

CASE STUDY

Wheaton Franciscan Healthcare Improves All Points of the Revenue Cycle

Analytics and workflow solutions boost collections and reduce bad debt

Summary

In the face of growing patient financial obligations and tighter regulations, Wheaton Franciscan Healthcare uses MedeAnalytics Business Office and Patient Access to intelligently manage accounts receivable (AR) while also driving collections and efficiency in patient access.



Goals

- Boost financial security
- Reduce bad debt and AR aging
- Understand the overall financial picture from end to end
- Increase point-of-service collections
- Streamline patient registration and pre-registration

Results

- Reduced outstanding receivables by \$15.4 million
- Lowered bad debt by \$8 million
- Increased point-of-service collections by 50 percent

About Wheaton Franciscan Healthcare

Wheaton Franciscan Healthcare is a Catholic, not-for-profit healthcare organization serving areas of Wisconsin, Iowa, and Illinois. With 22,000 employees, the organization includes 18 hospital campuses and a number of outpatient, long-term care and home health organizations. Started by the Wheaton Franciscan Sisters more than 130 years ago, Wheaton offers compassionate healthcare to over one million patients annually.

Challenge

In today's economy, hospitals everywhere face decreased reimbursement rates and aging accounts receivable as a result of increased patient responsibilities and rising numbers of uninsured and underinsured patients. Nationwide, these patients accrue tens of billions of dollars each year in unpaid medical bills. In Wisconsin specifically, cities like Racine, which saw its unemployment rate peak at 11.5 percent, have experienced some of the worst effects of the recession.

In addition, many hospitals have experienced decreased revenues due to tighter. Considering the government's compliance activities, many insurance companies have followed suit, recouping money on accounts as old as three or four years.

As a result, efficiently managing accounts receivable has become more important than ever. Michelle Jones, director of patient financial services for Wheaton Franciscan Healthcare, said, "Every dollar has become that much more important."

Just as important is improving efficiency and collections on the front end of the revenue cycle. As Wheaton has experienced, improving collections at the point of service (POS) has the potential to greatly reduce bad debt.

Historically, Wheaton relied on cumbersome, incomplete and sometimes inaccurate reports to manage accounts receivable. Reports required extensive manual work and often took 30 days or more to create.

"Before, we didn't have any dashboards," said Jones. "We relied on makeshift reports and tools to keep track of our accounts receivable, and we often wouldn't get the reports we needed until a month after we requested them."

Recognizing that detailed, real-time reporting would significantly improve their AR management, Wheaton investigated solutions that would enable them to gain control over data while also improving efficiency and reducing AR aging.

Solution

Wheaton Franciscan Healthcare implemented MedeAnalytics Business Office and Patient Access to intelligently manage accounts receivable, reduce AR aging, and boost collections at the point of service.

Intelligent Accounts Receivable Management Reduces AR Aging

With real-time insight into revenue cycle bottlenecks, delays, and black-hole accounts, MedeAnalytics Business Office enables Wheaton to automatically identify AR trends and drill down into detailed patient accounts and transaction detail. Management scorecards and dashboards provide a daily snapshot of revenue cycle performance across the organization.

With MedeAnalytics, Jones and her team get a more concise and detailed view of their data. They can easily drill down into known issues and quickly and easily run reports on different aspects of their data.

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“With real-time reporting, we can analyze accounts receivable in ways we never could before,” said Jones. “Before, it would take months with cumbersome reports and manual work to uncover the causes of known issues. We often didn’t even recognize that we had any issues to begin with. Now, we know exactly what is going on.”

With such insight into its data, Wheaton has gained more confidence and control and has seen measurable improvements.

Work List and Tracking Improve Productivity

While reducing the aging of their accounts receivable was Wheaton’s ultimate goal, improving the productivity of personnel is a critical component of the effectiveness of AR management.

With intelligent work list assignment and tracking from MedeAnalytics, Wheaton can create and assign work lists based on customized business rules. Instead of working solely through the billing system, associates toggle between the systems.

What’s more, Wheaton has a denial management team that uses work lists to target and reduce denials. Other customized work lists help Wheaton manage credit balances. “We created custom fields in work lists to track and trend the root cause of credits,” said Denean Shelp, Wheaton’s manager of payer services.

These improved work lists have helped reduce credits as well as drive productivity enhancements that allow employees to work more accounts in a day.

Comprehensive Solution Touches Every Point of the Revenue Cycle

While its implementation of MedeAnalytics Business Office has improved accounts receivable management, Wheaton also uses MedeAnalytics to improve front-end cash flow. MedeAnalytics Patient Access offers Wheaton an easy, systematic approach to generating credible, comprehensive estimates of what its services will cost. Such detailed estimates eliminate much of the apprehension patients might have and make them much more likely to meet their financial responsibility before they even enter the doors of the hospital.

“We recognized that patients want to know upfront what their obligation will be,” said Jones. “It’s vital that we provide them with timely and accurate patient billing statements.”

Wheaton’s primary goals with Patient Access were to reduce registration errors, improve pre-service and point-of-service collections, reduce the time from date of service to final billing, improve patient satisfaction, and reduce AR aging. Today, more than 500 Wheaton employees use the system on a daily basis.

Wheaton also uses MedeAnalytics Revenue Integrity for daily insight into compliance risk areas and to proactively manage regulatory compliance risk.

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Results

Since it implemented MedeAnalytics, Wheaton Franciscan Healthcare has achieved measurable improvements at several points of the revenue cycle.

With MedeAnalytics Business Office on the back end, Wheaton has reduced its AR aging. Accounts greater than 90 days have reduced from 22 percent to 19 percent. Jones noted, "Before MedeAnalytics, we hadn't ever achieved results like this. During my tenure, this figure has never been below 22 percent."

Wheaton's credit balance initiative has yielded significant results. Before implementing MedeAnalytics, Wheaton had 82,841 hospital accounts with credits totaling \$21.2 million. A year later, they reduced total accounts to 25,000, worth \$5.8 million. "Our success is due to the analytics capabilities MedeAnalytics provides and our ability to perform root cause analysis on credits to better manage and reduce them," said Shelp.

On the front end, patients are more likely to pay, thanks to detailed patient estimates that give them confidence in their financial responsibility. "In one year, we reduced bad debt by \$8 million and increased our point-of-service cash collections by 50 percent," said Jones.

Now years later, Wheaton has sustained these results. They continue to see revenue cycle improvements year after year.

Summarizing her experience with MedeAnalytics, Jones said, "MedeAnalytics has helped immensely, far surpassing our initial expectations. I knew from my previous experience with MedeAnalytics that we could analyze our data and get real-time information, but I never realized there was so much more."

"When we first researched analytics solutions and their capabilities, MedeAnalytics was the obvious choice," said Jones. "There's just no comparison. In the last year, we have gained more control over our accounts receivable than we have ever had, and it's all due to MedeAnalytics."

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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

For more information about MedeAnalytics Business Office and Patient Access, visit www.medeanalytics.com/solutions.