

Promise Healthcare resolves nearly 50 percent of accounts and liquidates \$13.9 million in cash

Challenge

Promise Healthcare (Promise) is one of the largest long term acute care (LTAC) networks in the country, with headquarters located in Boca Raton, Fla. Serving 13 hospitals nationwide, Promise grew overtime by acquisition, eventually leading the health system to struggle with a decentralized revenue cycle process for managing its accounts receivables (A/R) effectively.

Promise officials faced an ever-increasing A/R backlog—tipping to more than \$97.6 million in outstanding receivables for accounts exceeding 90 days. Promise was cash-strapped and knew to increase cash flow it needed to reduce its A/R days.

“Through a revenue cycle assessment, we found that we lacked the technology utilization, policies and necessary labor force to handle our A/R backlog,” said Richard Gold, executive vice president, hospital operations, Promise Healthcare. “We knew we needed to make some critical changes to our A/R procedures.”

Promise made the decision to enlist outside help to address its outstanding A/R issues. They looked for an industry leader with a combination of strategic expertise and proven operational solutions to resolve, recover and manage revenue cycle processes. The ultimate goal was to centralize and standardize A/R processes with the objective of increasing its cash collections while reducing the cost to collect.

Solution

Promise, a client of nThrive* since 2006, was using some of the company's Revenue Cycle Performance Solutions. Due to proven performance improvement and revenue cycle expertise, Promise decided to choose nThrive to support its A/R initiative.

“We have been involved with nThrive for several years for cost management, and we have access to quite a few nThrive products,” said Gold. “So, it made sense on our part to partner with nThrive when we wanted to address our A/R issues. There was no other choice for us.”

nThrive's Revenue Cycle Performance Solution consultants engaged with Promise's leadership team to discuss methods and analyze the patient populations causing the significant A/R backlog. From there, the analysis determined the potential liquidation for the health system and the accounts best to assign to the nThrive team.



\$13.9 million

liquidated cash in
6 months

The target accounts were loaded into nThrive's proprietary workflow technology, and nThrive consultants went to work on resolving accounts that were more than 90 days old. The nThrive-assigned accounts were coded to isolate and track progress.

In addition, nThrive consultants performed root cause analysis on Promise's accounts in order to provide solutions that will help prevent the ongoing aging of accounts and prevent a backlog from recurring in the future.

The nThrive revenue cycle performance consultants also transferred unique knowledge of A/R processes, as well as key issues that cause delays in reimbursement to help enable improved sustained performance.

Results

Promise leadership saw an immediate, positive impact. In the first six months, the facility resolved 48.97 percent of its old accounts and liquidated \$13.9 million in cash.

"The nThrive team has been extremely responsive and professional, and we have been very pleased with the results, particularly with the visibility into data that we never had before," noted Gold. "Through nThrive, we found the competency and technology we needed, but more important, we achieved results."

Thanks to the root cause analysis and subsequent insights on problem accounts, referrals at day 90 dropped 43 percent within the first six months of the project, reducing significantly the roll of accounts to nThrive.

Promise now has in place a streamlined, sustainable A/R business processes to reinforce capabilities to convert receivables to revenue quickly and effectively, particularly in areas where it was experiencing diminishing results.

"This project opened our eyes and it helped us focus on accounts that are less than 90 days old, so we can accelerate our front-end submission processes and improve them," added Gold. "We have completely changed the way we look at our initial billing efforts, and these changes are now part of an ongoing effort to sustain the results we achieved in the first six months of this project."

nThrive continues to provide ongoing support to Promise. Through its Recovery and Collections Solutions, nThrive handles the health system's over 90 day aged accounts, enabling Promise staff to focus its efforts on recovering cash from newer and cleaner accounts.



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