

REVENUE CYCLE MANAGEMENT Case Study

SITUATION

A rehabilitation medicine practice contacted [DoctorsManagement \(DM\)](#) for assistance. The practice employs four physicians and three mid-level providers and has five offices, all located in towns with a population of less than 30,000. Patient satisfaction was good; however, the practice itself was in financial jeopardy and was submitting claims in a manner that put it at a high risk for a compliance audit. The group's billing was several weeks behind and it had \$500,000 in accounts receivable that was outstanding by more than 120 days.

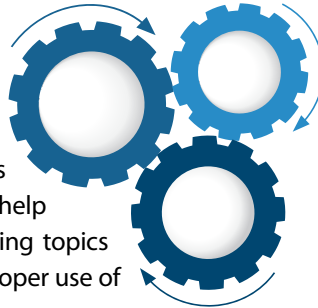
CHALLENGES

The providers and staff of this organization had the best of intentions. Without realizing it, however, they were creating a serious cash flow problem and putting the practice at risk of an audit. No standards existed for the billing process nor did the staff understand that the state of the practice's financial health depended upon how they handled their day-to-day tasks. Claims were often filed with invalid identification numbers, with incorrect modifiers, and for patients whose coverage had terminated. In some cases, claims were simply never billed, creating timely filing issues resulting in lost revenue from claims that would have to be written off. Denied claims were often resubmitted without any corrections and write-offs required no authorization by management. With no systems or checks and balances in the processes, accountability was lacking. Not only was the practice at a high risk of an audit, they would be in a vulnerable position should an audit occur.

STRATEGIES

DM's revenue cycle management team got to work and immediately performed collections to reduce outstanding accounts receivable while also helping the staff get caught up on billing. Past claims were reviewed and the DM specialists trained the billing team in specific areas of weakness to help facilitate payments and reduce audit risk. Some of the training topics covered included how and when to unbundle services, the proper use of modifiers, and timely filing requirements.

After addressing the most pressing cash flow issues, DM streamlined the practice's workflow to reduce the need for collections by developing protocols for each team member. Each employee received a job description that conveyed the expectations for that individual. The team was educated on how each of their roles impacted the financial health and culture of the practice. Specific staff members were made responsible for areas within the practice. One staff member was made responsible for patient check-in and checkout and was trained on the best practices for front desk check-in and checkout. They learned how to verify insurance coverage, properly collect co-payments, obtain pre-authorization and perform other tasks that could reduce denied claims. A write-off process that required office manager and physician sign-off was established so that all efforts to collect the revenue were pursued before claims could be written off.



RESULTS

The practice achieved positive results very rapidly. Within six weeks, the outstanding A/R was reduced by more than half. Employee morale skyrocketed as staff members took on a new sense of responsibility for their contribution to the success of the practice. The practice manager had an established set of goals and a roadmap to achieve them. With access to the revenue cycle management team, she felt confident that she could keep the practice on track and avoid the many small pitfalls that could compound and take the practice off track.

The physicians were able to continue focusing on patient care and serving the community without constant worry about the long-term sustainability of their business model. Relationships and communication between the physicians and staff also improved.

RESULTS RECAP

- Reduced A/R by more than 50% in 6 weeks
- Increased monthly revenue by \$40,000+
- Improved communication between providers and staff
- Boosted employee morale
- Created structure and accountability
- Improved patient satisfaction

