

Cincinnati Children's Hospital Medical Center increases net cash collection by more than 3 percent using Claims and Billing Solutions

Demand for the nation's more than 250 pediatric hospitals remains strong with revenue totaling \$28 billion.¹

That strong footing could change, however, as all health care organizations face increasing volumes of Medicaid patients—a demographic that accounts for almost half of all pediatric patients. In fact, the National Association of Children's Hospitals and Related Institutions (NACHRI) estimates that Medicaid only pays 75 percent of the actual cost of providing pediatric care, leaving children's hospitals to foot the other 25 percent of the bill.

One children's hospital in particular, Cincinnati Children's Hospital Medical Center (Cincinnati Children's) located in Cincinnati, Ohio, found a solution to help drive in more cash.

Challenge

Next-generation Technology Implemented During Epic Conversion

Ranked as one of the largest children's hospitals in the nation with 467 beds, Cincinnati Children's set out to mitigate revenue loss by accelerating billing and resolving aged claims. In addition, it was undergoing a facility-wide conversion to an Epic patient accounting system with the ultimate goal to improve cash flow.

Recognizing that the facility's current patient accounting system could not meet all of its needs, Michael Taylor, vice president, Revenue Cycle, Cincinnati Children's Hospital Medical Center, was ready to upgrade its claims management system to a next-generation, Web-based technology. According to Taylor, the facility's previous system lacked an edit advisory. Cincinnati Children's was responsible for manually creating all of its edits, which led to an increase of aged claims extending more than 60 days, and delays in the re-submission of claims.

"We were looking for a solution that had the ability to improve our revenue cycle effectiveness while enhancing overall operational efficiency and accountability," said Taylor.



**\$21.8
million**

in accelerated
cash flow as a
result of **reducing**
A/R days by 6.5

20% improvement
in payer claim
acceptance

Solution

In its search, Cincinnati Children's found that nThrive's Claims and Billing Solutions was the best fit. The Claims Management system had a proven track record of improving billing accuracy and compliance, along with extensive provider and payer specific editing capabilities. According to Teresa Louis, applications specialist, Hospital Billing Operations, for Cincinnati Children's, one of the biggest advantages to enlisting the help of nThrive was the suggested payer edits provided by the company's daily edit advisory. Claims Management provides claims editing based on regulatory and payer-specific updates to increase first pass claim acceptance rates and prevent claim rejections, improving accounts receivable (A/R) days.

"One of the system's key features is the daily payer updates," Louis said. "This was extremely beneficial for us and allowed us to build rules into Epic to improve data quality overall, increase our clean claim rate and reduce payer denials. Once we received the edits from the nThrive team, we took a proactive approach to implement the suggestions to address incoming claims."

Results

Within the first 45 days of implementing Claims Management, Cincinnati Children's saw a 20 percent improvement in their clean acceptance claim rate, with average rates in the 90 percent range. In addition, the facility achieved a decrease of 6.5 month-end average days in A/R, achieving 43.6 days in year two, down from 50.1 days in fiscal year one. Perhaps the greatest accomplishment in year two was an increase of 3.1 percent in net cash collection over the prior year.

"We saw similar results in year three," according to Charlie Baverman, assistant vice president, Billing Operations. "The reduction of 6.5 A/R days translated into \$21.8 million in accelerated cash flow. This was a direct result from Claims Management. Cincinnati Children's is a firm believer in nThrive, and we have the results to prove it. Implementing Claims Management was a major component in our rapid Epic go-live recovery and helped us gain substantial operational improvements."

Since implementation, Cincinnati Children's averages clean claim rates between 96 and 97 percent.

"The nThrive Claims Management solution is by far the best system I have had the pleasure of working with," Taylor added. "Through utilizing this user-friendly solution, we not only improved our clean claim rates and reduced our A/R days, but we also were able to improve staff workflow due to the customizable features of the technology."



nThrive's Claims Management solution allowed us to seamlessly augment our patient accounting system without disruption to core business office processes. The user-friendly features of the tool and the ease the staff had of operating the system along with Epic was what really drove us to have success with this product."

**MIKE TAYLOR, VICE PRESIDENT,
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CINCINNATI CHILDREN'S
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¹ Children's Specialty Hospitals in the US: Market Research Report, IBISWorld, 2015.



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