



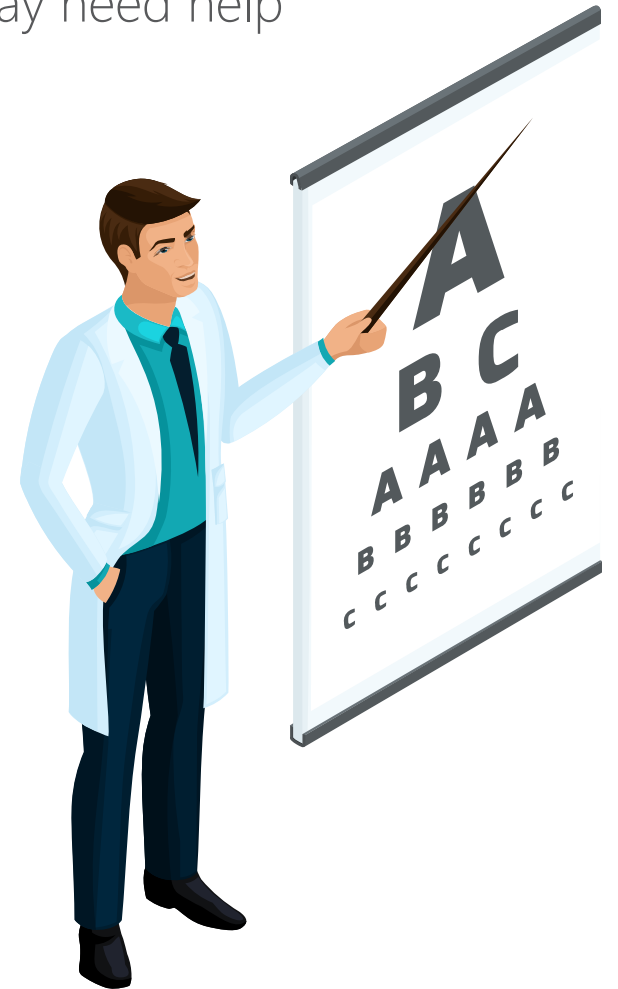
The Benefits of Building a Successful Estate Program and a DCM Services Case Study



