

UT Medical Group



“With MPV’s suite of payer contract management and eligibility solutions, we have been able to improve both front- and back-end revenue processes while enhancing the performance of our contracts and increasing profitability.”

*– Shannon Tacker,
Vice President of
Revenue Services,
Analysis and
Decision Support,
UT Medical Group*

THE ORGANIZATION: Memphis, Tenn.-based faculty practice plan with more than 350 physicians—one of the largest multi-specialty group practices in the Mid-South

THE CHALLENGE: Improving the performance of the group’s payer contracts without overextending staff resources, and automating the insurance and benefits verification process

THE SOLUTION: MPV Contract Management delivers the technology and contract definition and modeling services required to determine accurate payment and improve cash flow, while MPV Eligibility provides electronic eligibility and insurance verification for improved billing processes and increased upfront collections

THE RESULTS: \$1.8 million in underpayments captured in 43 months—without adding billing staff; \$2.9 million in self-pay revenue identified in a 12-month period

UT Medical Group captures \$1.8 million in underpayments and identifies \$2.9 million in self-pay revenue

‘It doesn’t take long to realize what MPV’s solutions are capable of.’

Situation

In 1999, UT Medical Group consolidated billing functions for 12 different clinical departments into one. As a part of this process, the group focused on perfecting front-end processes and submitting cleaner claims because it felt this was the key to reducing back-end tasks, like appealing denials. After implementing a claims scrubber, electronic claims submission software and an imaging system, the group quickly realized that while very valuable, none of these technologies gave staff the ability to ensure that payers were holding to the terms outlined in their contracts.

“We initially employed a manual process for tracking underpayments where we ran queries from our practice management system and compared payments received against contract terms,” said Shannon Tacker, vice president of revenue services, analysis and decision support at UT Medical Group. But without the staff required to manage this process, UT Medical Group was forced to focus exclusively on high-dollar claims. The group also tried to track payment variances by payer, but this method only verified if a payer was reimbursing the group accurately at the time of payment, not for payments going forward.

In addition to improving contract performance, UT Medical Group was looking for a more efficient way to manage eligibility and insurance verification. The group’s existing process involved looking at the census each day and then visiting payer Web sites or making time-consuming phone calls to confirm eligibility. The number of appointments and patients was growing and these manual processes were becoming increasingly cumbersome.

Challenge

While UT Medical Group knew it was being underpaid on payer reimbursements, it was never sure of the exact amount. With payers constantly changing their fee activity, payment variances were constantly being created.

“Whether it was a modification to a fee schedule or an unknown system issue, we had to stay on top of each payment or we would lose money. Manual tracking requires a great deal of staff resources, so we either had to increase staff or find a more efficient way to handle this process,” said Tacker.

The group also realized that it was potentially losing significant revenue opportunities in the self-pay area, which accounted for approximately 25 percent of the group’s patients. The group believed it could recover additional revenue and reduce denials if staff were able to verify eligibility electronically—preferably in real time. For optimal efficiency, it was important that the solution selected integrate with the group’s practice management system.

Solution

UT Medical Group selected MPV Contract Management in December 2004, with very specific goals in mind. “We needed to better understand our contracts, improve our communications with payers, support denials management—and most importantly—improve our overall cash flow,” said Tacker. “If we could achieve these goals, we knew we would have a winner.”

Almost immediately, the group realized improvements in efficiency and productivity. By tapping MPV’s expertise in contract definition and modeling, UT Medical Group gained an electronic database that contained fully-defined and modeled terms outlined in their payer contracts. Billing representatives can now access this centralized contract database and quickly reference specific contract language related to appeals when talking with payers.

Staff members can also monitor payment trends and flag potential issues. “When a payer recently changed its interpretation of the contract language and its payment policy accordingly, we were able to identify and address the change as a contract issue, rather than a payment issue,” said Tacker.

In early 2006, the group decided to expand its revenue cycle strategy to include automated eligibility and insurance verification capabilities. After evaluating several solutions, the group selected MPV Eligibility. “The ability to verify eligibility throughout the entire billing process, as well as perform both real-time and batch verification, were key factors in our selection of MPV’s solution,” said Sharon Montgomery, manager of registration and authorization, UT Medical Group. “We also needed to be able to customize the system to address our group’s specific needs, which MPV Eligibility provides.”

As the practice has grown, MPV Eligibility has helped UT Medical Group streamline front-end processes and improve staff productivity. “Since implementing the solution, we have been able to absorb an increased patient load while reducing FTEs by approximately 20 percent,” said Montgomery. In addition, because the group is able to verify both primary and secondary insurances, they can be sure billing is correct and has been sent to the proper payer, resulting in fewer dollars spent on collections and less patient bad debt.

Self-pay verification, which was once a very labor-intensive process, is now automated and has helped UT Medical Group locate additional revenue opportunities through Medicaid. In fact, the group was able to identify \$2.9 million in potential self-pay revenue during a single fiscal year.

Results and Return on Investment

UT Medical Group uses MPV Contract Management and MPV Eligibility solutions daily to evaluate contract performance and simplify insurance and benefits verification. Overall, group benefits include:

- \$1.8 million recovered in contractual underpayments in 43 months
- \$2.9 million in self-pay revenue identified in 12 months through state and Medicaid databases
- Ability to perform “what-if” analyses on proposed contract terms and negotiate better performing contracts
- Lower billing and contract administration costs
- Increased up-front collections
- Enhanced staff productivity

“MPV has given me a tool to compare what an insurance carrier offers to existing contracts, including Medicare. By using our previous claims data, we can apply rates loaded in MPV for current contracts and a proposed rate and calculate the differences cumulatively for all claims over a period of time—by code and service line,” said Denise Bollheimer, vice president of marketing and managed care for UT Medical Group. “MPV saves us a lot of time. It would otherwise take days to compare offers to current contract rates using actual claims data, especially considering modifiers and place of service reimbursement adjustments.”

In addition, Tacker feels MPV Contract Management has enhanced internal communications at UT Medical Group. “In many healthcare organizations, revenue services and the managed care department are two separate entities. Through MPV Contract Management, these two groups in our organization have forged a strong bond. By working as a team, these departments regularly review payments received and the policies that drive them, allowing us to appeal and recover more revenue than each department could on its own.”

MPV Eligibility has also helped administrative processes run more smoothly. “MPV Eligibility has helped us streamline our insurance and benefits verification process and provides us with the flexibility to tailor the system to our changing needs,” said Montgomery. “The productivity gains we’ve realized have enabled us to spend more time focusing on our patients while maintaining a healthy bottom line.”

MPV adds \$1.8 million to the bottom line in 43 months and identifies \$2.9 million in self-pay revenue in 12 months

UT Medical Group, March 2005 – October 2008

| | |
|--------------------------|-------------|
| Appeals recovered | |
| # of successful appeals: | 26,607 |
| Value of recoveries: | \$1,800,000 |
| Underallowed variance: | 3% |

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.



Medical Present Value

1-866-930-1230

www.mpv.com

5000 Plaza on the Lake

Suite 265

Austin, TX

78746

tel 512.795.0015

fax 512.795.9529

www.mpv.com

*©Medical Present Value, Inc.
2010. All rights reserved.*