

# Maintaining cash flow during an EHR conversion

One large healthcare system's success story



## Case Study: EHR Conversion



Electronic Health Record (EHR) systems are critically important to modern healthcare organizations, driving better patient outcomes and optimizing operations and finances. These systems are tightly integrated into many aspects of organizations' day-to-day operations. So, when it's time to upgrade or replace an EHR system, the stakes are high: the new system must be implemented and rolled out without increasing risk or impacting patient care, staff responsibilities, or cash flow.

Imagine needing to transition five hospitals and three physician practices off their respective legacy EHR systems and onto a single, centralized system. That's the challenge that was facing our client in the Mid-Atlantic. With careful planning and strategic partnerships, they succeeded to the benefit of their patients, employees, and communities.



### Big change. Big risk.

Our client is an integrated health system serving communities across two states. They employ more than 1,000 physicians — and more than 15,000 employees overall — across advanced practice clinics, a home care organization, six hospitals, and more than 125 patient care locations. In 2014, our client committed to implementing a common EHR system across their organization, selecting a prominent EHR vendor as their provider. They knew it would take a few years to achieve their goal of a unified system and that they would face steep challenges along the way:

- Their facilities were using several disparate legacy systems (e.g., Allscripts-Eclipsys, Flowcast/E-Care, Medent, Meditech, and Paragon);
- The investment was nearly \$200M;
- The conversion would place a heavy burden on many departments, notably IT and the central business office; and
- Throughout the transition, our client would need to anticipate and minimize any disruption to patients, employees, or cash flow.

As they prepared to kick off the multiyear EHR conversion process, our client also began planning ahead to ensure their revenue, cash, and accounts receivable (A/R) workflows would remain strong and steady during the change. Knowing the EHR project would heavily tax their internal resources, they realized that partnering with a leader in revenue cycle management (RCM) during that time would give them their best chance at success.



### Partnering with a leader

More than a year before their EHR transition was scheduled to begin, our client vetted eight potential RCM providers to work their legacy A/R inventory during the EHR conversion. Following a careful search process, they selected Xtend because:

- We brought scale (with nearly 900 employees at that time) and could adjust staffing up and down as needed, ensuring stability during a period of complex organizational change;
- We brought deep system expertise — with both the client's new EHR provider and their legacy systems — so we understood their EHR vision and could provide knowledge and consultation in support of their goals;
- We had successful client relationships with other healthcare systems in the same geographic area, giving us an understanding of the local payor environment and the communities our client serves;



## Executive summary

- **Situation:** A large healthcare system was consolidating to a single, shared EHR platform at a cost of nearly **\$200M**.
- **Challenges:** Legacy accounts receivable needed to be worked, to maintain cash flow while internal resources were strapped due to the EHR conversion.
- **Actions:** Xtend managed and worked a large A/R inventory, across multiple systems, facilities, account types, and workflows.
- **Results:** Xtend leveraged its size, expertise, and technology, ensuring positive financial outcomes for the client and helping them deliver on their commitments to their patients and communities. To date, we have resolved more than **94%** of the accounts assigned to us, collecting more than **\$118M** or almost a third of the total amount resolved (**\$364M**).

- We could apply claim-coding expertise, ensuring quick and accurate payment and appeal processes for the healthcare system and its hospital patients; and
- We could get up and running quickly, integrating ourselves across many systems, teams, and workflows while providing clear and timely reporting. (Below, learn more about PRISM, our proprietary workflow management system.)

With the Xtend partnership in place, our client could proceed with confidence, knowing their cash flows would be protected as they embarked on their mission-critical EHR conversion. This confidence was important: not only did our client need to execute the EHR conversion successfully, but they needed to do so in a healthcare climate with increasing margin pressures where every dollar counted and where there was no room for cash flow interruptions.

## **PRISM: delivering best-in-class A/R process efficiency**

Our clients expect their A/R to be worked in a timely and consistent manner. It's a philosophy we share, because in our experience it's the best way to ensure fairness and transparency for patients, providers, and payors. With these best practices and ideal outcomes in mind, we developed PRISM, a proprietary system that we use to manage clients' A/R inventories. These are some of the benefits our clients enjoy with PRISM...

- **Flexibility:** PRISM is system agnostic, able to plug into almost any A/R environment. It handles a variety of data import formats, operating on any schedule or workflow determined by the client.
- **Efficiency:** PRISM automatically tracks and assigns individual accounts, based on financial class, balance, account type, account process category, and workflow stage. It reconciles inventories to ensure all placed accounts are assigned and worked by the right teams at the right times.
- **Analytics:** PRISM features robust, on-demand performance reporting on approximately 40 data categories including resolution, process, cash recovery, payer trends, and claim status.



### **Building on success**

Beginning in early 2017 — three months before their East region facilities were scheduled to begin their EHR conversion — our client kicked off phase 1 of their A/R resolution process by placing legacy inventory with us from the region's two physician groups and two hospitals. The initial accounts were aged receivables. Our client's strategy was to assign new inventory to Xtend every 30–60 days, starting with the oldest.

Phase 2 began in earnest in the spring of 2017, with the late-fall EHR conversion date looming. At that time, we began receiving and working legacy inventory from our client's West region facilities: the remaining three hospitals (including their flagship hospital) and the remaining, largest physician group.

By early winter — a month after the EHR transition was successfully finalized across all their facilities — our client began placing remaining legacy A/R inventory with us. The account types included commercial, managed care, government, workers' compensation, facility/hospice/county/prison, and VA/Tricare.



### **Positive outcomes to date**

Our engagement with this client is ongoing, and we are proud of the results we have achieved to date: we have resolved more than 94% of the accounts assigned to us, collecting more than \$118M or almost a third of the total amount resolved (\$364M).

"We're committed to helping all our clients meet their commitments to their patients, people, and communities," says Mike Morris, President & CEO of Xtend Healthcare. "We are proud to have supported this client through their successful EHR transition and to continue supporting them in achieving their revenue cycle goals."



### **We can solve your challenges too**

For more than 25 years — and with experience in all 50 states — Xtend has led the industry in providing comprehensive RCM solutions to hospitals and health systems. We provide full and partial revenue cycle outsourcing, third-party insurance follow-up, self-pay, and health information management (HIM) services, all through customized solutions that meet each client's unique needs and maximize cash collections. Our clients include non-profit and religiously affiliated hospital systems, teaching hospitals, urban medical centers, for-profit healthcare systems, critical access hospitals, children's hospitals, and large physician groups.

**Contact us today, and let's discuss how we can apply our extensive RCM expertise to help solve your challenges.**

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