



## Case Study 2 – 250-Bed Hospital

### Problem

Select Health Management (Select Health) was engaged to perform an assessment and implement improvements in the Revenue Cycle of a 250-bed hospital. The objective was to realize significant cost savings by increasing cash collections and reducing AR days. Concurrently, the Client needed tools that would help the hospital staff to manage and collect cash more efficiently, from reducing spending to increasing collections. Seeking to provide a way for mid- and upper-level managers to identify and address the hospital's most pressing issues, the Client chose Select Health to provide the right mix of people and skills to deliver a successful outcome with the least disruption to their day-to-day activities.

### Solution

To address the hospital's goal of improving their overall Revenue Cycle, Select Health provided an interim consultant to work with the Patient Financial Services Director. After evaluating all aspects of the Revenue Cycle, our Revenue Cycle Team devised an extensive Operational Improvement Plan. We began by selecting strategies that would improve the "start" of the Revenue Cycle: Patient Access. Select Health facilitated the reorganization and development of financial counseling and insurance verification functions and worked with Meditech applications to improve insurance verification and collections tracking. We provided extensive staff training, as Patient Access jobs directly impact the volume and nature of future collections issues. In addition, our Revenue Cycle Improvement Teams distributed and communicated key indicators daily such as cash trends and DNFB trends.

Select Health's Business Operational Improvement plan reorganized the department and realigned management responsibilities. Other business office and Patient Access roles were reorganized, as well, to affect Financial Assistance processes, cash collections, electronic billing, and home health services. We also developed monitoring tools for Medicare RTP, the 72-hour rule, E Premis claims, CCI edits and held claims, in addition to providing third-party vendor management and negotiations.

### Results

Select Health worked closely with the Client to deliver solutions which provided a significant boost to their staff's capabilities and, as a result, their bottom line. Select Health was able to:

- Increase cash collections by 27% within three months of the project
- Decrease AR days by 10 gross (or 7 net) in five months
- Reduce billing rejection from 83% to 51%
- Drop AR from \$52.6 M to \$49.6 M in a matter of months