

Duke University Health System recovers more than \$90 million in managed care underpayments

More than 11 years ago, one of the nation's leading academic medical health systems sought to find an automated solution to manage their payor contracts. As a large system, it was critical to ensure they were receiving accurate reimbursement from the payors.

Solution

Duke University Health System (DUHS) implemented nThrive's* Contract Management Solutions and continues to expand this partnership to meet the emerging needs of the growing health care system.

Results

Using nThrive's Contract Management, DUHS electronically processed more than one million claims in the second year. With Contract Management, DUHS can accurately calculate the expected payments and discounts of even the most complex contract terms, identify underpayments from payors, track payor payment trends and identify systemic payor issues. As a result, DUHS is positioned to collect and recover 100 percent of its net revenue due from payors. Over the past nine years, DUHS has recovered more than \$90 million in underpayments, \$10.7 million alone in the second year, realizing year-over-year savings due to the ability to fully automate the complex payment terms with Contract Management. The automation and analytical insight provided by Contract Management has helped DUHS identify and close loopholes in payor contracts in its payor negotiations.

"We use Contract Management to accurately track payments and contracted variances," said Charles Cockman, DUHS's hospital quality assurance manager. "It's like a barometer for reporting and we use it to improve customer services, identify registration and billing issues and verify accurate posting of contractual adjustments. The nThrive solution has had significant impact on DUHS's economic health."

DUHS also leverages the payor contract information from Contract Management within the nThrive patient bill estimation tool, CarePricer, to provide accurate, patient-friendly estimates at the point of access. CarePricer calculates patient out-of-pocket responsibility and combines it with historic charges and patient benefits, enabling staff to provide accurate estimates. In the first year alone, DUHS collected \$4.9 million directly from the patient bill estimates using CarePricer.



\$90.6 million

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CHARLES COCKMAN, HOSPITAL QUALITY ASSURANCE MANAGER, DUKE UNIVERSITY HEALTH SYSTEM

"We are extremely pleased with the flexibility of nThrive's contract loading and the ability to track payment variances either by contractual adjustment or payment variances. With the use of nThrive's Contract Management along with our highly motivated staff, Duke Health continues to have a substantial return on its investment. In addition, we have integrated the process in other ways within the organization which has produced verifiable benefits,

including quickly identifying reimbursement issues as we install Epic. Our second year collections were in excess of \$10.7 million. Even though we have seen a modest reduction in collections in the last couple of years based on reviews, this can be attributed to the payors paying correct the first time and improvements to internal processes, therefore our association with nThrive continues to improve our bottom line," said Charles Cockman.



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