Presented by

Sharon Miller, Director of Patient Business Services
Hurley Medical Center is an essential hospital in the region providing high quality care for all through:

• Providing access to care for the most vulnerable
• Providing regional comprehensive specialty care
• Training future health care providers
• Commitment to the community through public health/community impact programs
Hurley Medical Center

• 443 licensed beds
• 515 physicians in over 50 medical and surgical specialties

• Patient volume:
  o 15,033 Urgent Care Visits
  o 22,133 Discharges
  o 102,192 ED Visits
  o 375,966 Outpatient Visits

• Our commitment to academics provides professionals of the future

• Recognized as a regional leader for trauma, pediatrics, neonatal, burn and high-risk obstetrical care

• Approximately 2,700 employees

• Market-share leader among area hospitals for past 2 years

• Children’s Miracle Network Hospital
Volume Trends

- Urgent Care
- Discharges
- ED Visits

Hurley Medical Center Turnaround - Quadax Conference October 2016
<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payer Mix Shift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Medicaid Business</td>
<td>39.5%</td>
<td>45.5%</td>
<td>45.4%</td>
</tr>
<tr>
<td>ED Registration Activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>7,653</td>
<td>9,769</td>
<td>9,439</td>
</tr>
<tr>
<td>Medicaid HMO</td>
<td>42,228</td>
<td>51,202</td>
<td>52,183</td>
</tr>
<tr>
<td>Self Pay</td>
<td>10,813</td>
<td>6,813</td>
<td>6,886</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$219M</td>
<td>$198M</td>
<td>$194M</td>
</tr>
<tr>
<td>Charity Care</td>
<td>$44M</td>
<td>$23M</td>
<td>$18M</td>
</tr>
<tr>
<td>Bad Debt / Agency Referrals</td>
<td>$41 M</td>
<td>$37M</td>
<td>$25M</td>
</tr>
</tbody>
</table>
Hurley Medical Center

- Challenges and Changes in the Revenue Cycle
- Productivity and Accountability Improvements
- Development of claim edits and clean claim criteria
  - Quadax Host Interface Module Integration
- Self Pay and Financial Assistance Support
- Epic Cash Management and Quadax BAI File
- Remit Max Multi Payer posting
Organizational Challenges

Then...

- Revenue Cycle reported to different administrators
- Resistance to change
  - Charge entry correction were considered billing responsibility
  - Feelings of displacement
  - Hard to change old habits
- Employee and Union challenges.
  - New tasks had to be tied to existing tasks to demonstrate employees were still working within their classification.
  - Need for overtimes vs need for outsourcing to work Legacy AR during the transition
- Training
Days in AR Trend

Goal for FYE 6/30/17 is 45.0

Hurley Medical Center Days in AR Trend
June 2013 to July 2016

<table>
<thead>
<tr>
<th></th>
<th>06/30/14</th>
<th>06/30/15</th>
<th>06/30/16</th>
<th>06/30/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days in AR</td>
<td>60.8</td>
<td>51.1</td>
<td>47.2</td>
<td>45.0</td>
</tr>
</tbody>
</table>
Challenges - Registration

Then...

• Existing registrations required separate manual updates to each date of service. Each visit had to be corrected manually.

• Insurance changes didn’t force a new claim to generate.
  • Low hanging fruit for bad debt collection agencies.

• Professional Billing had a separate system with a one-way interface.
...and Now

- Real Time Eligibility Responses (RTE)

- Through Coverage Manager, demographic and insurance changes flow between HB and PB.
  - Update all accounts based on insurance effective date range.
  - Coverage changes force users to accept the coverage which generates a claim for the insurance.

- Federal Poverty Level (FPL) charity discounting

- At-a-glance dashboard review of ADT/Registration performance
Improvements - Registration

...and Now

Error Details for ADT/Registration

HB Error Trending - ADT/Registration by Count

HB Error Activity - ADT/Registration by Count

HB Error Details

<table>
<thead>
<tr>
<th>Error</th>
<th>Type</th>
<th>Disch Age</th>
<th>Count</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMC CLIN HB OUTPATIENT AUTH REQUIRED - 223</td>
<td>CLIN</td>
<td>114</td>
<td>462</td>
<td>947.548</td>
</tr>
<tr>
<td>HMC Newborn Hold for Coverage Verification</td>
<td>DNB</td>
<td>20</td>
<td>372</td>
<td>2,854.101</td>
</tr>
<tr>
<td>HMC HB TPL OR WC DNB</td>
<td>DNB</td>
<td>27</td>
<td>270</td>
<td>2,190.739</td>
</tr>
</tbody>
</table>

Hurley Medical Center Turnaround - Quadax Conference October 2016
Challenges - Unbilled Inventory (DNB)

Then...

