



Lessons Learned by Children's Hospitals in Managed Care Communications

A case study of four children's hospitals that implemented systems to manage communication with payers, save staff time and overturn a combined total of more than \$2 million in denials

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Jeff Hooper
Vice President
Ackermann Research
865-588-9280
jhooper@ackermannresearch.com

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Introduction

For years, providers have sought a reliable, automated solution to the time-consuming and error-prone process of claims reimbursement. On the front end, Access management spends countless hours working to secure authorization from differing payer organizations. On the back end, Collections spends equally large amounts of time struggling to supply evidence necessary to overturn denied claims.

New Managed Medicaid laws have increased the number of procedures requiring pre-certification. This, coupled with increased admissions, has nearly doubled the workload for many Access management departments. Providers are now challenged to complete a significantly larger volume of transactions while limiting the number of new hires. In an effort to better manage routine communication with payers, some children's hospitals are reengineering their Access Management processes to maximize staff time, improve workflow, and provide documentation to resolve payment disputes.

Time for Change: Identifying the Challenges

Children's hospitals face similar challenges in managing routine communication with payers. Chief among them is the staff time wasted on hold with insurance companies. Representatives from children's hospitals in Georgia, Tennessee and Texas recently discussed these issues in a forum held on communication management.

At Cook Children's Medical Center in Fort Worth, staff routinely waited on hold for 45 to 90 minutes to leave a message with a payer for a precert, according to Pam Sweetland, Director of Access.

"We don't have the staff to sit and wait on hold with a payer for an hour for a precert," said Kim Miller, Director of Patient Access at Children's Healthcare of Atlanta (CHOA). "We knew we could do more work with the same number of FTEs, but we couldn't do it if we didn't have a tool that would enable us to do it in a smarter way."

Utilization Review representatives at East Tennessee Children's Hospital experienced similar frustrations, noting the common occurrence of waiting on hold for an hour or more without anything to show for it when the payer's office closed and they were disconnected.

Children's Hospital of Dallas echoed this concern. "If it was the end of the day, you had no proof that you held for an hour and got disconnected," said Paula Pruett, Director of Ambulatory Pre-Arrival Services, adding that hold time had become a large dissatisfier among staff and led to a common complaint that employees felt chained to their desks.

Hold time was not the only concern in managing phone calls. "Some of it is hold time," noted Miller. "The

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rest is talking to a person, spelling out certain words, or repeating information over and over again. It's wasted time for both parties.”

Hang-ups in the communication process added to the inefficiency of conducting precerts by phone. In effort to decrease hold time, many payers limited each call to three or four precerts, requiring that providers call back and wait again in hold queue for additional transactions. Payers also began to provide the option of conducting precerts via the web, eliminating the need for hold time. While this approach was feasible for one payer, providers referenced difficulty in managing web transactions with multiple payers.

“Every payer has a different web site. Every web site requires a unique password for every employee,” said Pruett at Children's of Dallas. “Then the page changes or the staff doesn't remember their log in.”

In addition to these inefficiencies, providers also struggled to document communication with payers for evidence in payment disputes. Because it was nearly impossible to provide tangible proof of the transactions, disputes often came down to the provider's word against the insurance company's.

These challenges led four children's hospitals to evaluate solutions available to decrease the time spent on hold and reduce denials with evidence of communication. “The benefits we wanted to reap were the ability to have the same number of FTEs do more work – so get them off hold – and the ability to prove that we did what we said we did upfront, prior to the denial ever hitting our door,” said Miller at CHOA.

Time is Money: Decreasing Hold Time

The four hospitals have now implemented a communication management system to automate and track payer communications. The system named TRACE for “Tracking All Communication Events” is built by The White Stone Group, Knoxville, Tenn. Accessible enterprise-wide across the continuum of care, the system has reduced hold time and provided an accurate source of proof with archived records of phone, fax and electronic transactions.

The TRACE system is built on three distinct technological components: VoiCert, to handle call management; FaxCert, to handle fax and paper management; and PixCert, to handle electronic and web management. All communication events are indexed by patient and are available for viewing, printing and routing through a web-based Digital Communication Record (DCR) Tracker.

VoiCert, the call management component of TRACE, is a voice communication system licensed by nearly 400 hospitals nationwide. VoiCert automates and permanently records precerts and other transactions conducted by telephone, reducing hold time and allowing staff to complete more calls in less time.

To use VoiCert's automated function, the provider calls the TRACE server and is voice-prompted for specific demographic information required by a particular payer. After the user speaks the information and hangs up,

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the server delivers the authorization request to the payer, awaits a reply, and automatically returns the payer's response to the provider. The entire call is then archived and available for retrieval enterprise-wide through DCR Tracker.

