

Case Study >>>>

Enterprise Platform Gives Practices New Opportunities and Savings

Lifetime Health Medical Group (LHMG) reduced A/R \$13.2 million. Proliance Surgeons is saving hundreds of hours of manual labor. Doylestown Hospital is sharing patient demographics, insurance, and scheduling information with its 12 ambulatory practices, eliminating administrative chores.

These practices take advantage of the enterprise foundation upon which NextGen® EHR and NextGen® EPM are built. This foundation, unlike most systems, allows organizations to operate, manage, and analyze many individual practices or locations as one, accruing the advantages centralization and “strength in numbers” can bring.

Mary Jo Marcelly, Billing Director at LHMG, leveraged the enterprise capability to merge data from her 14 health centers and achieve the astounding \$13.2 million A/R improvement. By consolidating and centralizing billing functions by task (self-pay, collections, A/R, and reporting), she eliminated redundancies, inefficiencies, inconsistencies, and oversights, and more effectively provided expert analysis, processing, and adjustments.



Overview

ORGANIZATIONS

- Lifetime Health Medical Group
- Proliance Surgeons
- Doylestown Hospital

BUSINESS PROBLEM

Separate practices with their own financial reporting, servers, databases, and billing staff.

SOLUTION

Implemented NextGen Healthcare's Enterprise platform.

PRODUCT DISTINCTIONS

- Central reporting
- Contract Management
- Single database
- Master Patient Index

BENEFITS

- Stronger payer negotiation
- Minimizes maintenance
- Improved financial analysis
- Sharing of patient data

She also credits enterprise functionality with helping to redeploy eight members of the billing/collections staff to functions such as data/reimbursement analysis and enrollment/audit systems management, ultimately saving \$275,000 for new hires.

In addition, enterprise-wide reporting and NextGen EPM software's contract management functions help LHMG negotiate favorable capitation or fee-for-service reimbursement arrangements with individual payers. In one case, reporting functionality prompted LHMG to negotiate a capitation "carve out" for several procedures previously paid as fee-for-service, for an additional net contribution of \$483,000 to the bottom line.

Also through reporting and a more aggressive, targeted approach, LHMG reduced bad debt write-offs from 15% of gross charges to less than 1%. Previously, bad debt on fee-for-service revenue totaled \$77,000 in gross charges/month, representing an annual loss of \$924,000; per-month debt has been lowered to \$34,000, and \$516,000 of previous losses are recouped.

"We've used the flexibility of the application to streamline many of our internal processes and to maximize our revenue," says Marcelly. "And we really love the enterprise reporting functions available, because they constantly provide tools to help us analyze and improve upon our successes."

Economy of Scale

Kim Cuervo, Applications Trainer at Proliance Surgeons, is thrilled with NextGen software's enterprise features, which allow enterprises to manage practices as a whole in many aspects yet permit them to retain their individuality in others.

The highly scalable enterprise platform allows Cuervo, from a central location, to generate all financial reports on Proliance's 32 practices (across 40 locations), as they share a single tax ID.

Cuervo can query the single, shared database for financial analysis without intruding on the practices or needing to request and wait for the information. Instead of having an analyst at each location, data can be compared and consolidated immediately, at any time. This offers Proliance the leverage of size, volume, and consistent data in payer contract analysis and renegotiation.

Cuervo is certain Proliance would not have received the higher fees they re-negotiated with payers, nor would the practices self-analyze as carefully, were the practices attempting this individually. "Consistency really is the issue," says Cuervo. "Having the same codes, the same fee schedules, the same reporting across all practices allows you to do so much, and do it more easily. Audits are much easier, for instance. It always pays to have that economy of scale, in terms of staff, hardware and software costs, and ultimately, revenue."

In addition, maintaining one database at Proliance's corporate office for all practices saves countless hours in maintenance, upgrades, and interface work. Implementing something once instead of 40 times means one purchase, one implementation, one training, and one server to maintain and back up.



Proliance has implemented, for 32 practices, one set of CPT and ICD9 codes, one contract for all practices, one list of payers, one data recovery plan, one transcription interface, one version upgrade, and on and on. "Can you imagine doing every one of those 40 times? All that manual entry?" asks Cuervo. "It's terrific. We're even finding benefits in other problem areas. We had a huge problem with patients running bad debt, and also with 'drug seekers.' Now, we set up enterprise alerts so that when these individuals show up at another practice, we're warned right up front. There's just no end to the possibilities."

Sharing the Cost

Elsewhere, Doylestown Hospital leverages NextGen EPM software's enterprise functionality and Master Patient Index. The hospital shares patient demographic and insurance information with its member practices, eliminating a great deal of duplicate entry. In referral situations, as many as 90% of the patients who show up to specialty practices are already in the system, saving a lot of time for the practices and patients.

Rita Moran, Senior Systems Analyst at Doylestown Hospital, is a huge proponent of the enterprise. "We love that all charges for anything extra are shared, reducing the cost of ownership, such as licenses for EHR, EPM, RTS, clearing-house costs, everything, and the open database helps us easily add other enterprise tools. Plus, we've been growing, and implementation of a new practice onto NextGen EPM software takes just 5 weeks, max, to fully bring them on. There are cost savings and time savings everywhere."

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Senior Systems Analyst
Doylestown Hospital