- Limited front-end ownership of DNBs
  - Coding (IP, ED, OR), UR and Admitting

- Multiple Bill Hold days based on type of account

- Static reports to work unbilled inventory
...and Now

- Claims are eligible to bill in 5 days for all service types.

- The Revenue Cycle works from a main dashboard that displays accounts holding for DNB broken down by area owning the error.

<table>
<thead>
<tr>
<th>Owning Area</th>
<th>Disch Age</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADT/Registration</td>
<td>81</td>
<td>2,338</td>
</tr>
<tr>
<td>Billing Office</td>
<td>110</td>
<td>4,041</td>
</tr>
<tr>
<td>CDM</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Charging</td>
<td>36</td>
<td>491</td>
</tr>
<tr>
<td>Epic IT Team</td>
<td>69</td>
<td>434</td>
</tr>
<tr>
<td>Hospital Coding</td>
<td>18</td>
<td>1,909</td>
</tr>
<tr>
<td>Radiology</td>
<td>150</td>
<td>105</td>
</tr>
<tr>
<td>Research</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>Simple Visit Coding</td>
<td>69</td>
<td>2,381</td>
</tr>
<tr>
<td>Utilization Review</td>
<td>51</td>
<td>432</td>
</tr>
<tr>
<td>Totals</td>
<td>76</td>
<td>9,646</td>
</tr>
</tbody>
</table>
## DNB Reason Detail

### Now...

<table>
<thead>
<tr>
<th>Stop Bill Reason</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>2259</td>
</tr>
<tr>
<td>No Valid Primary Contact</td>
<td>6</td>
</tr>
<tr>
<td>Coverage Mismatch after Guarantor Change</td>
<td>2</td>
</tr>
<tr>
<td>UR Coverage Change Open Account</td>
<td>1</td>
</tr>
<tr>
<td>Lab Reviewed</td>
<td>1</td>
</tr>
<tr>
<td>Coverage Change for Patient</td>
<td>1</td>
</tr>
<tr>
<td>Consecutive Accounts review for G0 condition code</td>
<td>1</td>
</tr>
<tr>
<td>Billing Review Requested</td>
<td>1</td>
</tr>
</tbody>
</table>
Then...

• No edits in place to alert front-end users of charge conflicts or missing charges.

• Charge errors did not hold the account

• Charge errors were corrected by billing on the back end.

• High volume of late charges, causing re-work or lost revenue.
Improvements - Charging

Now...

• Revenue Guardian flags for CCI, LCD edits at the time of charge entry and holds until errors are corrected.

  • Holds for missing and pending charges.

  • Flags that there’s a conflict with another account so you can determine if a combine is needed or if the charge belongs on a different account.

• Gross charge capture increased by $48 million between FY 2015 and 2016. 3.4% increase in revenue (exclude price increases)
Challenges - Billing

Then...

- Moving claim edits from XP to Epic.
  - 90% of claim errors were caught in XP and corrected by billing.

- High long-term overtime usage

- Metrics/Management
  - Staffing needs
  - Start to work time
  - Timely feedback

- Medicare interim payments threatened due to low clean claim %.
...and Now

- Checks are in place at multiple front end data entry points, to alert departments of missing or incorrect data before claims flow to billing.

- Front end along with billing users are now owners of CCI edits formerly known only in billing or coding.

- Claims hitting front end rejects (277) or causing claim errors route to appropriate front end departments for follow-up using Quadax HIM.

