



Impact of Communication Management on Reducing Denials A Case Study of a Large Primary Care Facility in Texas

Note: Because of the proprietary nature of the data presented in this report, the subject has asked that its anonymity be preserved.

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Research Summary

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Challenge of Payer Communications

In 2001, the subject of this study, a primary care facility with nearly 900 beds, launched an effort to improve efficiency and productivity of patient access staff by reducing the time staff members spent securing authorizations and pre-certifications, while decreasing insurance denials and improving communication with payers.

This report examines the success of this effort, with particular emphasis on the role of the TRACE communication management system in reducing denials.

Communication Management Solution

In December 2001, the hospital implemented the TRACE communication management system developed by The White Stone Group, Inc. TRACE (“Tracking All Communication Events”) serves as a tool to improve the efficiency and productivity of hospital staff by capturing, indexing and archiving routine communication events such as authorizations and pre-certifications required by managed care providers.

VoiCert®, the TRACE call management application, automates the delivery of telephone authorization requests, prompting users for the specific demographic information required by each payer and automatically returning the payer’s response. The system has been shown to reduce a typical 30-minute call to a three-minute automated transaction, digitally recording and indexing each call by patient ID for later retrieval through a web-based tracking system. As a result, the hospital saves significant revenue through reduced denials and gains efficiency through reduced hold times.

This case examines the hospital’s experiences in the five years since it first adopted the TRACE system including:

- Measurable return on staff time savings
- Measurable return on investment through reduced denials
- Improved management of communication

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Implementation

A significant factor in the hospital's decision to purchase TRACE, according to a System Applications Specialist in Patient Access, was that the product was user friendly and did not require extensive training. From a product use standpoint, the benefit of eliminating call hold times while digitally recording and indexing calls for later retrieval was invaluable.

The TRACE server was installed in the hospital's data center with telephone lines connecting it to the hospital's phone system. On-site training from the vendor focused on key users, department managers, and a product administrator at the hospital. Post-training follow-up included an assessment of use patterns, trend analysis of periodic utilization reports, verification of appropriate documentation, and recommendations for using data in the appeals process. Vendor support was also provided in determining the appropriate prompts to load into the system for each payer.

Time Savings

Prior to the implementation of TRACE, staff spent as long as an hour waiting on a payer to provide a precert. Patient Access specialists reported regular hold times of 20 to 45 minutes. Staff members were also limited to conducting transactions during the payer's business hours.

While several payers offered web-based solutions for pre-certifications, these were deemed unmanageable with each site requiring a unique password for every user and updates every 90 days. As a result, the Patient Access team began to consider a voice-based technology as an alternative.

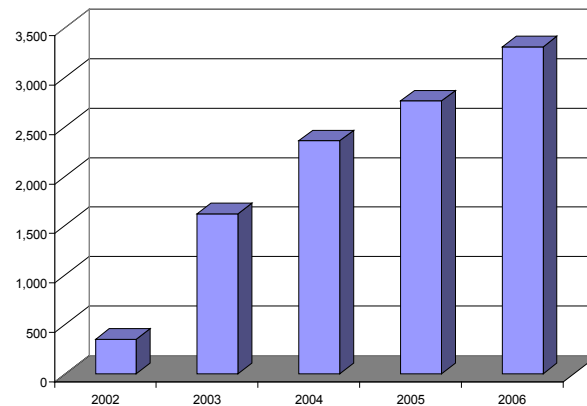
After implementing TRACE, users were able to consistently collapse a typical 15-to-30 minute phone call into a three-to-five minute automated process. By automating and permanently recording payer conversations conducted by telephone, VoiCert eliminated hold times and provided proof of communication without modifying the hospital's existing precertification process.

Because the system is operable 24/7, staff can complete automated calls during off hours to streamline workflow and avoid bottlenecks after weekends or holidays. VoiCert calls are completed in the morning and late night hours to reduce call volume and allow more time for patient interaction during the day.

Due to the reduction in time spent on hold after implementing TRACE, the hospital was able to rearrange its staff, shifting manpower to other necessary functions. Since December 2001, the hospital has saved over 3,300 hours in hold time alone as demonstrated in the following chart.

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Cumulative Hours Saved with TRACE



Reducing Denials

In addition to time savings, the hospital was also able to shorten the denial resolution process by using archived communication records as evidence of a patient's authorization for care. Prior to documentation of phone conversations, claims were often denied because payers did not have record of a phone call or said that they were notified too late. In a single month, the hospital showed a loss of approximately \$300,000 in potential net revenue due to lack of documentation.

