

Ohio State University Physicians



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*— Georganna Price,
Manager of Payer
Relations, OSUP*

THE ORGANIZATION: Columbus, Ohio-based multispecialty academic medical center practice with more than 900 physicians and 70 practice locations

THE CHALLENGES: Representing 26 specialty divisions, each with its own TIN and billing department, the organization needed a way to monitor payer compliance with contract terms on approximately 20 payer agreements and streamline eligibility and benefits verification

THE SOLUTIONS: MPV Contract Management standardizes processes for monitoring payer performance and provides needed data for revenue analysis; MPV Eligibility facilitates real-time benefits verification and the matching of self-pay patients against Medicaid databases for increased reimbursement opportunities

THE RESULTS: \$2.2 million recovered from underpaid claims in 51 months; fewer write-offs

Ohio State University Physicians (OSUP) strengthens bottom line with MPV

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Situation

OSUP centrally negotiated managed care contracts for its 15 limited liability companies and 11 physician practices owned by The Ohio State University Medical Center; however, prior to implementation of MPV, each division handled its own billing and tracking of payer compliance with contracts. While some divisions utilized spreadsheets to manually track payment variances or required payment posting staff to review contract amounts, others had no formal process in place. By late 2005, revenue cycle managers had investigated the prevalence of underpayments and concluded that it was of serious concern. OSUP needed a consistent method for identifying, tracking and appealing underpaid claims across the enterprise.

Specifically, the practice needed automated tools to monitor each payer’s frequency of underpayments by reason and amount, time to pay and other performance indicators. With such information in hand, OSUP could better determine payer compliance, recover appeals and enhance its negotiating position with payers. As a large, growing practice, OSUP was also looking for a way to better project revenue when it added new services or providers.

In addition, with the number of self-pay accounts on the rise, the practice desired a way to easily check for Medicaid eligibility at various points throughout the billing cycle, ultimately maximizing revenue and minimizing expenses related to collecting unpaid patient balances.

Challenges

The OSUP management team concluded that capitalizing on reimbursement opportunities was a critical issue and took steps to address the problem. Colleagues from the managed care, finance and IS departments outlined a dual challenge: first, although most divisions acknowledged underpayments as a significant issue, none had an effective means of identifying and appealing them; and second, most automated systems that identify underpaid claims required staff to load, model and maintain contract information—an unrealistic expectation for OSUP billing staff in terms of the time and expertise required. Given the complexities of OSUP's structure, the practice needed a centralized system that would identify these opportunities without requiring divisional billing staff to load and maintain contract data.

Solutions

After considering solutions from several vendors, OSUP selected MPV in early 2006. A major factor in selecting MPV was its proven ability to load, model and maintain payer contracts. According to Georganna Price, manager of payer relations, OSUP, "MPV's performance has not disappointed us over the last four years and has allowed us to maximize limited, internal resources to successfully gauge payer performance. MPV has provided us with a centralized approach that identifies underpayments and generates the information needed by billing staff to successfully appeal them." More than 95 percent of OSUP's contracts are now loaded into MPV Contract Management, accounting for more than 80 percent of the group's claim volume.

As shown by the dramatic increase in recovered underpayments, MPV has also solved OSUP's challenge of standardizing the identification and recovery of underpaid claims across departments. In the first year of deployment, the combined OSUP divisions averaged \$12,000 per month in recoveries. The monthly recoveries have since increased to an average of approximately \$50,000 per month since 2007—when the process was fully implemented.

Price and her billing and managed care colleagues have also expanded OSUP's use of MPV to include additional tools. "We use MPV Contract Analysis for payer negotiations by monitoring each payer's frequency of underpayments and time to pay," she adds. "We see this as being an important ongoing effort."

The practice also utilizes MPV Eligibility to conduct more than 60,000 eligibility checks each month. Beyond verifying eligibility and benefits several days in advance of a patient's scheduled appointment and as invoices are keyed into the billing system, the practice also runs real-time checks for walk-ins or other appointments scheduled within a short timeframe. Direct integration with OSUP's practice management system means practice staff can confirm eligibility without the need for duplicate data entry or toggling between systems.

MPV Eligibility also enables OSUP to electronically match self-pay patients against Ohio Medicaid databases so those that are eligible for benefits can be quickly identified and re-classified. "Many self-pay patients may have Medicaid coverage but don't realize they are eligible," Price says. "By separating billable patients from the self-pay group, we are able to minimize bad debt and improve overall cash flow."

Results and Return on Investment

OSUP's return on investment is more than three times the monthly fees it pays for its MPV solutions. While Price and team appreciate MPV Contract Management's ability to identify individual payment errors, they value MPV's ability to flag payment trends even more. "MPV has enabled us to identify patterns of underpayments that, most likely, would have otherwise continued for the life of the contract," Price says. "By eliminating those ingrained patterns, we've virtually eliminated the downstream impact of those consistent losses compounded over multi-year periods."

Since partnering with MPV, OSUP has also:

- Begun collecting interest charges applied to underpayments in accordance with Ohio's prompt-pay laws
- Improved payer relations by establishing a single point of contact for all contract and underpayment trends
- Enhanced centralization of payer relations by enabling Price to address specific underpayment trends on behalf of all divisions
- Identified 4.6% of its self-pay population as Medicaid eligible, resulting in increased reimbursement opportunities
- Increased efficiency by streamlining eligibility and benefits verification processes
- Found and corrected a number of registration, coding and posting errors

MPV adds \$2.2 million in 51 months

OSUP, March 2006 – June 2010

Recoveries from successful appeals

\$2.2 million

About MPV

MPV helps medical groups to maximize practice revenue and meet the demands of healthcare consumers by combining technology and consultative services to fully automate eligibility and insurance verification; reduce patient write-offs; monitor payer contract compliance; recover underpayments; and negotiate better contracts.



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