hfma oregon chapter
healthcare financial management association

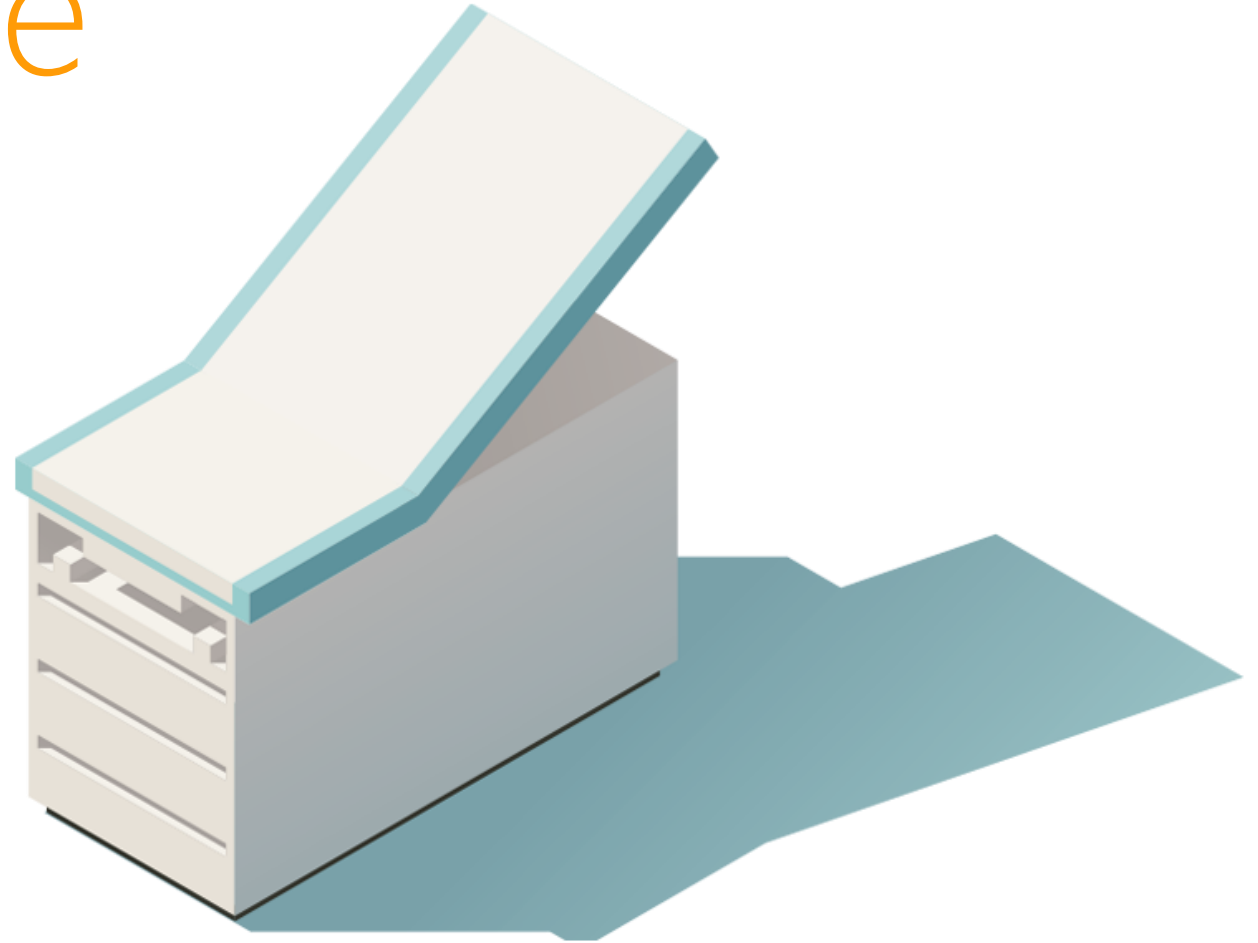
Agenda

- Point to where it hurts – Identify areas where your revenue cycle may need help
- Estates
 - Demographic & economic trends
 - Your current process
 - The prescription
 - Case studies
- Bankruptcy
 - Diagnosing the symptoms
 - Historical approach
 - The prescription
 - Case studies
- Q/A



Point to where it hurts

Where does your
revenue cycle need help?



Bill of Fiscal Health

.....

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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_____	_____
_____	_____

Is new revenue from
specialty areas just what
the doctor ordered?

Diagnosing the problem

How bad does it hurt?



