Holy Family's revenue cycle outsourcing success story

Improved cash flow and patient satisfaction, powered by technology and expertise

Xtend Healthcare

Situation:

Holy Family Memorial (HFM) is the largest healthcare provider in Manitowoc County, WI. Their network of 835 professionals provides care through an outpatient and inpatient medical center; walk-in and specialty care (cancer; women's health; orthopedics; and heart and vascular); dozens of clinics; a wellness center; a retail pharmacy; and a state-of-the-art rehabilitation center. HFM's services have a measurable impact on their region: **their 2019 quantifiable community benefit was $31M**, or 26% of expenses.

Challenges:

HFM promises patients "world-class healthcare, right here in your own community." But the system's ability to provide that care was in jeopardy due to a litany of challenges, including:

- Substandard **reimbursement** rates
- **Reduced collections** (particularly for self-pay) due to patient statements being sent irregularly
- A six-week delay in **posting cash received**
- A six-month backlog of incoming **mail** correspondence
- **Staffing** and **training** deficiencies
- **Leadership** turnover
- Reliance on outdated **technology** and manual **processes**
- Frequent **patient complaints** about not receiving a bill or billing errors

> *"Xtend Healthcare has been exactly the right partner for HFM, to administer our revenue cycle. Thanks to their team, our financial position and patient experience are much improved. They always welcome the new challenges we bring them, meeting them with innovative, effective solutions."*
>
> — Monica Nichter, RN, MSN
> Executive Director, Business Development
> Holy Family Memorial

Holy Family Memorial
Sponsored by the Franciscan Sisters of Christian Charity

Actions:

Substantial change was needed. In April 2018, HFM contracted with Xtend Healthcare to work existing third-party A/R. HFM continued handling Day 1 accounts, and Xtend started working down a considerable accounts receivable backlog.

We quickly began reducing A/R days, validating HFM's interest in bringing on more outside expertise and support. In the summer of 2018, HFM solicited competitive bids for full revenue cycle outsourcing (RCO). Thanks to our local team's efforts in providing solid A/R performance, HFM awarded Xtend with the five-year RCO contract to handle their entire revenue cycle to start in August 2018, including:

- **Business office** management
- **Cashiering** and **customer service**
- **Full revenue cycle billing and follow-up**
- Assistance with **new service line implementations**, including guidance on documentation requirements for correct and accurate charge capture

- **Coding** solutions and **denials** management, employing certified coding managers and staff experienced in a variety of inpatient, outpatient, and specialty coding and able to deliver coding accuracy rates of 95% or higher
- **Quarterly charge** capture audits
- **Diagnosis-related group (DRG)** validation
- **Professional fee coding and charge validation**

Results:

Our RCO team has helped HFM stabilize its cash flow and patient experience by:

- Reducing A/R balance by approximately **50%**

- Reducing discharged not final coded (DNFC) by **7 days** and nearly **$7M**

- Raising coding quality and productivity by **10%**

- Increasing initial clean claim rate by **16%**

- Eliminating virtually all **cash posting lag time**

- Eliminating six-month **mail backlog** within weeks

- Reducing billing complaints to **nearly zero**

- Delivering ongoing **provider audit and education** — via a joint HFM/Xtend coding team — improving provider charge accuracy rate and timeliness (e.g., reducing emergency department physician charge lag time by **90%**)

Coming next:

We are proud of the success we have already helped deliver for HFM, but we look forward to even more. Below are some of the initiatives we have underway or on the way for our client.

- Ongoing provider education on documentation requirements, to ensure **correct charge capture**

- Data **analytics** and **visualization**

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Contact us today, to learn how we can help you with special projects, full RCO, or any other revenue cycle needs.

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