Multi-specialty Community Hospital Utilizes ActiveWare for Reduced Patient Pay Growth and Improved Revenue Cycle Management

"Our revenue cycle team's partnership with HealthWare Systems has greatly contributed to our success in stopping Patient Pay accounts receivable growth. We look forward as the partnership continues to improve Patient Pay while also improving our patients' satisfaction with the complete patient intake encounter."

Luke Meert
Corporate Director of Accounts Receivable
Botsford Hospital

ORGANIZATION
Botsford Hospital

SOLUTION DELIVERED
Comprehensive workflow and automation solution to manage pre-arrival and financial review of patients.

KEY METRICS
- Located in Farmington Hills, Michigan;
- Multi-specialty community hospital,
- 330 bed facility with approximately 17,000 inpatient admissions annually;
- Recently received Governor's Award for Improving Patient Safety and Quality of Care in the Hospital Setting.

BENEFITS
- Reduction in bad debt;
- Improvement in overall collections;
- Increase in ED collections;
- Clearing of patients prior to date of service

Botsford Hospital was founded in 1965 with a vision of providing excellence and quality in the delivery of health care. The hospital each year cares for more than 17,000 inpatients and almost 60,000 emergency patients with a team of 2,400 employees, 400 volunteers and more than 600 physicians. A nationally recognized teaching facility, Botsford Hospital is part of the Statewide Campus System for the Michigan State University College of Osteopathic Medicine. In addition, the hospital has been ranked in the top 10 percent nationally for customer satisfaction as surveyed from patients through Press Ganey.

Challenge
Though Botsford Hospital has a reputation in the communities it served as a top-tier facility, its revenue cycle team was faced with a growing Patient Pay accounts receivable category, a significant problem in its overall accounts receivable. Once the team identified the accelerating year-to-year growth in Patient Pay as one of the greatest risk areas in the hospital's revenue cycle, they performed an analysis and saw that its growth was being fed by deficiencies in the hospital's front-end patient access processes that permitted inconsistent, incomplete and inaccurate patient identification, patient insurance verification and patient balance collections.

"We committed to stopping Patient Pay growth with the only solution that we believed would be successful," explained Luke Meert, Chief Revenue Officer for Botsford Hospital. "We introduced a dramatically changed, disciplined and methodical intake process useable for both elective pre-registered and emergent patients."

Solution

To aid in the new intake process, Meert and his team evaluated several workflow and automation applications, all of which offered to improve consistency and accuracy in one or more of three general areas:

- Patient identification and documentation (electronic order management, document scanning, patient photography and forms automation)
- Patient financial clearance (insurance eligibility confirmation, payment estimation and patient balance point-of-service collections)
- Registration quality (addresses verification, real-time demographics and insurance field edits and automated registration quality tracking)

After numerous vendor demonstrations, revenue cycle staff evaluations and client site visits, Botsford Hospital selected the ActiveWARE platform from HealthWare Systems. HealthWare Systems provides specialized document and data management solutions, electronic forms and workflow solutions for the revenue cycle. ActiveWARE helps healthcare providers such as Botsford Hospital integrate many of the disparate revenue cycle activities into a single cohesive solution, providing instant visibility of each and every patient encounter.

According to Meert, "The ActiveWARE solution from HealthWare Systems is the most flexible and integrated product line likely to eliminate Patient Pay growth through a more disciplined - consistent, complete and accurate - and adaptable patient intake process."

Upon selecting ActiveWARE after extensive research, a small, mixed project team from Botsford Hospital's revenue cycle department along with representatives from HealthWare Systems began adapting select applications from the company to address the hospital's specific problems related to Patient Pay growth from an inadequate patient intake process. The team successfully installed multiple applications focused on patient identification and documentation and patient financial clearance. The applications were installed in widely different areas performing patient intake, including Pre-Arrival, Emergency, Admitting, Diagnostic Imaging, Ambulatory Surgery, Endoscopy, Labor-Delivery, Inpatient Rehabilitation and Cancer Center.

Results

Once the installations in the patient intake areas were complete, Botsford Hospital soon began seeing financial improvements in Patient Pay. The hospital also enjoyed improvements in higher overall consistency and completeness and accuracy in patient financial clearance areas such as intake insurance eligibility confirmation, payment estimation and patient balance point-of-service collections. Since beginning its partnership with HealthWare Systems, Botsford Hospital noticed an increase in Patient Pay point-of-service collections of 46 percent the first year and 71 percent after the second year. Botsford also benefited from a decrease in uncompensated care write-offs, including both charity and bad debt, of 8 percent the first year and 16 percent after the second year.

"We found that these improvements not only carried into 2010 and 2011, but that their rates of improvement actually increased during a period of relatively flat Hospital net patient service revenue:"

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