

Bend Memorial Clinic

THE ORGANIZATION: Central Oregon-based multispecialty practice with 100 providers at five locations

THE CHALLENGES: Ensuring accurate payment from payers and patients

THE SOLUTIONS: MPV Patient Portion Pricer integrated with MPV Eligibility electronically verifies patient eligibility and benefits coverage in real-time and calculates patient financial responsibility; MPV Contract Management tracks payer contract compliance at the line-item level and facilitates analysis of proposed contract terms; MPV Payer Alerts provides daily email notifications of payer policy changes

THE RESULTS: Increased patient collections by 10 percent and average \$65,000 a month in recovered underpayments, for a return on investment of over 300 percent

Bend Memorial Clinic achieves a healthier bottom line with MPV

'We now collect more from patients and recover a significant amount of underpayments each month.'

Situation

With \$7 million in monthly revenue, Bend Memorial Clinic's cash flow suffered from an inability to consistently verify patient eligibility and insurance coverage and estimate patient responsibility at the time of service. Since practice staff had no means of accurately determining what the payer would allow for various treatments, they were unable to collect patient fees upfront, leading to extended billing cycles and frustrated patients. Claim denials resulting from patient eligibility errors also contributed to payment delays and required time-consuming rework.

In addition, the clinic found that manual monitoring of its payer reimbursement was missing many, if not most, claims underpayments. "Our two analysts responsible for monitoring payments and watching for variances were well-versed in our payer contracts, but it's unrealistic to expect someone to remember every detail of such complex agreements," says Shane Irving, service line director for business services at Bend Memorial Clinic. "Our processes were extremely labor intensive. We manually evaluated payer payments, based on the application of fee schedules, and identified suspect claims. Yet we couldn't be sure we were being paid accurately, according to our contracts."

Challenges

Practice leadership recognized the need for an automated system that would analyze reimbursement from payers and identify claims that did not comply with payer contract terms. Bend Memorial Clinic also wanted to streamline workflow for staff and better manage the appeals process. While the clinic's practice management system had tools to help identify underpayments, the system was complex, difficult to use and required staff to manually update contract information. Instead, Irving says, "We wanted a system that would help load and maintain the contracts so we could focus on identifying underpayments and managing appeals."

"MPV has increased our patient collections, improved our payer contract negotiation strategies and results and allowed us to proactively track the performance of each of our contracts."

*— Shane Irving,
Service Line Director
for Business Services,
Bend Memorial Clinic*



In addition, Bend Memorial Clinic sought a solution with the reporting capabilities needed to run “what-if” scenarios and assess the financial impact of alternative contracts proposed by payers. This capability would enable the practice to better project revenues and expenses associated with new services under consideration.

Finally, with patient collections making up an increasing share of practice revenue, Bend Memorial Clinic also desired the ability to quickly verify a patient’s insurance and benefits coverage so it could more accurately estimate out-of-pocket fees prior to the time of service. “Patient financial responsibility for medical expenses continues to increase, but actually bringing in that money is time-consuming, expensive work that often leaves a lot of revenue on the table in the form of patient bad debt,” added Irving.

Solutions

After evaluating solutions from several vendors, Bend Memorial Clinic selected MPV Contract Management because of its proven ability to define, model and maintain payer contracts. Prior to going live, MPV’s contract analysts defined and modeled 16 payer contracts that accounted for approximately 80 percent of the practice’s overall claims volume. Following the three-month implementation process, Bend Memorial Clinic began using the application in April 2006.

With MPV Contract Management, the practice no longer has to manually review claims — as they did prior — and the analysts are also more efficient, giving them more time to recover revenue that might otherwise be lost to the clinic. Bend Memorial Clinic also uses MPV Contract Analysis to apply proposed contract terms to the precise mix of services it provides, allowing the practice to assess the bottom line impact of each contract. According to Irving, “Our CEO really appreciates being able to enter negotiations with all of the information he needs to not only set favorable reimbursement rates, but also, to include performance indicators such as accuracy and turnaround time in contracts.”

Along the same lines, Bend Memorial Clinic uses data stored in MPV Contract Management when making decisions about new services and new hires. “We’re always offering new specialties,” Irving says, “and the data generated by MPV lets us do so with confidence, because we know the projections are accurate.” The practice also uses the data in the recruiting and hiring process to give physicians an accurate picture of their expected compensation.

In 2007, Bend Memorial Clinic went live with MPV Patient Portion Pricer. The Web-based solution enables the practice to accurately generate patient estimates prior to the time of service, increase upfront collections and reduce billing and collection costs. Integration with MPV Eligibility ensures that estimates are based on the latest, most up-to-date eligibility data, payment rules and contract terms, helping to minimize the need for time-intensive validation processes and increasing overall efficiency.

“Electronically gathering details related to patient co-pays, benefits and deductibles results in more accurate data and fewer eligibility-related errors,” says Irving. MPV Payer Alerts further expedites workflow by delivering daily notifications of payer policy changes specific to the practice’s specialties and payer relationships.

Results and Return on Investment

“With MPV Contract Management, we set a goal for our analysts to capture at least \$15,000 each month in recovered underpayments, with a target goal of \$25,000 monthly. We very quickly reached an average monthly recovery of \$65,000 — more than double the high end of the target,” Irving says. Additionally, the practice has been able to negotiate more favorable contract terms based on percentage of fee schedules rather than on relative value units (RVUs) by tapping MPV’s contract analysis capabilities.

With MPV Patient Portion Pricer integrated with MPV Eligibility, Bend Memorial Clinic has raised cash flow by 10 percent and reduced patient responsibility A/R by 40 percent. Automating insurance and benefits verification processes has dramatically improved staff workflow while the daily MPV Payer Alerts emails have help contribute to the decrease in claim denials by alerting us to services that are no longer covered.

Overall, MPV has exceeded expectations when it comes to the return on investment. After four years of use, Bend Memorial Clinic views these tools as not only valuable for recovering underpayments, but also for increasing upfront collections and improving cash flow. “MPV has helped us get a better understanding of all of the variables that impact our bottom line,” Irving says.

MPV recovers \$65,000 in revenue each month

Bend Memorial Clinic, April 2006 – March 2010

Claims with successful appeals	\$2,580,000
Underallowed commercial variance	2%

About MPV

MPV helps healthcare providers collect accurate payments from both payers and patients by verifying insurance eligibility and benefits, estimating patient financial responsibility, validating reimbursement accuracy and monitoring payer contract performance.



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