

Promise Healthcare turns A/R backlog into \$13.9 million in cash

A/R outsource with nThrive resolves nearly 50 percent of accounts

Business issue

Promise Healthcare (Promise) was challenged with an immediate need for cash collections, with rapidly decreasing cash flow.

Overview

Promise is one of the largest long term acute care (LTAC) networks in the country, with headquarters in Boca Raton, Fla. With 5,000 staff members, 18 hospitals and two skilled nursing facilities, Promise is known for outstanding clinical quality scores that consistently outperform national benchmarks. Patient satisfaction ratings at Promise hospitals are among the highest in the industry.

Problem

Promise had grown over time 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 A/R backlog of more than \$97.6 million in outstanding receivables for accounts aged over 90 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 help them resolve, recover and manage revenue cycle processes. The ultimate goal was to centralize and standardize A/R processes with the objective of increasing cash collections while reducing the cost to collect.



\$13.9 million

liquidated cash in
6 months

**Nearly 50% of
accounts resolved**

Solution

Promise had achieved proven performance improvement with nThrive Revenue Cycle Performance Solutions for over ten years. They knew they could rely on nThrive for the industry expertise and revenue cycle precision required to get results. For these reasons, Promise leaders chose nThrive to support its A/R initiative as well.

"It made sense on our part to partner with nThrive when we wanted to address our A/R issues," said Gold. "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.

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. These accounts were coded to isolate and track progress. In addition, nThrive 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.



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Value

Promise saw an immediate positive impact. In the first six months, the organization liquidated \$13.9 million in cash and resolved 48.97 percent of its old accounts. Referrals at day 90 dropped 43 percent, indicating a steady decline of aged A/R.

"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."

Today Promise has streamlined, sustainable A/R business processes to convert receivables to revenue quickly and effectively. nThrive continues to provide support to Promise through its Recovery and Collections Solutions. While nThrive handles over-90-day-aged accounts, Promise can focus on recovering cash from newer and cleaner accounts.

"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."



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RICHARD GOLD, EXECUTIVE VICE PRESIDENT, HOSPITAL OPERATIONS, PROMISE HEALTHCARE

From Patient-to-Payment,SM nThrive empowers health care for every one in every community.SM