TRACE captures data from each communication event, indexes it to a patient ID and archives it in the web-based Digital Communication Record (DCR) Tracker. Using the DCR Tracker function, the data can be easily searched and retrieved to resolve denied claims disputes, accelerate revenue recovery, and ensure accurate reimbursement. In many cases, the hospital played the recorded conversation for the payer's appeals manager to provide evidence of the call's accuracy, eliminating a lengthy documentation process and expediting payment of the denied claim.

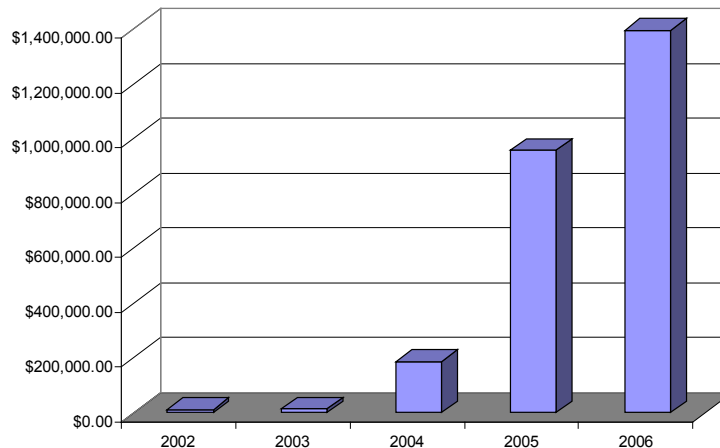
"The web-based Tracker helps to simplify the process of resolving billing disputes by allowing the user quick access to digital voice files," said a Systems Applications Specialist. "Without TRACE, we would probably have missed a significant number of the critical, high-dollar cases."

DCR Tracker helps resolve payment disputes by providing an accurate, indisputable record of each communication event. In addition, notes and index numbers (patient ID or account number) can be added to transaction records to ensure quick retrieval.

Since December 2001, the hospital has used the TRACE system to overturn nearly \$1,400,000 in denied claims. Based on its initial investment, the hospital has experienced a 387 percent return. See following chart.

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Cumulative Overturned Denials with TRACE



Improving Communication

Beyond the reduction in staff time and the revenue recovery from overturned denials, TRACE also provides a credible source of information to help resolve payment disputes more quickly, significantly improving the relationship between providers and payers. The system reduces administrative inefficiencies for both parties by delivering demographic information in the order and format payers have requested and making it easy to enter and replay phone calls when needed.

In addition to the automated call application, the hospital has also implemented a monitored call feature that records live outbound calls to any payer for any type of transaction. As with the TRACE automated call function, the call is recorded with a date and time stamp for retrieval and verification of the conversation. PC Call, another TRACE feature, is used to connect the telephone and PC, providing a graphical PC-based interface to index any inbound or outbound call.

In addition to provider/payer calls, the hospital can use TRACE to record, index and retrieve any phone call – inbound or outbound – for accountability and quality control in financial and service commitments such as collections, scheduling or customer service.

Future Implications

The hospital has seen a clear savings in time, efficiency and overturned denials using TRACE, proving that automating the process of securing and tracking authorization data can generate substantial financial benefits for hospitals in recovering lost revenue. As a result, the solution is now being rolled out at other hospitals within the health system.

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Access Management has mandated the use of TRACE for any participating payer, significantly increasing usage. Weekly reports allow management to conduct usage and quality checks of TRACE calls, and each staff member now conducts an average of 40 precerts a day.

“If a process change needs to be made to reduce denials, it will be done – period,” said the hospital’s denials manager. “We use this solution because it is a win-win situation for us.”

Under the direction of the hospital’s denials manager, the denials department now produces reports demonstrating revenue recovered through TRACE and the potential to recover additional revenue by increasing usage to overturn denied claims.

The hospital is currently working toward implementation of additional TRACE applications that will expand the ability to capture other types of routine communication events. TRACE FaxCert captures inbound and outbound faxes through the TRACE server as a by-product of the hospital’s existing fax infrastructure. It also archives transmission data such as proof of receipt, sender/recipient and date/time information. With the entire suite of TRACE products online, DCR Tracker will allow staff to view, route, print and resend faxes from their PCs instead of re-faxing and routing paper copies.

The TRACE PixCert application offers the same management capability for electronic and web communications. PixCert captures any electronic document, web page or e-mail and indexes it to a specific patient for retrieval through DCR Tracker. PixCert will allow the hospital to document authorizations, eligibility, verification of benefits and other communications completed on payer web sites or via e-mail. This eliminates the need to print and file paper copies, saving time and improving the accuracy of documentation.

With the addition of TRACE FaxCert and PixCert, the hospital will have even greater ability to leverage routine communication to back up billing, streamline workflow and maximize staff efficiency.