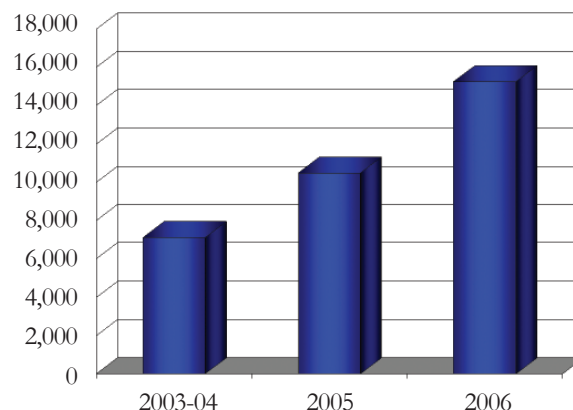
Prior to implementing VoiCert in 2002, the average amount of time required for an inpatient call at Children's Healthcare of Atlanta was 66 minutes. Because precertifications often required multiple phone calls, the hold time sometimes rose to 90 minutes or more. Using VoiCert, this time was reduced to 2 minutes and 29 seconds. "It's saved us several FTEs. The managed Medicaid issue has doubled our workload, but we didn't have to double our staff," said Miller. "We now have smarter ways of doing our work, and that includes VoiCert."

The system eliminates administrative inefficiencies for providers and payers, saving time for both parties. With the automated system, providers can conduct all precerts for a particular payer in one phone call in a matter of minutes. Payer representatives receive demographic information in the order and format they request, making it easier to enter and replay when needed.

East Tennessee Children's Hospital attributes hours of time savings to VoiCert. The system has helped Utilization Review avoid the hold time, chit-chat, and redundancy that typically accompanied a live phone conversation. According to Diana Demier, a VoiCert call takes her three to five minutes at the most compared to the 20 minutes it took previously. Patricia Griffith at East Tennessee Children's added that VoiCert's hold feature has allowed for greater flexibility by allowing her to press pause while entering clinical data instead of having someone else wait on hold when she needs a break.

The graph below demonstrates the cumulative number of hours saved at all four hospitals from 2003 – 2006 as a result of the elimination of hold time through VoiCert. This time savings of more than 16,000 hours represents a recovery of more than \$290,000 in payroll dedicated to payer communications.

Children's Hospitals – Cumulative Hours Saved with TRACE



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All in a Day's Work: Improving Workflow

Workflow efficiency is another area impacted by the communication management system. Because the system is operable 24/7, Access personnel can complete automated calls during off hours to streamline workflow and avoid bottlenecks after weekends or holidays.

Each of the hospitals has reengineered workflow, using VoiCert in the morning or late night hours to lighten the call volume in the busiest hours of the day. The 24/7 operability also helps in communicating with payers in different time zones, providing an outlet to conduct transactions outside regular business hours.

Children's of Dallas, which implemented VoiCert in 2001, has used the system to standardize workflow in its Access management department. "When you use VoiCert, there is one way to do it. A standardized way to the user," said Paula Pruett. "And then it can flex and be customized on the payer's side."

Setting the Standard: Call Monitoring

In addition to the automated call feature, TRACE also includes two other call features. A monitored call application enables users to index and record any live outbound call. Calls to payers can be made without any change to the payer's precertification process.

Similarly, the PC call feature records both outgoing and incoming telephone calls through a hardware interface connecting the user's telephone handset to a PC. During the call, staff can index portions of the conversation to different patient ID numbers and add comments in the tracking system pertaining to each record.

With the availability of these three call management applications, Children's Healthcare of Atlanta has mandated the use of VoiCert for all phone transactions with payers. Management tracks usage through call monitoring and reports. As a result, VoiCert usage has more than doubled. "Every call should be recorded whether it's an automated call with a VoiCert participating payer, a monitored call or a PC call," said Access Director Kim Miller. "We conduct quality checks every week to audit the professionalism and customer service of our staff and offer incentives for those who perform well."

Alternative Methods: Fax & Electronic Management

For transactions conducted by fax, the TRACE FaxCert application allows users to capture, index and route faxes through the server as a by-product of their existing fax process. Before implementing FaxCert, Utilization Review at East Tennessee Children's shared a fax machine with several other departments including Medical Records and Housekeeping. "It was more common for us not to receive what people said they faxed us than to receive it," said Gwen Cameron. "We often found our faxes in the shred box because

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someone didn't know what to do with them.”

With FaxCert, the department can view, route and print faxes from their own PCs through the web-based DCR Tracker. Because inbound faxes are received through the TRACE server, they are available for retrieval by authorized users enterprise-wide.

East Tennessee Children's uses FaxCert to re-send charts through the server without the need to locate, copy and manually re-fax the document. When they resend the fax, FaxCert includes the transmission data displaying the date and time the fax was originally sent. They are also able to amend incorrect data, such as a member ID number, in the tracking system and resend requests without reentering clinical data.

Outbound faxes, along with metadata about the fax (proof of receipt, sender/recipient information, date/time information, etc.), are permanently archived in DCR Tracker. “I like the clout of it,” said Cameron in reference to using FaxCert with payers. “I can say, ‘You know I used FaxCert. And they say, ‘Oh – well, let me go back and look again.’”

