

HEALTH SYSTEM CASE STUDY

Optimizing Complex Claims Management

Overview

CLIENT	Midwest Integrated Delivery System
KEY CONTACT	System Chief Financial Officer
ORGANIZATION SIZE	Large Midwest health system, operating 16 hospitals and more than 100 primary and specialty clinics across the state.
APPLICATION	Epic
START DATE	August 2022
VENDOR SELECTED	Unified Health Services (UHS)
CHALLENGES	Addressing inefficiencies in registration processes, billing, managing denials, controlling labor costs, and ensuring compliance with complex prior authorization requirements.

Background

This health system encountered significant challenges in managing complex claims specifically for their Workers' Compensation financial class, amidst rising labor costs and the increasing need for staff productivity. Inefficiencies in registration and customer service, coupled with the intricacies of managing denials and prior authorization requirements, strained their operations and adversely affected financial performance. The variation in results across different EMR systems and the reliance on manual processes for handling Workers' Compensation claims further complicated their situation, leading to extended accounts receivable (AR) days and increased administrative burdens.

Recognizing the need for a specialized approach, the health system selected Unified Health Services (UHS) in October 2022. UHS's expertise and advanced technology were pivotal in addressing these challenges by streamlining operations, automating key processes, and providing comprehensive support across the revenue cycle for this financial class.

Challenges

- 1. Rising Labor Costs:** The health system, like many others, faced increasing labor costs, particularly in customer service and registration departments. Effective management of these costs was critical to maintaining service quality and operational efficiency.
- 2. Productivity Needs:** The organization required its staff to sustain high productivity levels across multiple financial classes, including the management of complex Workers' Compensation claims. The limitations of their existing technology platform, payer knowledge, and competing priorities, made it challenging to track different state payment policies and payer rules, which exacerbated this challenge.
- 3. Complex Claims Management:** Managing Workers' Compensation claims required specialized expertise and advanced technology that's unique to Workers' Compensation, that the health system's existing platform could not provide. The lack of robust systems for navigating varying state, locality, and network fee schedules and payment rules led to inefficiencies and delayed revenue collection.

Solutions



Customized Solutions:

UHS delivered tailored solutions specifically aligned with the health system's unique needs and customized to their instance of Epic. This personalized approach ensured seamless integration into their operations, improving overall productivity and financial outcomes. Additionally, UHS's commitment to maintaining fee schedules across multiple states, localities, and PPO networks provided the health system with a cost-effective and accurate solution that removed false positives and false negatives that plagued their workflows in the past.



Expertise in Complex Claims:

UHS leveraged deep industry knowledge and extensive experience in managing Workers' Compensation claims, navigating the complexities of state-specific regulations, locality rules, and network fee schedules. UHS's proven track record in overcoming similar challenges for other provider organizations ensured accurate and timely processing of these complex claims. UHS's unique workflow provided controls that ensured payment compliance, which increased cash flow.



Advanced Technology:

UHS implemented a combination of proprietary technologies and leveraged the provider's investment in Epic to automate critical workflows, reducing manual intervention and minimizing errors. This approach accelerated the claims process and enabled the health system to handle a higher volume of complex claims more efficiently.

Implementation

Implementation began in November 2022. UHS collaborated closely with the health system to develop best-practice workflows for eligibility, prior authorizations, accounts receivable management, contract compliance, denial, and cash management, leveraging the latest in process automation from the initial encounter through payment. The process included:

Assessment and Strategy Development: UHS conducted a thorough assessment of the health system's existing claims management processes and developed a strategic plan to address identified challenges.

Technology Integration: UHS integrated their proprietary technology with the health system's Epic platform, ensuring smooth and efficient operations.

Ongoing Support and Optimization: UHS provided a center of excellence that focused on continuous support and optimization services to adapt to the evolving needs of the health system, ensuring sustained improvements in revenue cycle management for the Workers' Compensation financial class. UHS commitment to communication and analysis was evident in their monthly business review meetings where issues and problem solving took place to improve workflows and to eliminate the root cause of problems before the claim is submitted to the payer.

Results

By focusing on reducing lag times, enhancing first-pass rates, and minimizing denials through deeper understand and knowledge of payer and state-specific rules coupled with automated workflows, UHS significantly improved the health system's financial outcomes and operational efficiency. This case study demonstrates how UHS's tailored approach can transform the operations of other health systems facing similar challenges, providing a proven blueprint for success in complex claims management.

Cost Savings:

The health system realized substantial cost savings, with the cost to collect decreasing from 7.0% of revenue to less than 5.0%, directly contributing to a stronger bottom line.

Enhanced Financial Performance:

With fewer denied claims and faster processing times, annual collections increased from \$6.9 million to \$10.9 million, while the average days to pay decreased to 37 days.

Reduced Denial Rate:

The denial rate for claims decreased significantly, leading to improved cash flow and greater financial stability.

Increased Productivity: Staff productivity improved significantly as manual tasks were automated, allowing employees to focus on core responsibilities. UHS maximized the health system's investment in Epic by implementing best practices in clearinghouse functions, work queue management, and standard EDI transactions across the Workers' Compensation revenue cycle eliminating manual tasks and the need to leverage paper.

Key Metrics



Labor Cost Savings:

Approximately **\$61,000 annually** in patient access verification, authorizations, and billing follow-up.



Additional Recovered Revenue:

Approximately **\$4.0 million** in additional revenue.



Reduced Denial Rate:

Evidenced by the **substantial improvements** in collections and overall revenue.



Improved Claim Recovery Rate and Speed to Pay:

Collections increased from \$6.9 million to **\$10.9 million**, with the days to pay reduced to **37 days**.

"Partnering with Unified Health Services has been transformative for our organization. Their expertise and technology have streamlined our complex claims management, resulting in substantial cost savings and improved financial performance. Our staff can now focus on delivering exceptional care, knowing that our claims are in expert hands."

— CFO, Health System

Conclusion

The health system's partnership with Unified Health Services demonstrates the significant impact that specialized expertise and advanced technology can have on complex claims management. By addressing the challenges of rising labor costs and the need for increased productivity, UHS enabled the health system to achieve substantial financial benefits and enhanced operational efficiency.

For more information on how Unified Health Services can help your organization optimize its complex claims management, visit www.uhsweb.com.