

Maricopa recaptures \$28.5 million through denials outsourcing

nThrive denials outsourcing engagement provides much needed relief on backlogs during electronic health records (EHR) transition.

Based in Phoenix, Ariz., Maricopa Integrated Health System (MIHS) is one of the nation's largest safety net providers, caring for more than 16,500 inpatients and 432,600 outpatients annually. As Arizona's only nationally verified burn center, it is the leading provider of emergency services to nearly 5,000 burn patients annually from across the southwestern United States and northern Mexico.

A Level One Trauma and Emergency Center with three emergency departments (EDs), 43 percent of its patient population is covered by Medicaid, with an additional 25 percent self-pay. The majority of the remaining patients are covered by HMO/PPO or Medicare/Medicare risk.

In recent years this challenging payor mix and other market forces, including the transition to the Affordable Care Act (ACA) and loss of \$50 million from the Safety Net Care Pool, have impacted the organization's financial health. Maricopa's revenue cycle management experts knew they needed relief to get on top of changing payor rules and regulations while also going through the daunting process of implementing a new electronic health record (EHR) system.

Challenge

When Maricopa went live with its Epic EHR system in 2012, much of the focus was on ensuring an easy transition for the medical staff versus adequately optimizing the new tool to ensure strong revenue integrity across the system. Over time, with limited reporting, huge volumes of denials began stacking up with no way to break down the root cause and implement corrective actions.

"It was a perfect storm with everything hitting us at once," said Siobhan Mee, Maricopa director, revenue performance management. "We knew we had a denials issue and we did not have the ability to identify the problem. We also didn't have the staff to work the accounts we had," she explained, referring to the denial backlogs averaging 5,000-plus in the average worker queue.

"There were so many accounts in the work queues that it was overwhelming," added Nancy Kaminski, Maricopa vice president, revenue cycle. "It brought down the morale in the department because the staff felt defeated."



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**NANCY KAMINSKI, VICE
PRESIDENT, REVENUE CYCLE,
MARICOPA**

Solution

Maricopa engaged nThrive* to accomplish two missions: work backlog accounts for near-term cash flow and identify root causes for sustainable process improvement.

Once the backlogged accounts were outsourced to nThrive, one immediate benefit was that they no longer appeared in the active collection work queues, which gave Maricopa an opportunity to gain visibility into the problem sources and realign appropriately.

"We were able to ask, 'What are the policy rules as to what's coming in here,'" Mee explained, identifying who should or shouldn't be touching the account. "It allowed part of the optimization of the system and workflows that should have happened when the inpatient Epic installation went live."

The decision to outsource also allowed Maricopa to temporarily bypass issues in Epic, and concentrate first on getting cash in the door by working the backlog while collaborating with nThrive to identify root causes to their denials problem.

As part of the denials engagement, nThrive quickly identified that requests for records from Federal Emergency Services (FES) plans represented Maricopa's number one denial challenge.

"Once we knew this, we were able to work with Epic to provide FES direct access through the EpicCare link," explained Kaminski. She noted that the root cause for request for records went beyond FES, so Maricopa later moved this function back in-house. "Regardless," said Mee, "the problem wasn't understood and we didn't have a good workflow. By understanding codes that meant 'record request,' it helped our Patient Financial Services (PFS) department to build a workflow to go directly to the record and now requests for records are not managed as a denial anymore."

FES has since asked for itemized bills and Maricopa is again working to provide direct access for this information as well.

nThrive also helped solve Maricopa's denial problem caused by a lack of precertification. Maricopa had a systems logic issue which caused the pre-cert number to be sent over to payors incorrectly. Once this issue was identified and fixed, the denials problem was resolved.

Results

In less than a year, nThrive has helped Maricopa recover \$28.5 million, which is \$17 million ahead of its cash goal, and establish a sustainable denials prevention process. Cash collections against net patient service revenue are at an astonishing 104 percent.

"Revenue cycle has been the driver to improve profitability and our outsourcing engagement with nThrive has been a big contributor to that," Kaminski said. "Outsourcing was absolutely the right call and I would recommend it to other organizations that have similar problems, if nothing more than to help identify what the root causes of the denials are to avoid them going forward."

"The other piece of this is the ability of nThrive to come back and say, 'Here's what we are seeing in your data that is an opportunity to update or enhance your system,'" adds Mee. "They gave us information back so we could appropriately action denial codes. In some cases, the codes were mapped incorrectly in Epic and nThrive said, 'Here's what it should be. Here's the file.' It's not just the service of actually collecting, but the ability to analyze what's coming back from our system and say, 'We don't think you want it that way.'"

nThrive also helped Maricopa develop a steering committee focused on denial prevention. "The team meets on a monthly basis and assigns tasks based on reports we've provided," explained Tim Shorey, nThrive vice president, managed care services. "Their denials have reduced dramatically, especially in one or two areas where they were able to put in new processes and interact with payors to identify why the denials were happening in the first place. Ensuring that the appropriate information is there ahead of time is the best way to avoid a claim being denied."



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