

CASE STUDY:

King's Daughters Medical Center Ashland, Kentucky

KING'S
DAUGHTERS

- A 119-year-old community hospital with an extensive clinic network serving eastern Kentucky and southern Ohio
- Employing nearly 200 physicians in its Ashland, KY hospital and around 70 multispecialty clinic locations
- Annual gross revenue in excess of \$1.5 billion, net revenue of approximately \$450 million

Large Community Hospital Experiences Timely Ramp-Up with New EDI Partner as Positive Results Continue to Climb.



According to Mark Beilstein, Revenue Cycle Systems Director at King's Daughters Medical Center, it was time to put their entire revenue cycle on the same path. Hospital billing and professional billing existed on disparate systems which did not communicate. This disconnect was proving to be a considerable obstacle. KDMC sought a consolidated EDI solution for the revenue cycle that would fully integrate with the provider's Epic HIS and realize improved functionality around claim reconciliation and other RCM efficiencies.

After a thorough review of numerous EDI vendors, the longstanding community hospital found an experienced and nimble partner in Healthcare IP.

Improvements Required from New RCM Partner:

- Consolidated Hospital and Physician Billing
- Streamlined interface with EDI partner and associated cost savings
- Seamless Epic HIS integration
- Greater claims reconciliation capabilities
- Automated Appeals functionality
- Easier EDI enrollment process with Payers
- More responsiveness in terms of product development and support



Elevated Expectations

Just two months after a successful, ahead-of-schedule implementation, things are already looking up for King's Daughters Medical Center.

Cutting RCM vendor expenses almost in half through consolidating to a single vendor was a welcome and immediate gain. Improvements in cash flow over the first 60 days post go-live offered more reason for encouragement. March 2018's cash was 104% of the previous average, while April 2018's cash continued the incremental increase at 108% of the aforementioned average. Receiving kudos from KDMC's CFO with regard to Net Days in A/R heading in the right direction further underscored the positive momentum.



"We've seen an overall reduction of claims in inventory of 3% because we implemented Healthcare IP, and that translates into about a half-a-day for our health system in A/R."

Mark Beilstein, King's Daughters Medical Center,
System Director, Revenue Cycle

Perhaps even more promising have been the systemic improved efficiencies realized.

That half-a-day initial improvement in A/R is significant when you consider a day equates to roughly 4.1 million dollars on the hospital side and around \$600,000 on the professional side in gross revenue. That translates to approximately one million dollars a day in net revenue. So, KDMC has already realized a savings of half-a-million dollars through a reduction in A/R days alone.

As more H.IP products and services are implemented, and users grow more familiar with H.IP's SCALE® technology, King's Daughters Medical Center anticipates even more ROI through improved functionalities. One example is in the EDI enrollment process for payers, which facilitates the fully electronic exchange of 835s and 837s. Where previous vendors forced KDMC to deal with enrollments themselves, Healthcare IP handled the process on their behalf. KDMC Revenue Cycle Manager Amber Sturgill explained the impact, "We've seen quite a pick-up in what we send electronically and what we receive electronically from the payers, compared to what we had before."

"Our claims are much cleaner going out the first time with Healthcare IP," added KDMC Revenue Cycle Manager Tracy Cary. As well, both revenue cycle managers attribute the re-deployment of one-quarter to one-half a day of FTE time to the improved efficiencies and the resulting decline in the balance of inventoried claims obtained since transitioning to H.IP. Through greater understanding of how the data is flowing through Epic and leveraging different trigger points within the workflows, KDMC is forecasting even more gains in FTE reallocation.

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A Focused Implementation Team Up to the Task

Always a concern for any healthcare provider, the transition to Healthcare IP was a successful one. Completed a month in advance of the CFO's expectation, it was smooth but not without issue. King's Daughters Medical Center admitted to underestimating their professional billing side's learning curve on an Epic-compatible system. However, with the assistance of H.IP's skilled transition team, it was overcome in a timely manner.

"Healthcare IP was not intrusive of our time. They did a lot of the work on their own and wanted to get everything resolved as fast as we did."

Amber Sturgill, King's Daughters Medical Center,
Revenue Cycle Manager

The effective implementation experience was further attributed to the implementation team's demonstrable belief in its SCALE products as well as the company's flexibility, thanks to a streamlined corporate structure and lack of entrenched bureaucracy. "Healthcare IP is unique in the depth of knowledge they have with Epic and their helpfulness in making sure our integration points are working in positive ways," shared Mark Beilstein. "They're a real partner, blending technology, workflows and people."

Analytics for More Intelligent RCM

Already seeing greater transparency into the revenue cycle through Healthcare IP's core reporting options, King's Daughters Medical Center is particularly pleased with the ability to monitor hospital and professional billing together on one reporting dashboard. "I've used their analytic tools to answer CFO questions at least three times since February that would have been a real pain to figure it out before H.IP," stated Mark Beilstein. "Now, I can provide an answer in 15 or 20 minutes and show the documents that prove it."

"It's very user-friendly, very fast. You can pull a large amount of data in very little time, and it's very versatile on what options you can select and filter by."

Tracy Cary, King's Daughters Medical Center,
Revenue Cycle Manager



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KDMC also described a scenario where the analytic insight now attainable through H.IP's product worked to the community hospital's advantage in the potential renegotiation of a major managed care contract. A payer-proposed rate change for urgent care charges seemed advantageous on the surface; however, they quickly ran the numbers through the reporting tool and revealed the change would actually have been detrimental to the provider.

Disrupting the Norm with a New Kind of Partnership

King's Daughters Medical Center suggested that H.IP has already been receptive to new ideas and willing to spend the time to communicate about the tools and how they might be optimally used. Both in terms of product support and development, KDMC's initial reaction was categorically positive. Acknowledging that these attributes are a welcome change from their prior vendor experiences, revenue cycle managers and IT staff are pleased with the support provided thus far. Specifically mentioned were the easy-to-use online support tool, which has consistently produced helpful responses within a couple of hours, and thorough support response tickets with actual answers to the issues resolved and root-cause explanations. "We're really happy with our decision," concluded Mark Beilstein. "Our staff likes the tools. They were part of our decision process and involved with demos of the product, and we continue to get positive feedback in the live environment."

About Healthcare IP:

Healthcare IP is a leader in healthcare technology solutions and services focused on the revenue cycle management objectives of each client. H.IP is a responsive and collaborative partner to some of the country's top healthcare providers, from individual hospitals and physician groups to major integrated health systems and academic medical centers. The company's proprietary SCALE technology delivers integrated, scalable and customizable solutions proven to improve operational efficiencies and financial performance. From all-payer clearinghouse services to denial management automation driven by deep analytic insight, it is continually improving client performance and satisfaction. Led by innovators with executive experience at industry-shaping HIT companies and large health systems, H.IP brings expertise, value and a well-rounded perspective to every client relationship. Corporate offices in Oklahoma City.



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