### HB Claim Error Summary

<table>
<thead>
<tr>
<th>Owning Area</th>
<th>Inpatient</th>
<th>Outpatient</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Office</td>
<td>1,552,405</td>
<td>5,503,381</td>
<td>7,055,786</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>1,836</td>
<td>1,897</td>
</tr>
<tr>
<td>Utilization Review</td>
<td>3,085,684</td>
<td>0</td>
<td>3,085,684</td>
</tr>
<tr>
<td></td>
<td>126</td>
<td>0</td>
<td>126</td>
</tr>
<tr>
<td>ADT/Registration</td>
<td>461,330</td>
<td>2,276,447</td>
<td>2,737,777</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>1,002</td>
<td>1,025</td>
</tr>
<tr>
<td>Hospital Coding</td>
<td>0</td>
<td>981,097</td>
<td>981,097</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Epic IT Team</td>
<td>0</td>
<td>23,327</td>
<td>23,327</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Charging</td>
<td>0</td>
<td>582</td>
<td>582</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>4,990,914</strong></td>
<td><strong>5,515,463</strong></td>
<td><strong>10,506,377</strong></td>
</tr>
<tr>
<td><strong>207</strong></td>
<td><strong>1,847</strong></td>
<td><strong>2,054</strong></td>
<td></td>
</tr>
</tbody>
</table>

Data collected: Mon 9/26 05:21 AM
## Improvement – Billing – Claim Edit WQs moved

### Workqueue List

<table>
<thead>
<tr>
<th>ID</th>
<th>Name</th>
<th>Active</th>
<th>Activ...</th>
<th>Tick...</th>
<th>Total...</th>
<th>Amount Due</th>
<th>Last Accessed By</th>
<th>On</th>
<th>Primary User</th>
</tr>
</thead>
<tbody>
<tr>
<td>127</td>
<td>HB CLM CASE MANAGEMENT REVIEW</td>
<td>YES</td>
<td>91</td>
<td>18</td>
<td>109</td>
<td>2,155,787.81</td>
<td>LPALING1-PALING, LAURIE</td>
<td>09/30/2016</td>
<td></td>
</tr>
<tr>
<td>220</td>
<td>HB CLM 50K HIGH DOLLAR WQ</td>
<td>YES</td>
<td>23</td>
<td>0</td>
<td>23</td>
<td>1,649,676.80</td>
<td>SMILLER1-MILLER, SHAR...</td>
<td>10/01/2016</td>
<td></td>
</tr>
<tr>
<td>398</td>
<td>HB CLM REG OUTPATIENT CLAIM ERRORS</td>
<td>YES</td>
<td>606</td>
<td>0</td>
<td>606</td>
<td>1,294,717.78</td>
<td>NWILLIA-WILLIAMS, NA...</td>
<td>09/29/2016</td>
<td></td>
</tr>
<tr>
<td>663</td>
<td>HMC CLM HB TIMELY FILING WQ</td>
<td>YES</td>
<td>134</td>
<td>0</td>
<td>134</td>
<td>967,628.58</td>
<td>JMARSHEL-MARSH, JER...</td>
<td>09/30/2016</td>
<td></td>
</tr>
<tr>
<td>380</td>
<td>HB CLM MEDICAID HMO BILLING ERRORS S-Z</td>
<td>YES</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>935,769.01</td>
<td>SMCKERV1-MCKERVEY,...</td>
<td>09/23/2016</td>
<td></td>
</tr>
<tr>
<td>397</td>
<td>HB CLM REG ADMISSION CLAIM ERRORS</td>
<td>YES</td>
<td>30</td>
<td>0</td>
<td>30</td>
<td>688,099.70</td>
<td>EEXUM1-EEXUM, EL...</td>
<td>09/25/2016</td>
<td></td>
</tr>
<tr>
<td>885</td>
<td>HMC CLM HOLD FOR PAYER UPDATES</td>
<td>YES</td>
<td>11</td>
<td>0</td>
<td>11</td>
<td>269,721.51</td>
<td>KWALTHE1-WALTER, K...</td>
<td>09/13/2016</td>
<td></td>
</tr>
<tr>
<td>662</td>
<td>HMC CLM ICN WORKQUEUE</td>
<td>YES</td>
<td>32</td>
<td>0</td>
<td>32</td>
<td>239,319.36</td>
<td>ADELONE1-DELONEY, A...</td>
<td>09/28/2016</td>
<td></td>
</tr>
<tr>
<td>878</td>
<td>HB CLM CODING CCI ERRORS</td>
<td>YES</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>148,808.99</td>
<td>CBRIGH1-BOUGHBOT,...</td>
<td>09/30/2016</td>
<td></td>
</tr>
<tr>
<td>369</td>
<td>HB CLM BLUE CROSS BLUE SHIELD BILLING ERRORS A-L</td>
<td>YES</td>
<td>21</td>
<td>3</td>
<td>24</td>
<td>137,250.27</td>
<td>DCHLDR1-CHILDRESS-S...</td>
<td>09/30/2016</td>
<td></td>
</tr>
<tr>
<td>226</td>
<td>HB CLM BILLING MANAGER CLAIM ERRORS</td>
<td>YES</td>
<td>9</td>
<td>0</td>
<td>9</td>
<td>121,948.30</td>
<td>SMILLER1-MILLER, SHAR...</td>
<td>10/01/2016</td>
<td></td>
</tr>
</tbody>
</table>
• XP Medicare Connect
  • Clean claim acceptance rate for Medicare is > 91%.
  • 91% of Aged Medicare AR is < than 90 days old

• Using Quadax HIM, we are able to keep the inventory in Epic.

