

Sansum Clinic



“MPV is an invaluable asset to Sansum Clinic.

Its solutions give us peace of mind that we are collecting accurate payments from both payers and patients in a timely manner — and just as important, we know our revenue cycle is performing at its very best as a result.”

*— Jennifer Thomas,
CPA, Vice President,
Revenue Cycle*

THE ORGANIZATION: One of the largest non-profit physician practices in Santa Barbara County, Calif., with 150 physicians and 935 employees

THE CHALLENGES: Improving revenue cycle management performance; identifying and appealing underpayments; verifying insurance eligibility and benefits to reduce rejections; generating patient payment estimates to increase upfront collections; and analyzing overall contract performance

THE SOLUTIONS: MPV Contract Management monitors payer compliance based on the latest contract terms and assesses the financial impact of each contract. MPV Patient Portion Pricer integrated with MPV Eligibility facilitates the collection of patient payments at or before the time of service and streamlines insurance and benefits verification and the associated billing processes

THE RESULTS: Optimized cash flow; significantly increased recovery of contractual underpayments; improved upfront patient payment collections and patient satisfaction rates; negotiated more favorable contracts; and decreased accounts receivable days

Sansum Clinic realizes over \$5.6 million in revenue as a result of partnership with MPV.

‘Because of MPV, we’ve revolutionized our revenue cycle management processes by reducing eligibility related claims rejections, recapturing underpayments, collecting more upfront patient payments and negotiating more favorable payer contract terms.’

Situation

With a high volume of patients to care for and corresponding claims to manage each month at Sansum Clinic, efficiently verifying eligibility and benefits information as well as the accuracy of payer reimbursement was a challenge. The group knew its revenue cycle was not performing optimally and that there were missed payment opportunities on the payer and patient side.

Since the clinic did not have staff members dedicated solely to the process of identifying underpayments and managing appeals, it focused its efforts on a small amount of high-value claims. “We knew we were being underpaid, but we didn’t know how much or how often or by which payers,” says Lupe Chavez, manager, appeals. “It was a manual, hit-or-miss process.”

Front-line staff also lacked the ability to electronically verify insurance and benefits details, which resulted in claim rejections and time-consuming reworks for back-office staff. It also made it difficult for the group to collect upfront patient payments since it was not armed with the most up-to-date information from payers.

“Verifying insurance eligibility meant looking at and photocopying patients’ insurance cards and making numerous calls to payers after a patient visit to confirm eligibility and benefits,” says Betty Lee, manager, registration, pre-arrival, enrollment and customer service. “It was a very reactive approach, but based on our current processes and technology, we didn’t have the needed tools to take a proactive stance on this part of the revenue cycle — something we recognized as an absolute imperative as patients began to take on greater financial responsibility for their healthcare needs.”

Challenges

Gaining confidence in its contract performance with the ability to fully monitor payer compliance was a must for Sansum, as was securing the tools to identify, appeal and recover underpayments — all of which impact the bottom line. When an internal analysis conducted in one department confirmed the clinic was losing revenue due to underpayments, Sansum knew it was time to begin searching for a method that would consistently validate reimbursement accuracy and streamline appeals.

“We needed to be confident that contract terms were being properly executed by payers, and also know that when they weren’t, we could identify those occurrences and capture accurate payment for services rendered,” Chavez says.

Sansum also wanted the ability to assess the financial implications of proposed contract terms to ultimately improve its negotiation strategies with payers and resulting reimbursement rates.

An additional challenge was finding a way to increase time-of-service collections from patients and decrease eligibility-related claim denials. “Despite our best efforts to copy each patient’s insurance card at the onset of a visit, it did not mean the patient’s insurance was valid, nor did it provide us with the most current benefits information,” says Lee. For example, this manual process allowed the clinic to request deposits from patients in advance of high-dollar procedures, but it was unable to accurately determine a patient’s financial responsibility upfront, which led to the need for refunds and rebilling after services were rendered.

Solutions

Following a thorough vendor evaluation, Sansum selected MPV contract management, eligibility management and patient payment management solutions to optimize its financial performance and ultimately achieve revenue cycle management excellence. “MPV had many clients successfully using its products with our practice management system, and that was one of the most important factors in our decision,” Lee says.

