maxRTE

HEALTHPARTNERS' CURE FOR INSURANCE VERIFICATION HEADACHES

maxRTE Customer

HealthPartners

Project Goals

- Simplify complex, time-consuming processes for verifying patient insurance coverage across a large healthcare delivery network
- Reduce administrative and direct costs associated with coverage verification
- Increase revenue through fewer write-offs
- Find a system that can be adapted to meet custom requirements
- Choose a software vendor with a reputation for customer service excellence

Results

- Accelerated and uncomplicated insurance eligibility verification, eliminating payment guesswork and waiting
- Reduced the staff by 60% — through attrition — needed for insurance verification and account auditing
- Cut costs for billing and auditing by more than $900,000
- Increased revenue through government reimbursement by converting cases from bad debt to charity care by more than $800,000 in one year
- Lowered receivables from 48 to 38 days
- Decreased coverage query fees by over $250,000 per year and improved predictability of costs
- Obtained requested changes and enhancements to the software, usually within days
- Maintained round the clock operations with 24/7 expert human customer service from maxRTE

> " We've gone from 48 days in receivables to 38 days due to our ability to do eligibility queries up front and determine coverage more accurately. "
>
> - **Rex Overton**, HealthPartners

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Project Background

HealthPartners is an integrated, nonprofit health care and insurance provider in Bloomington, Minnesota, founded in 1957. It offers patient care and coverage as well as medical research and education.

The company's healthcare delivery network today includes a multispecialty group practice of more than 1,700 physicians in primary care and more than 50 medical and surgical specialties, serving patients from 55 clinics and seven hospitals across the Minneapolis and St. Paul metro area as well as Western Wisconsin. HealthPartners locations include more than 55 primary care and 22 urgent care clinics, 27 clinic-based pharmacies, 15 eye care centers, and 22 dental clinics.

Faced with complex and expensive manual processes for verifying patient insurance coverage and eligibility, the company implemented a more efficient automated processes in order to support growth and control costs.

Administrative Headaches and Financial Pain

A decade ago, HealthPartners had 10 employees assigned solely to verifying patient insurance coverage and determining eligibility for Medicaid. Each employee had two computer monitors: one linked directly to the state for conducting Minnesota Medicaid eligibility checks, and one for updating accounts and insurance information.

Verifying who and how much to bill for each patient and procedure was a tedious manual process. According to Rex Overton, business office systems manager at HealthPartners, "We had a 110-page spreadsheet that staff had to refer to in order to help figure out plan codes. To map the correct reimbursement, they had to determine the details manually."

The complexity of manual processing was magnified as HealthPartners added new payers, and staff had to run eligibility queries on each website. "It became a maintenance nightmare," said Overton. "We had an administrator for each website for eligibility queries, and one full-time employee who did nothing but password resets and setting up users to access the eligibility websites to perform queries. It was driving me crazy."

The eligibility verification challenges also constrained company growth. Not only did the manual processes not scale well, but direct costs were a significant issue: most providers charged $.25 to $.50 per query. With 25,000 in-patient visits per year at Regions hospital alone, plus out-patient visits across its network of clinics, these costs added up quickly.

The Ideal Prescription: maxRTE

After evaluating options, HealthPartners chose maxRTE, which handled the integration with all payer systems, eliminating painful login procedures and continual password reset issues.

Costs were simple, understandable and favorable compared to other vendors and lower and more predictable than paying per-query fees. There were no extra charges or hidden fees; one monthly fee covered the software, training, upgrades, and 24/7 live customer support.

Also very important was that maxRTE integrated with Epic for electronic health records and Cloverleaf for health information exchange, which further streamlined insurance verification and payment processing functions.

A Full Recovery from Cost and Inefficiency Issues

Using maxRTE and integrating it with HealthPartners' other healthcare management applications has greatly improved business performance in several respects — from increased efficiency and lower costs to higher revenue.

Labor cost savings: HealthPartners as been able to expand its delivery network while shrinking back office staff. Between billing and audit staff reductions, the labor savings are estimated to exceed $900,000 per year.

"We've been able, through attrition over the past few years, to go from ten staff who covered the phones and audited accounts to just four people," says Overton, "We've also been able to reduce billing staff, because they really aren't doing eligibility queries anymore."

Because maxRTE is a hosted system, there are no installation or upgrade hassles for IT departments. As new features are added and new payers are integrated, these changes are available immediately to all customers.

Lower, more predictable query costs: maxRTE offers a variety of pricing options so customers can select a plan that best fits their needs. HealthPartners selected a subscription-based pricing model so it can run any number of queries, from any number of users, for one fixed monthly fee.

Overton estimates HealthPartners collects an extra million dollars a month in billings on retro-eligibility checks. "That's important to us because, as an inner-city hospital, Regions serves a high Medicaid population. So any time I have a patient with a self-paid balance, I'm checking retroactively at 30, 60, 90, 120 days to see if he or she ever got Medicaid coverage. And we find that a lot do. If I had to pay every time I checked and saw 'Member not found', we'd probably be cutting that off because the cost would be prohibitive."

Exceptional customer service: Because hospitals never close, Overton appreciates maxRTE's customer service. With 24/7 customer support, he's always able to reach a live person to get issues resolved quickly.

"The software developers at maxRTE really understand the needs of patient admissions and billing staff," says Overton "That really makes them responsive to our requests and most changes are made within 48 hours."

Revenue capture: Running batch checks on retro-eligibility for Medicaid enables HealthPartners to more accurately classify charity care cases eligible for government reimbursement. Overton estimates that HealthPartners collects more revenue by determining eligibility for charity care rather than moving cases to bad debt — amounting to more than $822,000 in 2015.

Reduction in accounts receivable (AR): maxRTE enables Overton's team to set flags for registration to check for another coverage prime and get coordination of benefits right from the start. Doing a better job with eligibility queries has led to fewer denials and reduced AR.

As Overton explains, "We've gone from 48 days in receivables to 38 days. A large portion of that is due to our ability to do eligibility queries up front and determine coverage more accurately, so we have fewer denials tied to 'this member is not eligible' or to having another payer primary over this payer."

A Healthy Outlook for the Future

The integration of maxRTE with Epic has greatly simplified and accelerated the eligibility query process, reducing training requirements and enabling real-time queries to be performed at patient check in. The system automatically creates plan codes so frontline staff don't need to know how to handle every combination of payer, group number and plan.

Concludes Overton, "maxRTE helps us do our jobs better and more efficiently. When staff becomes aware of what it can do, it's kind of amazing."