

Case Study

Finding Cash Through New Billing and Claims Processes Physician Office

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Number of Locations: 1
Number of Doctors: 105

CHALLENGE:

400 bed urban hospital employed and/or contracted over 100 physicians with specialties ranging from family medicine to OB/GYN. Many of the physicians also served as faculty for the two residency programs. Cash flow for the non-resident physicians averaged less than \$100,000 per month:

Concerns included:

- The current billing service was inadequate to satisfy nuances of the 10 specialties the doctors represented.
- Reports from the billing service were inadequate for the hospital to make informed management decisions.
- Physicians were not appropriately contracted with area managed care plans.
- Medicare and Medicaid claims were incorrectly billed due to untimely enrollment of physicians into the programs.
- Charge capture procedures and internal controls were weak or non-existent.

ACTIONS:

Hospital administration and consultant developed a two-prong work plan:

Part I

- RFP was developed to identify appropriate billing services.
- Selection process was completed and new billing service implemented.
- New billing service implementation included improvement of internal controls and reconcilable charge capture processes.

Part II

- The top managed care payers were identified, total of 9.
- Credentialing status was confirmed.
 - Those physicians who had not been credentialed and contracted were expedited.
- Previously denied out-of-network claims were followed-up to determine out-of-network payments due.
- Participation status of each physician with Medicare/Medicaid/Tricare was confirmed. Those physicians who were not enrolled were put into process.
- Any claims that had been incorrectly paid by the government payers were refunded.
- A reporting tool was developed to track each physician's enrollment by payer.

IMPACT:

Within 14 months, cash was improved to \$250,000 per month, representing an overall increase of 150%.