When originally rolling out MPV Contract Management, the clinic overwhelmed its biggest payers with a huge volume of appeals. Since that time, Sansum has initiated monthly meetings with payer representatives to discuss payment trends and to address any underlying issues that impact reimbursement accuracy. This proactive dialogue has changed the way payers work with Sansum. “Now payers take our appeal letters seriously and we’ve developed strong working relationships with them,” Chavez says.

This automated approach also enables Sansum to detect and appeal underpayments sooner, which speeds cash flow. “We’re typically filing appeals five to 10 days from the date of the electronic remittance posting, so the appeal turnaround is much faster,” Chavez added.

Contract negotiations have also improved since partnering with MPV. By running real-world information and “what if” analyses on proposed contract terms, Sansum can pinpoint unfavorable terms, backed by supporting data. This process has also helped the clinic determine accurate ROI for proposed new service lines, enabling it to determine the financial viability of adding the services to the group’s offerings.

Outside of better performing contracts, MPV has had a major impact on pre-arrival and patient registration processes. Through its use of MPV Patient Portion Pricer integrated with MPV Eligibility, the clinic can quickly and easily confirm patient eligibility and benefits details prior to a patient’s appointment. “MPV has significantly enhanced our workflow so we can verify eligibility and benefits at or before the time of service, leading to reduced rejections and improved pre-service patient payment collections,” Lee says.

Sansum is now able to secure the latest eligibility information for each patient in addition to up-to-date details on co-pay, benefit and deductible information. In areas of the clinic such as oncology and physical therapy, staff relies on this data combined with contract terms and payment rules to calculate a patient’s out-of-pocket obligations. “The technology has increased our ability to collect more upfront payments from patients, and helped us avoid re-billings or issuing credits to patients as a result of more accurate estimates and payments,” Lee says.

This approach helps the clinic to reduce patient bad debt, optimize cash flow and streamline workflow for staff.

Results and Return on Investment

MPV has delivered results that have far exceeded the staff and senior management expectations at Sansum. Being equipped with the analytical data needed to negotiate more favorable contract terms with payers through the use of MPV Contract Analysis, Sansum estimates it secured an additional \$4 million in revenue for 2010. “As a result of our partnership with MPV, we’re now getting more revenue for the services we provide our patients,” Chavez says. “This, combined with a better understanding of our payer contracts, has resulted in a significant revenue increase for the clinic.”

In the first two years since implementing MPV solutions, the clinic recouped \$1.3 million as a result of more than 18,000 successful claims appeals. This equated to a 57 percent recovery rate. And with a 49 percent decrease in eligibility related claim rejections in 2009 as compared to 2008, the clinic saved over \$329,000.

Beyond the bottom-line benefits, MPV has helped better educate patients and staff with regard to eligibility and benefits so they have a clear understanding of what’s covered and what’s not. “Our entire staff has eligibility and benefits information at their fingertips, so we’re able to reduce eligibility rejections and improve collections by proactively verifying insurance and benefits,” Lee says.



Medical Present Value

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“With MPV, we’ve not only re-captured significant revenue from underpayments and better contract terms, but we’ve reengineered the way we handle upfront patient payments for high-dollar procedures—resulting in more time-of-service collections.”

– Betty Lee, Manager, Registration, Pre-arrival, Enrollment and Customer Service

Beyond dollar figures, A/R days are also down from 87 in 2008 to 57 in 2010 and Sansum’s overall efficiency has improved. The clinic reallocated three FTE positions through its use of MPV’s Eligibility Roster Management Services, which allows staff to automate enrollment database processing for its capitated population and easily file related eligibility data into its practice management system.

MPV adds over \$5 million to the bottom line

Sansum Clinic, March 2008 - April 2010

Revenue increase due to enhanced payer contracts	\$4 million
Value of claim recoveries	\$1,300,062
49% reduction in eligibility-related denials, 2009 vs. 2008, clinic savings	\$329,290
Number of successfully appealed claims	18,000
Appeals success rate	57%
Decrease in A/R days	87 to 57

About MPV

MPV helps healthcare providers to maximize revenue and meet the demands of today’s challenging economic environment 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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