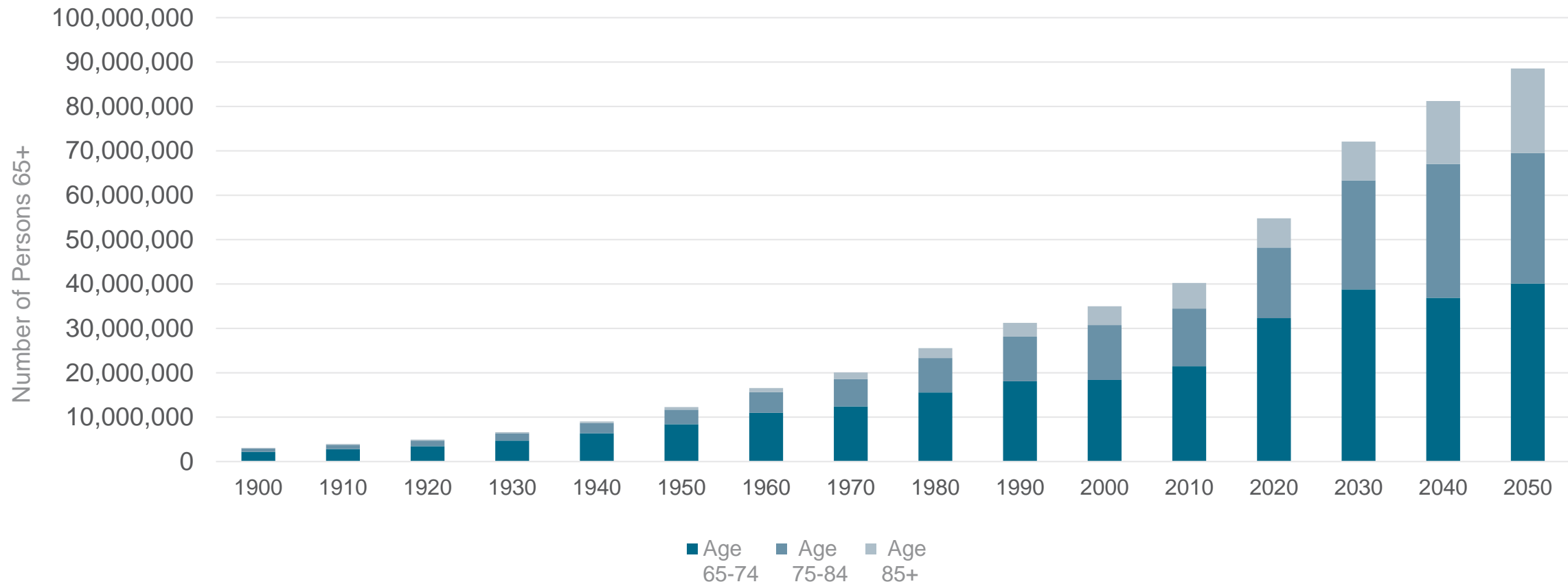
Aging population



Aging population



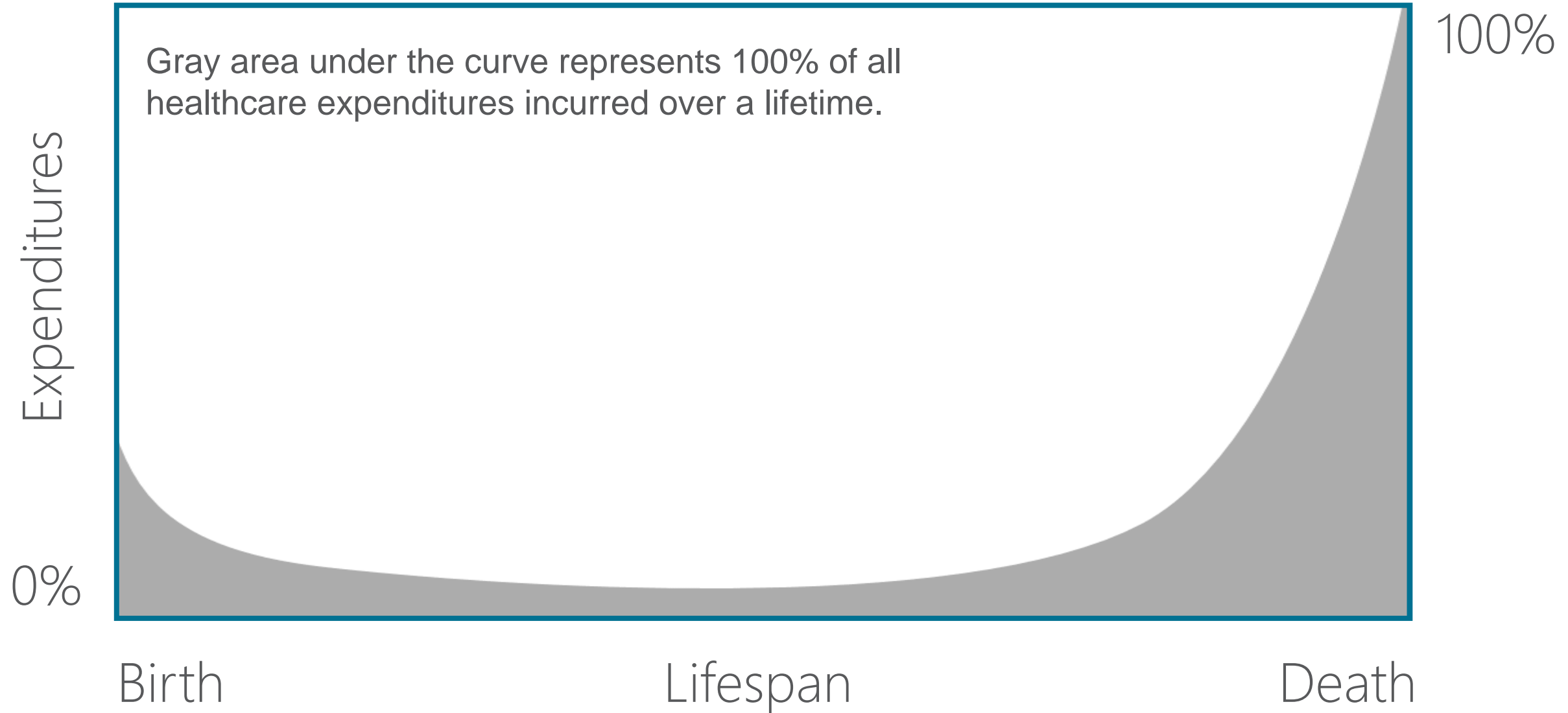
Population 65+ by Age: 1900-2050
Source: U.S. Bureau of the Census



Soaring end-of-life care costs



Soaring end-of-life costs

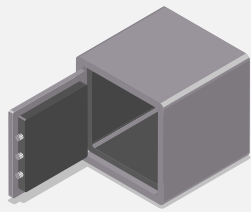


Changing payer mix

- Patient responsibilities continue to exceed benefits at growing rates
- Private insurer plans with larger co-pays and deductibles
- Results in greater uncompensated care and patient responsibility



Why the need for specialty revenue cycle strategies is critical *right now*



Revenue shortfalls



Increased auditing



Surge in bankruptcy filings



Internal revenue constraints



Oasis of stable performance



Survivor sensitive,
patient-centric processes

How do you
currently identify
patients who pass
outside a facility?



How do you currently identify patients who pass outside a facility?

A

Wait for family notification

B

Discover inadvertently in regular collection cycle

C

Regularly scrub all inventory for deceased

65% Wait for family notification

20% Found as part of collection process

15% Do regular scrubs

What is the biggest challenge
you face in dealing with
decedent debts?



What is the biggest challenge you face
in dealing with decedent debts?

