Wheaton Franciscan Healthcare Reduces Accounts Receivable Aging by 3 Percent with MedeAnalytics’ Revenue Cycle Intelligence

In the face of growing patient financial obligations, tighter regulations and rising unemployment, Wheaton Franciscan Healthcare uses MedeAnalytics’ Revenue Cycle Intelligence to intelligently manage accounts receivable (AR) while also gaining confidence in its data and reducing AR aging.

About Wheaton Franciscan Healthcare

Wheaton Franciscan Healthcare is a Catholic, not-for-profit healthcare organization serving areas of Wisconsin, Iowa and Illinois. With 22,000 employees, the organization includes 18 hospital campuses and a number of outpatient, long-term care and home health organizations. Started by the Wheaton Franciscan Sisters more than 130 years ago, Wheaton offers compassionate healthcare to over one million patients annually.
Since it implemented MedeAnalytics, Wheaton Franciscan Healthcare has achieved measurable improvements at several points of the revenue cycle.

Challenge

In today's economy, hospitals everywhere face decreased reimbursement rates and aging accounts receivable as a result of increased patient responsibilities and rising numbers of unemployed, uninsured and underinsured patients. Nationwide, these patients accrue tens of billions of dollars each year in unpaid medical bills. In Wisconsin specifically, cities like Racine, which saw its unemployment rate peak at 11.5 percent, have experienced some of the worst effects of the recession.

In addition, many hospitals have experienced decreased revenues due to tighter regulations. Seeing the government's compliance activities, many insurance companies have followed suit, recouping money on accounts as old as three or four years.

As a result, efficiently managing accounts receivable has become more important than ever. Michelle Jones, director of patient financial services for Wheaton Franciscan Healthcare, said, “Every dollar has become that much more important.”

Historically, Wheaton Franciscan Healthcare relied on cumbersome, incomplete and sometimes inaccurate reports to manage accounts receivable. Reports required extensive manual work and often took 30 days or longer to create.

“Before, we didn’t have any dashboards,” said Jones. “We relied on makeshift reports and tools to keep track of our accounts receivable, and we often wouldn’t get the reports we needed until a month after we requested them.”

Recognizing that detailed, real-time reporting would significantly improve its AR management, Wheaton investigated solutions that would enable it to gain control over its data while also improving efficiency and reducing AR aging.

Solution

In early 2010, Wheaton Franciscan Healthcare implemented MedeAnalytics’ Revenue Cycle Intelligence (RCI) to intelligently manage accounts receivable and ultimately reduce AR aging.

Intelligent accounts receivable management reduces AR aging

With real-time insight into revenue cycle bottlenecks, delays and black-hole accounts, RCI enables Wheaton to automatically identify AR trends and drill down into detailed patient accounts and transaction detail. Management scorecards and dashboards provide a daily snapshot of revenue cycle performance across the organization.

With MedeAnalytics, Jones and her team get a concise and more detailed view of their data. They can easily drill down into known issues and quickly and easily run reports on different aspects of their data.

“With real-time reporting, we can analyze accounts receivable in ways we never could before,” said Jones. “Before, it would take months with cumbersome reports and manual work to uncover the causes of known issues. We often didn’t even recognize that we had any issues to begin with. Now, we know exactly what is going on.”

With such insight into its data, Wheaton has gained more confidence and control and ultimately reduced the aging of its accounts receivable.

Work lists and tracking improve productivity

While reducing the aging of its accounts receivable was Wheaton’s ultimate goal, improving the productivity of personnel is a critical component of the effectiveness of AR management.

With intelligent work list assignment and tracking from RCI, Wheaton can create and assign work lists based on customized business rules. Instead of working solely through the billing system, associates toggle between the systems.

What’s more, Wheaton has customized work lists to manage credit balances. “We created custom fields in work lists to track and trend the root cause of credits,” said Denean Shelp, Wheaton’s manager of payer services.

These improved work lists have helped reduce credits as well as drive productivity enhancements that allow employees to work more accounts in a day.
Comprehensive solution touches every point of the revenue cycle

While its implementation of RCI has improved accounts receivable management, Wheaton also uses MedeAnalytics to improve front-end cash flow. On the front end, MedeAnalytics’ Patient Access Intelligence (PAI) offers the health system an easy, systematic approach to generating credible, comprehensive estimates of what its services will cost. Such detailed estimates eliminate much of the apprehension patients might have and make them much more likely to meet their financial responsibility before they even enter the doors of the hospital.

“We recognized that patients want to know upfront what their obligation will be,” said Jones. “It’s vital that we provide them with timely and accurate patient billing statements,” said Jones.

Wheaton’s primary goals with PAI were to reduce registration errors, improve pre-service and point-of-service collections, reduce the time from date of service to final billing, improve customer service performance and ultimately reduce AR aging.

Wheaton also uses MedeAnalytics’ Compliance and Revenue Integrity for daily insight into compliance risk areas and to proactively manage regulatory compliance risk.

Providing such tangible benefit on all ends of the revenue cycle, MedeAnalytics offers an end-to-end solution that gives management better control over the health system’s financial position.

Results

Since it implemented MedeAnalytics, Wheaton Franciscan Healthcare has achieved measurable improvements at several points of the revenue cycle.

With Revenue Cycle Intelligence on the back end, Wheaton has reduced its AR aging. Accounts greater than 90 days have decreased from 22 percent to 19 percent. Jones noted, “Before MedeAnalytics, we hadn’t ever achieved results like this. During my tenure, this figure has never been below 22 percent.”

Wheaton’s credit balance initiative has yielded significant results. In September 2009, Wheaton had 82,841 hospital accounts with credits totaling $21.2 million. Today, it has 25,008 accounts totaling $5.8 million. “Our success is due to the analytics capabilities MedeAnalytics provides and our ability to perform root cause analysis on credits to better manage and reduce them,” said Shelp.

On the front end, patients are more likely to pay, thanks to detailed patient estimates that give them confidence in their financial responsibility. “During fiscal year 2010, we reduced bad debt by $8 million and increased our point-of-service cash collection by 50 percent,” said Jones.

Summarizing her experience with MedeAnalytics, Jones said, “MedeAnalytics has helped immensely, far surpassing our initial expectations. I knew from my previous experience with MedeAnalytics that we could analyze our data and get real-time information, but I never realized there was so much more.”

“When we first researched analytics solutions and their capabilities, MedeAnalytics was the obvious choice,” said Jones. “There’s just no comparison. In the last year, we have gained more control over our accounts receivable than we have ever had, and it’s all due to MedeAnalytics.”

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About MedeAnalytics

Founded in 1994, MedeAnalytics delivers performance management solutions across the healthcare system—including hospitals, physician practices and payers—to ensure accountability and improve financial, operational and clinical outcomes. For more information about MedeAnalytics’ Revenue Cycle Intelligence solution, visit www.medeanalytics.com/rci.