CT scan, and an alert popped up telling her to add the contrast material. Quickly, the patient estimate was complete. The patient paid \$2,000 at the point of service.

## MedeAnalytics Leads Smooth Implementation Experience

Implementing Patient Access in 19 hospitals in 18 months is no small feat. MedeAnalytics drove the implementation process, which included training and desk-side mentoring of some 800 employees.

“Our CFO commented that this was the smoothest project install (of this scope) that he ever remembers at Adventist Health,” said Friestad. “All of the credit goes to the MedeAnalytics team.”

Even after adding two sites and several clinics that weren't in the original scope and customizing the solution, the implementation team didn't miss a single target date. “It was just bountifully successful, from start to finish,” said Friestad. “The experience was exceptional and beyond reproach.”

## Results: POS Collections Rise by 20 Percent Across the Organization

By improving pre-registration and clearly delineating the patient's responsibility with patient estimates, Patient Access enables Adventist Health to reduce back-office collections and overall bad debt. Specifically, point-of-service collections across the organization rose by \$3.8 million over two years, representing a 20 percent increase.

Adventist Health's Northern California Network saw even bigger gains with point-of-service collections rising by 48 percent. And the network increased pre-registration rates on scheduled accounts by as much as 145 percent.

Simi Valley Hospital, the site of the pilot project, saw similar improvements. CFO Jon Giese said that the hospital collects 15-20 percent more per month than in previous years. In fact, the hospital reached more than 135 percent of its goal of collecting 1.5 percent of net revenue on the front end. And thanks to the efficiencies gained, Simi Valley Hospital now pre-registers 100 percent of its scheduled patients.

Also compelling is the fact that one Adventist Health hospital more than tripled its point-of-service collections after implementing Patient Access. Howard Memorial Hospital, a small 25-bed hospital in Willits, California, saw an increase from \$16,000 to \$50,000 a month in upfront collections.

Thinking ahead to the future, Friestad said, “Patient Access is embedded wonderfully and deeply. I imagine we'll continue well beyond our three-year contract term.”

In a message to the implementation team, John Beaman, corporate vice president of finance at Adventist Health, wrote, “My expectations have been exceeded. Thank you for your leadership. Thank you for your diligence and professionalism throughout this project. I look forward to experiencing the results of your hard work.”

For more information about MedeAnalytics Patient Access, visit [www.medeanalytics.com/solutions/patient-access](http://www.medeanalytics.com/solutions/patient-access).

## RESULTS

- Simi Valley Hospital now collects 60 percent of all patient amounts at the POS
- San Joaquin Community Hospital increased POS collections from \$110,000 to \$190,000 in less than a year
- Three Adventist Health hospitals all pre-register more than 90% of scheduled patients prior to service, exceeding corporate goals
- Another six Adventist Health hospitals are pre-registering 80-90% of scheduled patients prior to service

## PROVIDER SOLUTIONS

### Revenue Cycle Management

- Patient Access
- Revenue Integrity
- Business Office

### Value Based Performance

- Population Health
- Quality Management

### Cost and Operations

- Supply Chain
- Labor Productivity
- Service Line
- Throughput

### Enterprise Performance Management

- Action Planning
- Progress Tracking