A Lack of internal expertise

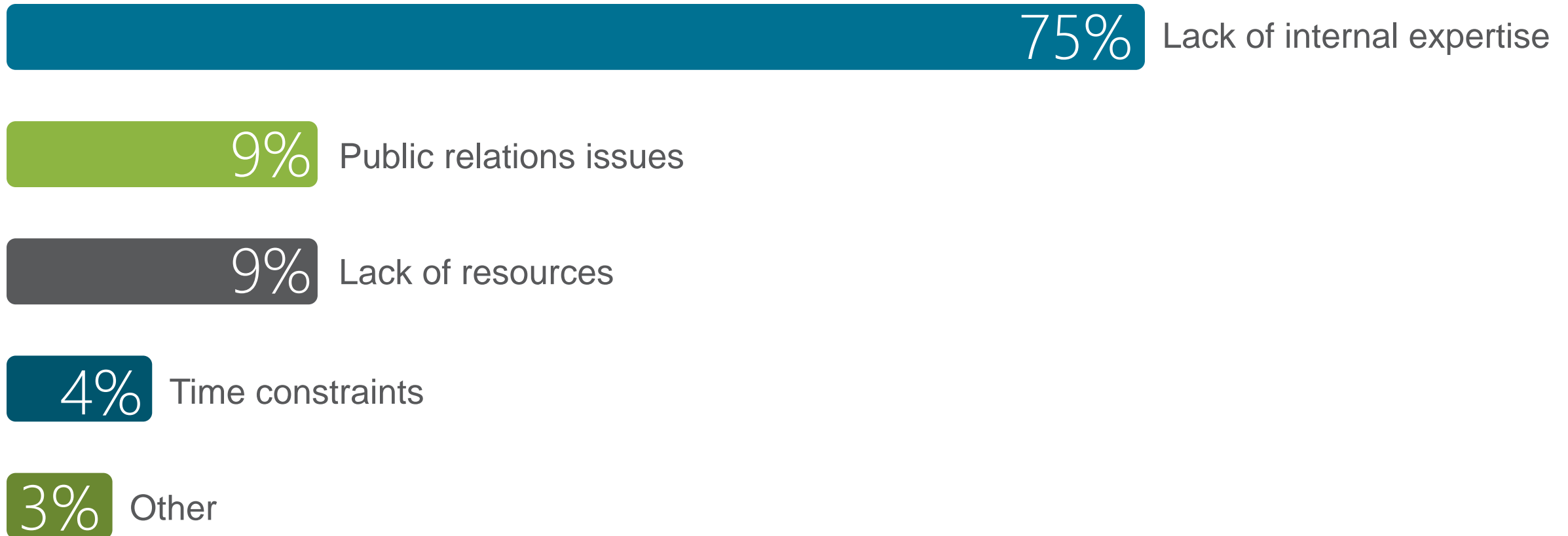
D Time constraints

B Public relations issues

E Other

C Lack of resources

Nearly 100% of respondents indicated they knew that they were not being effective in finding estates and filing claims. See below for the biggest challenges cited.



What can you do
to successfully meet
the challenge of
an aging America?

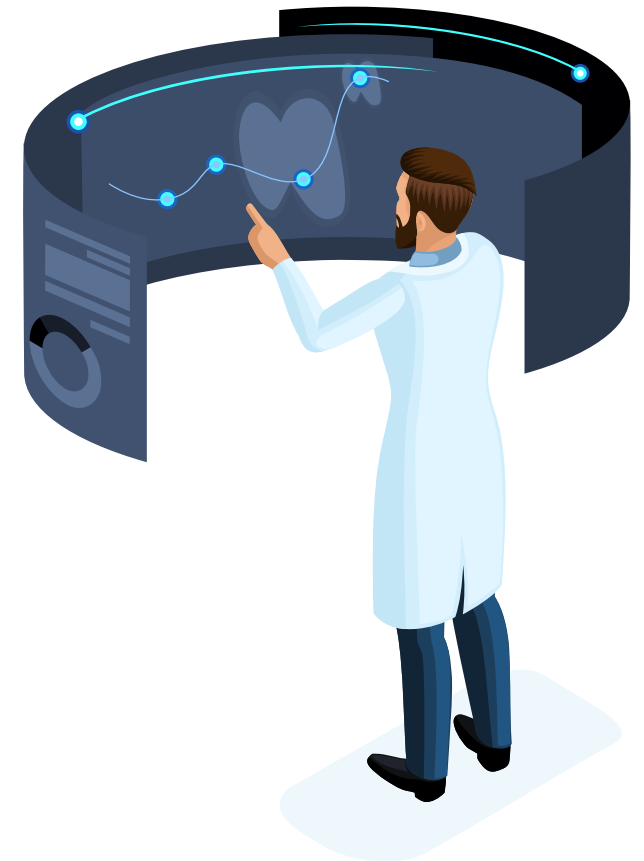


The prescription

Your revenue cycle R_x .

