

Robust claim scrubbing rectifies underpayments and eliminates rework

State of Franklin Healthcare Associates coordinates clinical practice sites with integrated claims management to reduce denials and improve cash flow

Client

Multi-specialty group of more than 100 providers, with four clinical practice sites, plus a central lab and a sleep lab in Johnson City, Tenn.

Challenge/Objective

Improving reimbursement through robust claims scrubbing; reducing denied claims; and identifying and rectifying contractual underpayments and potential errors on the front end.

Resolution

Experian Health **Claim Scrubber** ensures that all claims are complete and accurate before submission, helping healthcare organizations eliminate costly, time-consuming rework and boost first-time pass-through rates for expedited payment.

Results

Expedited accounts receivable (A/R) by 13 percent and reduced full-time employee (FTE) requirements even as claims volume grew. The medical group's positive experience with Claim Scrubber is also complemented with additional products from Experian Health, including Contract Management, Payer Alerts and Eligibility and Benefits Verification, to enhance the revenue cycle and optimize financial performance.

Obtaining fair and complete reimbursement from insurance companies is a time-consuming and expensive process; one industry estimate shows that healthcare organizations devote more than \$83,000 per physician, per year to payer interactions. For State of Franklin Healthcare Associates (SoFHA), this was a familiar challenge. In fact, in 2010, the group had a centralized claims staff of 14, with 12 people solely devoted to cleaning up and resubmitting previously denied claims.

Without automated eligibility and benefits verification, pre-submission claim scrubbing technology or daily payer policy updates, SoFHA simply submitted claims and then waited to reactively correct the denied ones.

SoFHA's challenges were complicated by the breadth of its operations. Formed in 1988 by a group of physicians, its 475 team members and 109 providers cover specialties including internal medicine, OB/GYN, family practice, pediatrics, hospitalists and sleep medicine. The medical group's four clinical sites in Johnson City, Tenn., are supported by physical therapy services, diagnostic imaging services, a high-complexity clinical reference lab, a sleep center, and a walk-in clinic operating seven days a week.

Challenge/Objective

SoFHA was concerned that it lacked full control over charge entry and validation. With little upfront insurance eligibility information, limited front-end claims edits and few useful claims reports, the group found it impossible to pinpoint the root causes of denials — whether from incorrect coding, staffing issues, payer error, etc. Additionally, SoFHA was plagued by the difficulty of obtaining accurate, timely information on newly admitted patients when the group's hospitalists were called in.

“It was clear that we had to do something different. We needed to change the way we approached claims to survive in today's competitive market environment.”

—Amanda Clear, Director of Business Services

State of Franklin Healthcare Associates

Resolution

As SoFHA was reviewing its claims submission software, Experian Health approached the organization.

“They asked if we would participate as a client development partner for their **Claim Scrubber** product. Based on our experience with other Experian Health products such as Contract Management and Analysis, we knew how well their customer service and account management worked. If there was a problem, they would use all of their available resources to correct it,” recalls Clear.

Two key features of Claim Scrubber were particularly attractive to the group, including the ability to build customized claims edits and the pricing model. “With Claim Scrubber, I have the ability to go into the system and create my own edits. Other systems either didn’t accommodate customized edits, or required you to call, perhaps pay a fee and go through a long process. Plus, all the other products I reviewed had a per-transaction fee. There is just one monthly price with Experian Health, which means budget consistency,” says Clear.

Clear put together a team of four for the implementation process — herself, a person dedicated to transmitting electronic claims, the insurance supervisor and someone from the contract management team.

“Once Claim Scrubber was implemented, it was an easy process to create a daily export file, receive a report and start working the edits,” Clear says.

Shortly after Claim Scrubber implementation, SoFHA gained additional insight by pairing Claim Scrubber with two complementary tools: Eligibility and Benefits Verification and Payer Alerts. Today, SoFHA submits a daily report based on scheduled appointments and receives an exception list that allows a staff member to proactively reach out to patients whose insurance has changed. Staff also know, via Payer Alerts, any time a payer alters its reimbursement guidelines.

“A recent example is when a payer announced it was going to change the reimbursement for OB/GYN ultrasounds. We were able to identify the reduction prior to our payment being reduced,” explains Clear.

Results

The ability to build customized edits and reports has provided extensive benefits for SoFHA. For example, SoFHA was able to quickly identify that a certain multi-channel lab test was routinely — and incorrectly — being bundled. Edits within the lab system itself failed to pick up the problem.

Furthermore, “Because we use both Claim Scrubber and Contract Management, I can now check on differences between the charged amount and the payer’s allowed amount,” says Clear. By identifying discrepancies, the medical group can now prevent underpayments.

Drawing upon its research and industry expertise, Experian Health regularly rolls out coding and payer updates. The group can review, accept or reject the changes, as well as easily and quickly customize edits that relate just to the site or a particular payer.

With the ability to examine denial and edit patterns — plus payer changes proactively — SoFHA now has identified process improvements and propagated them throughout its claims department, minimizing A/R by 13 percent as well as reducing FTE requirements even as claims volume continues to grow. “A CPT code that requires a modifier due to payer requirements might not be on my radar until it shows up as a problem in Claim Scrubber. In that case, we change our policy and procedures and educate the staff,” explains Clear.

Additionally, Clear’s team has the ability to include patients in its daily eligibility file. The process has previously been focused on patients seen in the office, a simple change in the system now allows eligibility verification for patients seen in a facility too. In a two-week period, the practice found three patients with the wrong insurance information. “It’s just a click in the system to include the patient in the eligibility file,” Clear says. “Added to our claims scrubbing efforts, I expect this one change to further reduce our A/R days over the next six months.”

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