Quadax inventory as of 10/1/16:
Improvements – Billing – Reduction in OT usage

Now...

Overtime Usage by Billing Team

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>9,509</td>
<td>3,774</td>
<td>891</td>
<td>34</td>
</tr>
<tr>
<td>Professional</td>
<td>3,591</td>
<td>1,920</td>
<td>1,336</td>
<td>559</td>
</tr>
<tr>
<td>Cash Posting</td>
<td>1,725</td>
<td>1,259</td>
<td>49</td>
<td>0</td>
</tr>
<tr>
<td>CSR</td>
<td>2,425</td>
<td>2,001</td>
<td>60</td>
<td>0</td>
</tr>
</tbody>
</table>

Hurley Medical Center Turnaround - Quadax Conference October 2016
Challenges - Self Pay Follow up

Then...

- Separate patient statements for Hospital Billing and Professional Billing
  - Patient had to pay separately, multiple accounts (HB)
  - Separate call centers for HB and PB. Over 30 people took/made patient phone calls broken down by specialty. Extensive phone tree.

- Limited payment options
  - Recurring payments
  - Self managed payment plans
  - Recurring payments through automated teller

- Multiple collection agencies and separate placement processes for HB & PB
Improvements – Self-Pay Follow up

Now...

• Consolidated patient statements for HB and PB per patient.
  • One single statement per month per patient
  • Single Billing Office Call Center -7 CSR Reps

• Online bill viewing and payment – MyChart, OnPlan
• Recurring monthly payments - OnPlan
• IVR inbound calls for pre-collect inventory – CCI
• Increased electronic self pay posting – Remit Max
• ACH Self Pay – 4 day decrease in turnaround time- Chase Bank, RemitMax

• Self-pay revenue is up $1.4 million over previous year.
Improvements– Payment Posting

• Consolidated Payment Posting team for HB and PB
  • FTE Reduction

• Quadax Electronic Remittances for Professional Billing – Live 2013
  • A year’s worth of legacy claim from the legacy system were back loaded

• Electronic Remittance payers went from 28 (2013) to 58 payers.
Challenges—Payment Posting

• Professional Billing posting processes were manual and labor intensive
  • FTE to manually approve files for posting (manual check for deposits in bank)
  • High volume of manual posting even though electronic remits were available
  • Paper remit posting 100% manual for PB prior to 2013
  • Cash Posting back logs were >15 days
  • Insurance correspondence follow up back logs were >90 days
Improvements– Payment Posting and Follow up

• Quadax RemitMax
  • +90% of all paper vouchers post electronically via an 835 (HB & PB)

• Quadax OnBase
  • 99.5% of paper payer correspondence is available for viewing within OnBase
  • Mail is work flowed in OnBase for easier follow up
  • Correspondence backlogs =< 2 weeks
Improvements— Payment Posting and Follow up

• Remit Max Multi Payor Posting – Quadax/Epic Beta

  • Ability to post a remittance file containing multiple payers.
Improvements– Payment Posting

• **Cash Management – Quadax RemitMax/Epic Beta**
  - BAI is a file format (developed by the Bank Administration Institute)
  - created for performing electronic cash management balance reporting.

• **Cash Management:**
  - creates deposit record for ACH Payments
  - Holds posting of remit file until the money is in the bank
  - Automatically posts remit file if there are no errors AND deposit is present
  - Improves ability to reconcile and resolve posting errors through a Cash Control Group
What’s Next?

• OnBase Image Integration into Epic – Quadax OnBase/Epic Beta
  • Correspondence images available in Epic
  • Ability to workflow mail to WQs for follow up

• Real Time HIM between Epic and Quadax for claims corrections
  • Claims released into Quadax with errors will return to Epic for correction, real time.
  • Eliminate lag
  • Expected go-live – November 2016
Questions?

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