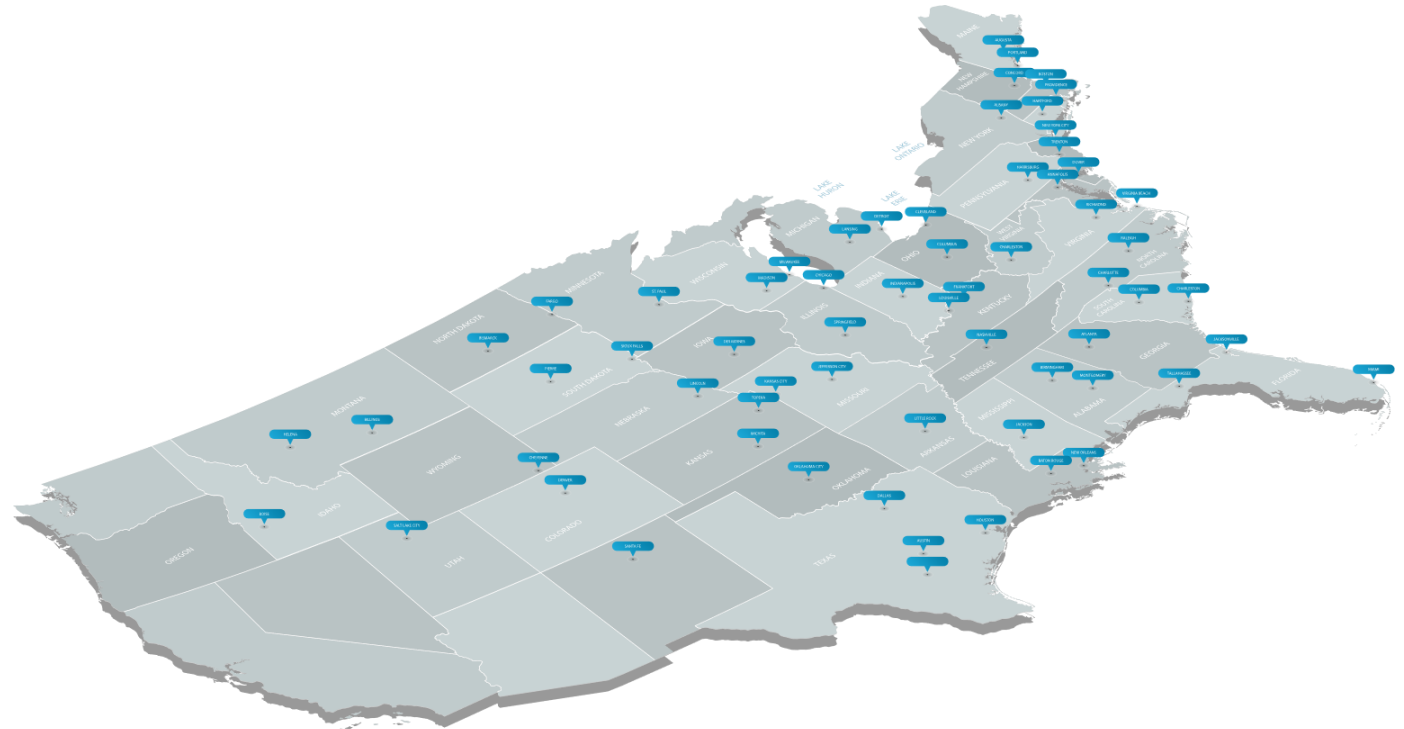


Creating a flag and streamlined process for decedent debt



Create a process for continuous automated nationwide probate searches

- More than 3,450 probate courts and 50 state probate codes
- 1 of every 5 probate estates is opened outside county of residence
- Probate can be opened as late as 3 years from date of death
- Limited claim filing. If missed, can render an account uncollectable



Claim filing and timeliness

- Providers must present their claims in a timely manner
- Providers must adhere to court-approved procedures and legal forms
- 20,000 variables include color of paper, number of copies, color of ink, filing fee amount, etc.
- Claim presentation preserves a provider's right to payment



Create a process to document, store,
and retrieve evidence of regular
estate searches and collection efforts
for CMS compliance