The TRACE PixCert application offers the same management capability for electronic and web transactions. PixCert captures any electronic document or e-mail that can be printed and indexes it to a patient for retrieval through DCR Tracker. The application also captures and archives the entire contents of web pages. With PixCert, users can document authorizations, eligibility, verification of benefits and other transactions completed on payer web sites or via e-mail. The archived information can be used as evidence that web or e-mail transactions were completed correctly and in a timely manner. All facilities are currently evaluating these new applications for installation in the near future.

A Penny Saved is a Penny Earned: Managing Denials

Perhaps the greatest evidence of the return on investment at all four hospitals is the revenue recovered as a result of overturning denials with documentation from the communication management system. Providers are now armed with evidence to stay on the offensive side of the collections process.

Children's of Dallas has recovered nearly \$500,000 using the TRACE system to overturn denied claims. “With VoiCert, FaxCert and PixCert, you've got documentation of the phone call, the fax, or electronic information giving proof of the transaction,” said Paula Pruett. “With proof of communication to back up everything that we're billing, we shouldn't get any denials.” Pruett also emphasized the importance of using VoiCert for every transaction. “How do you know when you're gambling away a million dollar claim? You don't know on day one what the value will be.”

At Cook Children's Medical Center in Fort Worth, the revenue cycle management team recently began drilling down into departments to improve revenue collections. Previously, managers were not provided with

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data about their denials. With TRACE, each department has learned why they are getting denials and what they can do to reduce them. As a result, the hospital has overturned more than \$600,000 in denied claims, representing a 579 percent return on its initial investment in the VoiCert system.

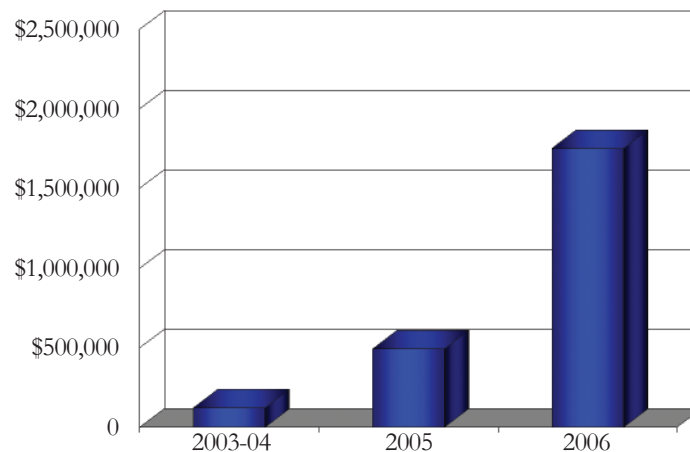
“The amount written off for failure to authorize and incomplete registrations was disgusting,” said Pam Sweetland. “But last month, we did not have a single patient without authorization prior to services. We have collected \$1,000,000 dollars upfront in the last two years that was never collected before. It is absolutely unbelievable.”

Children's Hospital of Atlanta has used VoiCert to overturn more than \$770,000 in denials since implementing the system in 2002, a figure that represents a 645 percent return on the hospital's initial investment. “We realize that we're going to be called out on the carpet when denials start coming in, so how are we going to prove that we did what we said we did without VoiCert?” asked Miller. “The staff knows that VoiCert covers them and shows the work that they're doing. It used to be ‘he said, she said,’ but that's not strong enough support to overturn a denial. It's nice because now they finally have built-in support.”

The proof of communication is also beneficial for internal communications. In the past, Access at Children's of Dallas received multiple calls each day from Utilization Review checking the status of precertifications. “Once we had a tracking number in VoiCert, that was good enough for them,” said Pruett. “The improvement in our communication with UR, there is no value to put on that. It was huge.”

The graph below demonstrates the cumulative dollar value of overturned denied claims where hospitals reported that a TRACE transaction provided documentation in the appeals process. Among the four hospitals, the figure represents an average return on investment of 380 percent.

Children's Hospitals — Cumulative Denials Overturned with TRACE



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Use Your Time Wisely: Improving Communication

Because of the time savings benefit of the communication management system, patient financial services is able to do a better job with customer service and ensure the best possible care for patients and their families.

“Our goal is to help every child get some kind of coverage for their care,” said Pam Sweetland at Cook Children’s. “If we can sit down and visit with the family and help them with their forms, then that is time well spent. VoiCert allows us more time to do that with families.”

Sweetland has implemented VoiCert with her bed control staff on the night shift, allowing them to check eligibility online and complete automated calls with payers. When the financial counselors arrive in the morning, the payers’ responses are waiting in their voicemail, and the counselors are available to work with families on coverage issues.

“Any time you can put a live person in front of a family to allay fears and provide education, customer satisfaction will go up,” echoed Paula Pruett. “It’s a much better use of what we’re paying someone to do than to sit on hold.”

Summary

While often overlooked, documentation of routine communication events with payers is critical to reimbursement. As a whole, the four children’s hospitals have recouped more than \$2,000,000 using the communication management system to overturn denied claims. Transactions have totaled an average of 4,000 per week, a figure which each facility expects to grow as newer applications such as FaxCert and PixCert are added and the number of users is increased.