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NEWS

A glimpse at revenue management at MHCC

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[EDITOR'S NOTE: This is part two of a three-part series about the hospital.]

It's no secret that Memorial Hospital of Carbon County is short on money. Administrators almost universally agree that the problem's root cause is in revenue cycle management.

About \$1.8 million has been subsidized by the Carbon County Commission since May to keep the facility's doors open. Hospital administrators believe that recruiting more admitting physicians will help the problem, but more so, the cure is attending to a "broken" revenue cycle, Hospital Chief Financial Officer and acting Chief Executive Officer Rick White said.

Recent attention to the process of collecting and entering correct patient information has resulted in improvements in the financial bottom line to the tune of nearly \$400,000 monthly.

Still, White said there's a long road of improvement ahead. The entire cycle has to be corrected, which includes everything from patient information, medical records, coding, billing and collecting payment or following up.

On the clinical side — meaning the nurses and physicians who record patient treatments and documenting procedures — the system isn't broken, Director of Nursing Dawn Dingman said. With two coders in place, the department is getting caught up with inputting information. White said he's been working with the business office to ensure information is being entered correctly.

The main problem, Dingman and White said, is in the setup of the electronic system that turns words into numbers and routes information to Medicare, Medicaid or other insurance companies and more.

"When they set up the billing files, (Health Medical Systems) didn't get it right," Dingman said.

The goal now is to stop "putting out fires" and fix the heart of the problem, White added, which hasn't been done in the past because there wasn't in-house expertise to correct the technical system.

But there's also a cost attached to fixing the HMS system that the hospital can't afford — about \$30,000 plus the cost of trained personnel to manage the platform.

"Until the hospital can be stabilized, we're fixing things slowly," White said.

White said that, beyond trying to remedy the electronic system, the hospital has been trying to fix the personnel side, too. In part, it's by following a plan presented by Interim Business Manager Judy Myers, a B.E. Smith consultant.

"Health care must hold itself to a much higher standard of billing accuracy," Myers wrote in a white paper. "Consider the revenue lost when claims are rejected due to outdated or incorrect information."

"We're following the basic principals of her report," White said, adding that the ideas outlined in it, such as collecting correct information, are things hospitals should be doing every day.

However, in September, the basics weren't getting done.

"They still have bad addresses, wrong phone number," White said in September. "We can't do

anything with bad information.”

Producing a bill that doesn't match insurance information means the bill doesn't get paid, he added.

Other tactics include hiring what extra, skilled help the hospital can afford, such as Myers. There's also the interim coder, who's there to help the current coder meet demands. Joel Goldman, a computer programmer familiar with the HMS system, was also brought on board to try to correct some of the biggest problems in the system.

Simultaneously, the hospital administrators have been doing what they can to increase training for existing employees, because “employee aptitude, education and quality were stated as continued areas of process improvement at (the hospital),” minutes from the Sept. 2 medical executive committee meeting read.

New procedures require admissions personnel to photocopy insurance cards and personal identification. Self-pay patients, which are least likely to pay, White said, are requested to pay a 25 percent deposit before receiving care, if they're able. If not, they sign a promissory note indicating how they plan to pay the bill. That action doesn't occur with trauma patients.

In addition, nurses on the floor are helping to confirm patient information, Med/Surg Department Manager Amber Green said in September.

“The nurses are taking it upon themselves,” she said. “We're seeing an increase in accuracy.”

Hospital administrators almost universally agreed that if the revenue cycle were corrected, the hospital would be functioning regularly at a positive bottom line.

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