Create specialized contact management strategies for formal and informal estates

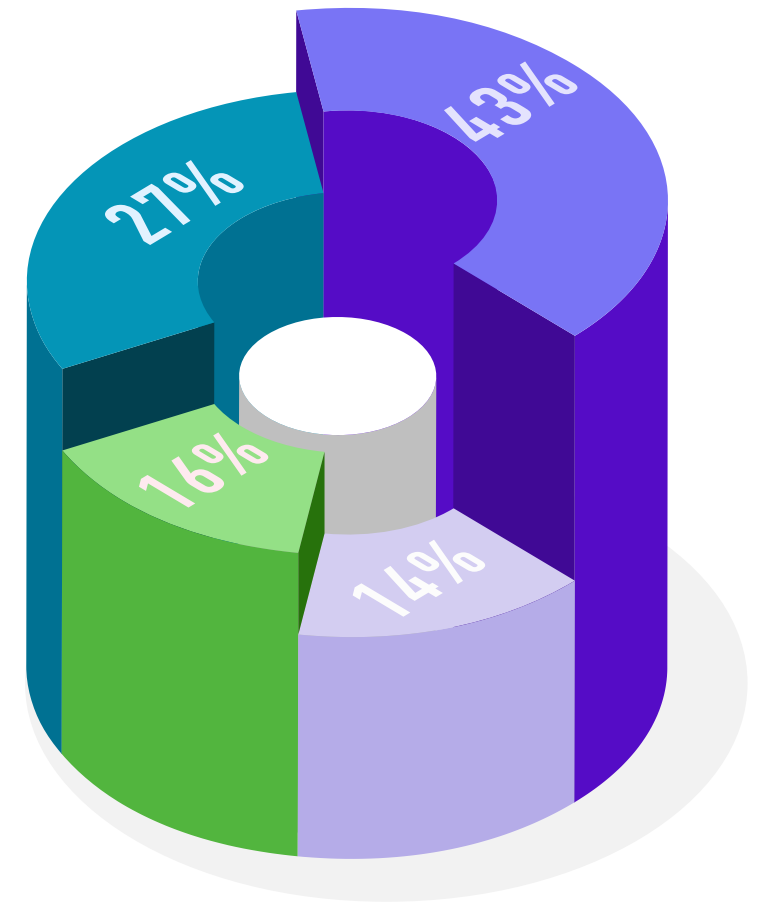


Segment inventory

- Specialized predictive models for the patient account
- Technology to predict when estates will open



Measuring progress and effective reporting



Create specialized estate training and compliance programs

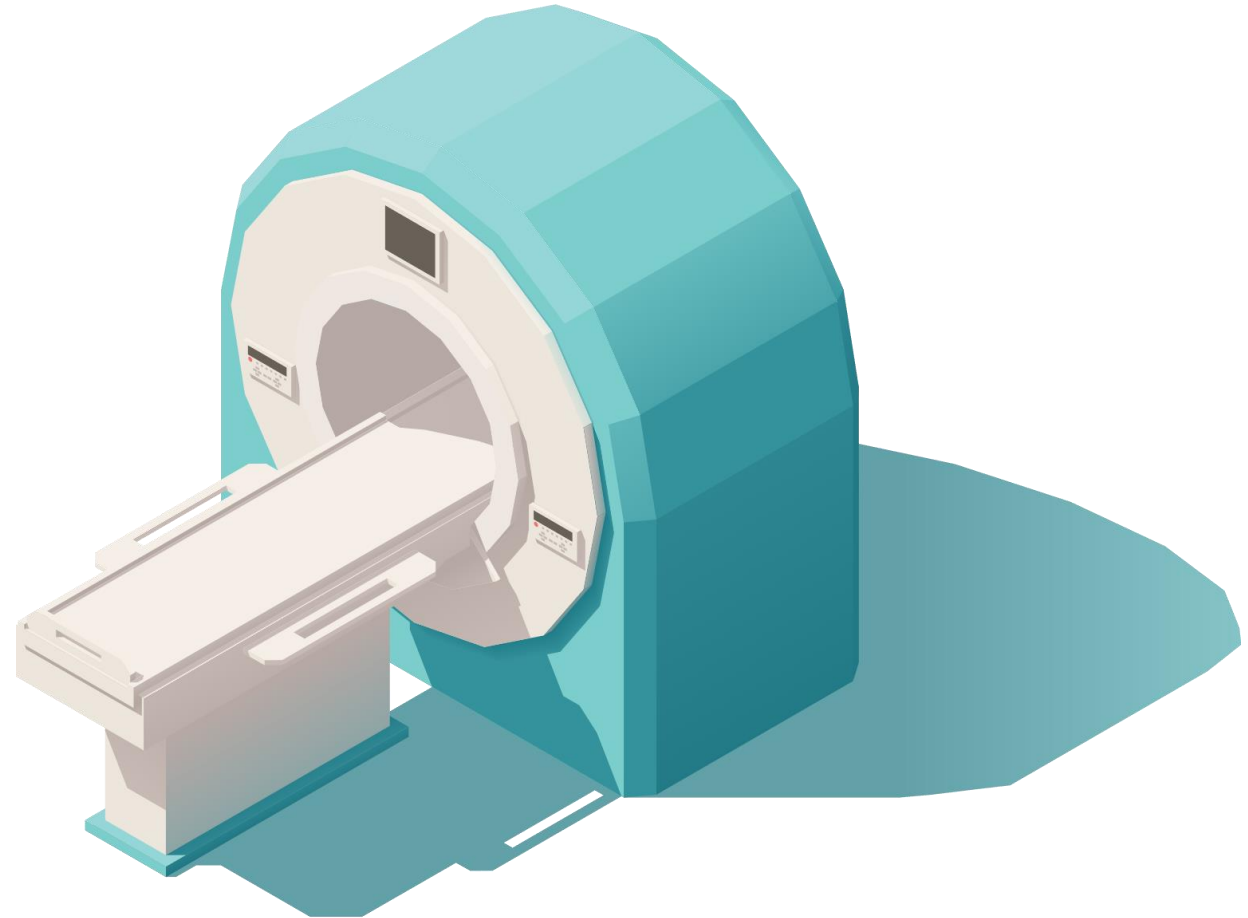
Proactive decedent identification, nationwide estate location enhances:

- Compliance by removing accounts from traditional collection streams
- Put providers in touch with right parties
- Reserves right to payment in a timely fashion with correct forms
- Reduces unnecessary contact with surviving family members who **are not** personal representatives



Diagnosing your symptoms

Specialty revenue cycle bankruptcies



Medical debt is the
number one reason
Americans cite for
filing bankruptcy



ACA reduced the number of uninsured, but...

