

Mississippi Baptist Health Systems Enhances Revenue Management with Optimization Service

(This case study was generously provided by [McKesson Corporation](#).)

Mississippi Baptist Health Systems (MBHS) needed to identify a better way to leverage its existing technology to improve revenue cycle performance.

In 1997, MBHS implemented a new patient accounting system. Then, fast forward to 2009: MBHS leaders changed their focus to a new initiative that would enable the health system to qualify for electronic health record incentive funds from the federal government.

At the same time, however, they realized that they could not ignore the fact that their revenue management system was feeling its age.

As a result, MBHS reached out to its technology vendor for guidance. After a one-year engagement, the organization achieved significant results in a variety of performance areas including: reductions in denied claims, unbilled accounts and claims on hold.

Challenges

Although MBHS was focused on implementing clinical systems to improve care and meet the stipulations of the American Recovery and Reinvestment Act, system leaders realized that necessary initiatives would come to an abrupt halt if they could not promptly find a way to enhance the bottom line through revenue cycle improvements.

But, implementing a new revenue cycle system was not an option. Instead, MBHS leaders quickly acknowledged another alternative: They could explore ways to make the most of the system of their current system.

“We were zeroing in on our clinical systems, but to help our organization move forward, we had to quickly bring our revenue management processes in line as well,” says Angie Buckley, business operations director at MBHS.

The problem, though, was that many of the functions of the existing system were unrecognized and unused. Staff members had grown accustomed to using the system in a certain way and did not tap into its full potential.

“It’s similar to using any computer program. For example, once people get comfortable using Microsoft® Word® in a certain way, they just carry on. They don’t bother to explore additional features or functionalities,” Buckley explains. “In addition, some of the patient accounting system’s components and updates were not yet implemented.”

Complicating the issue further was the fact that many of the MBHS staff members originally trained on the system had left the organization.

“There were several key people who maintained the system who actually moved out of the hospital, and we lost all of their knowledge,” Buckley says.

Answers

MBHS turned to its IT vendor for help in identifying ways to improve revenue cycle performance by leveraging its existing technology. More specifically, MBHS leaders sought to improve revenue cycle operations in three ways:

- 1) staff education
- 2) workflow and process enhancements
- 3) optimize other sophisticated tools already available in their existing revenue cycle system

First, the vendor's optimization team updated all of the tables in the existing system to bring them in line with best practices. Second, a host of previously untapped functions, including electronic remittance advice processing, pre-bill edit and price estimation were activated.

Then, the team worked to improve business processes in several key areas: point-of service collections, emergency department patient throughput, denial prevention and charge reconciliation.

Finally, and perhaps most important, though, the optimization team worked with MBHS staff to provide additional education in several other key areas: patient processing, patient accounting and contract management functionality.

"The optimization initiative presented a huge opportunity to do a complete checkup and to start training everyone from ground zero," Buckley says. "Basically, we used the opportunity to ensure that we were maximizing the potential of the system, instead of merely relying on the information that had been passed down through various generations of employees."

Results

Optimization of the existing revenue management system brought noticeable and quantifiable results in just one month. By the end of the full 12-month optimization engagement, MBHS tallied some significant results. Perhaps most important, user competency scores improved from an average of just 59 percent to 87 percent as a result of the education initiative.

In addition, the optimization brought a number of bottom-line improvements:

- \$9.6 million improvement in cash collections
- \$813,000 reduction in denied claims
- \$406,000 reduction in failed claims
- Unbilled accounts decreased from \$11.4 million to about \$10.5 million
- Claims on hold were reduced from \$2.5 million to just \$1.4 million.

Further, the optimization team prepared and distributed a monthly executive report, which highlighted each month's results. Seeing the results quantified monthly enabled MBHS leaders to monitor the overall progress of the initiative, and it helped to ensure continuing engagement of leaders across the organization.

Organization

Mississippi Baptist Health System
Jackson, Miss.

- 633 beds
- 3,000-plus employees

Critical Issues

- End users not fully utilizing existing revenue management system
- Point-of-service cash collections
- Denied and failed claims
- Claims on hold
- Unbilled accounts

Results

- Average user competency score increased from 59 percent to 87 percent
- \$9.6 million improvement in cash collections
- \$813,000 reduction in denied claims
- \$406,000 decrease in failed claims
- \$1.16 million reduction in claims on hold
- \$825,000 reduction in unbilled accounts