- Patient deductibles and co-pays are increasing
- Many people filing bankruptcy are actually insured



A horizontal bar chart with a dark blue bar representing 75% of the total length. The percentage '75%' is written in white text at the end of the bar.

75%

Percentage of Americans with medical insurance and bill problems that report using up savings

A horizontal bar chart with a medium blue bar representing 42% of the total length. The percentage '42%' is written in white text at the end of the bar.

42%

Percentage of Americans who have taken an extra job to pay for medical bills

A horizontal bar chart with a light blue bar representing 20% of the total length. The percentage '20%' is written in white text at the end of the bar.

20%

Percentage of all people with health insurance that report struggling with bills

A horizontal bar chart with a light blue bar representing 53% of the total length. The percentage '53%' is written in white text at the end of the bar.

53%

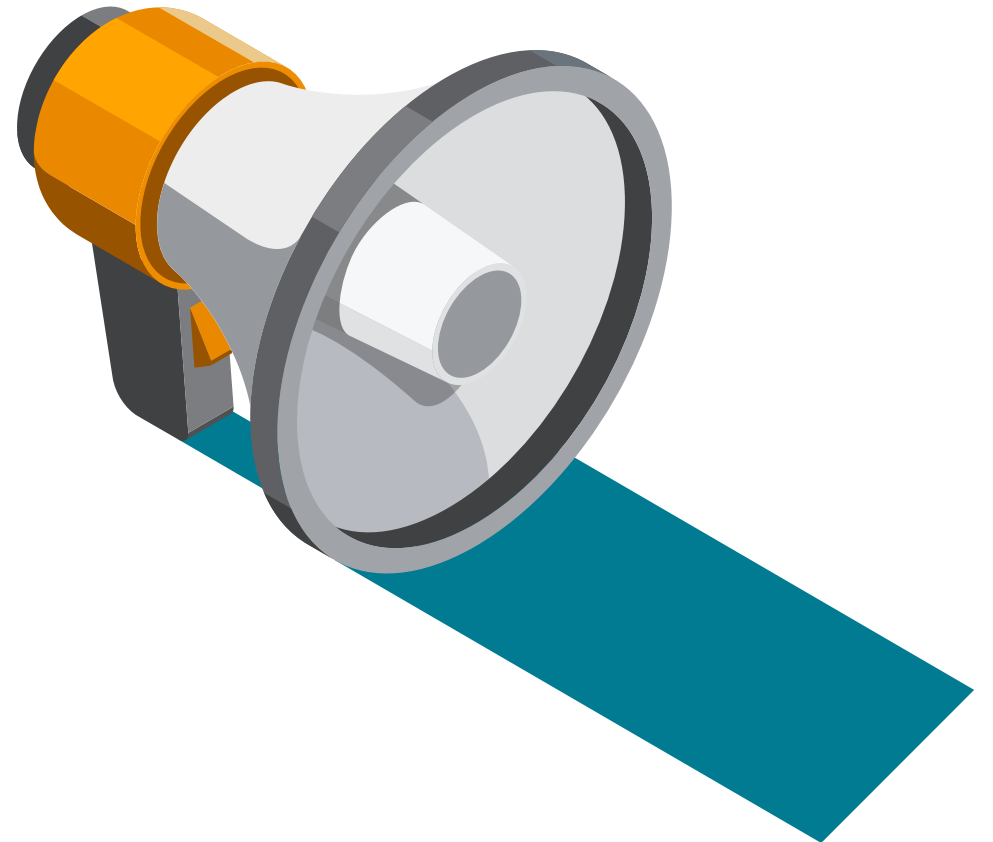
Percentage of all people without health insurance that report struggling with bills

Bankruptcy: the historical approach



In-house notification

- In-house notices
- Received from agencies
- Missing notices mailed to payment processing center or other nonspecific address



The most common method
is to write off the debt



Filing

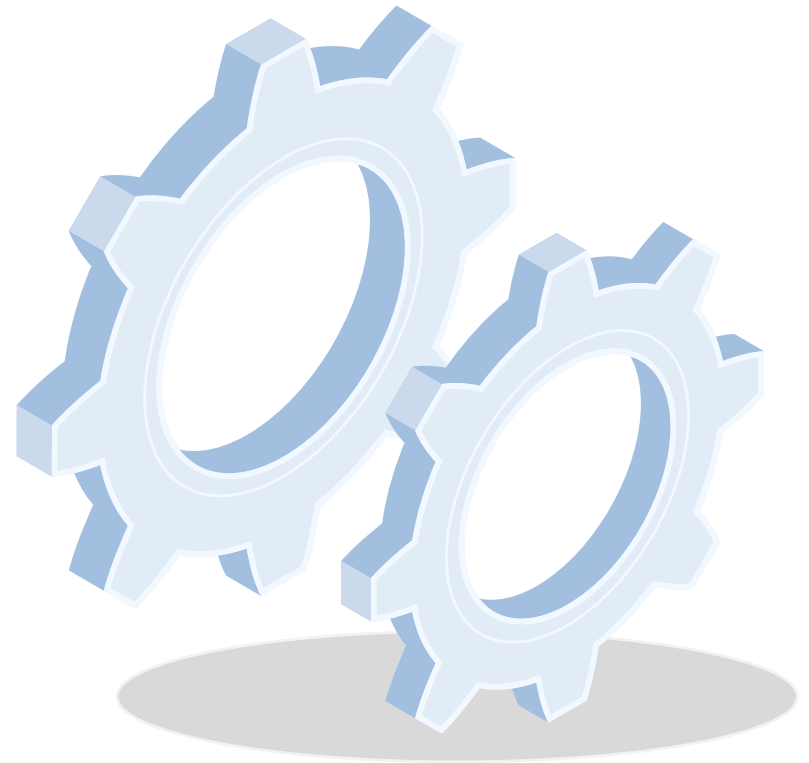
- Attempt to file in-house
- Highly manual
- Lack of resources



Resource inefficiencies



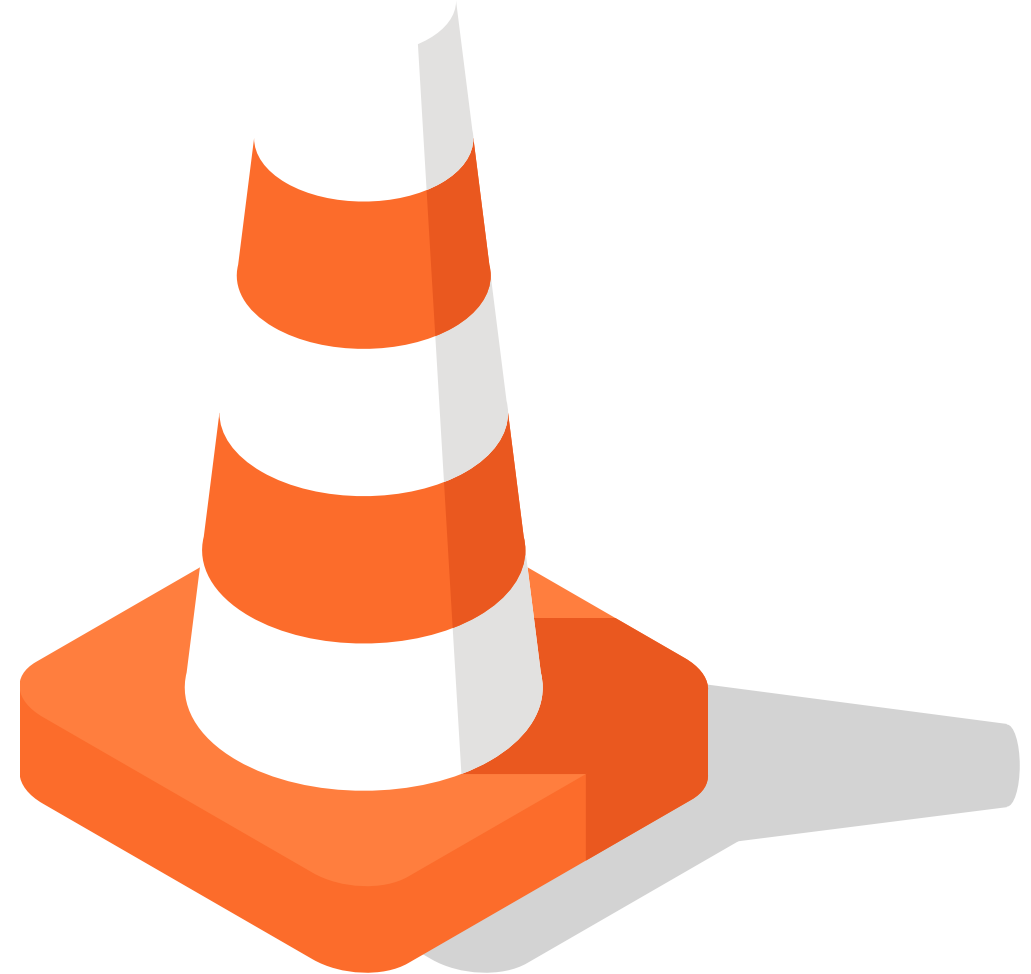
Why you need a specialized bankruptcy strategy



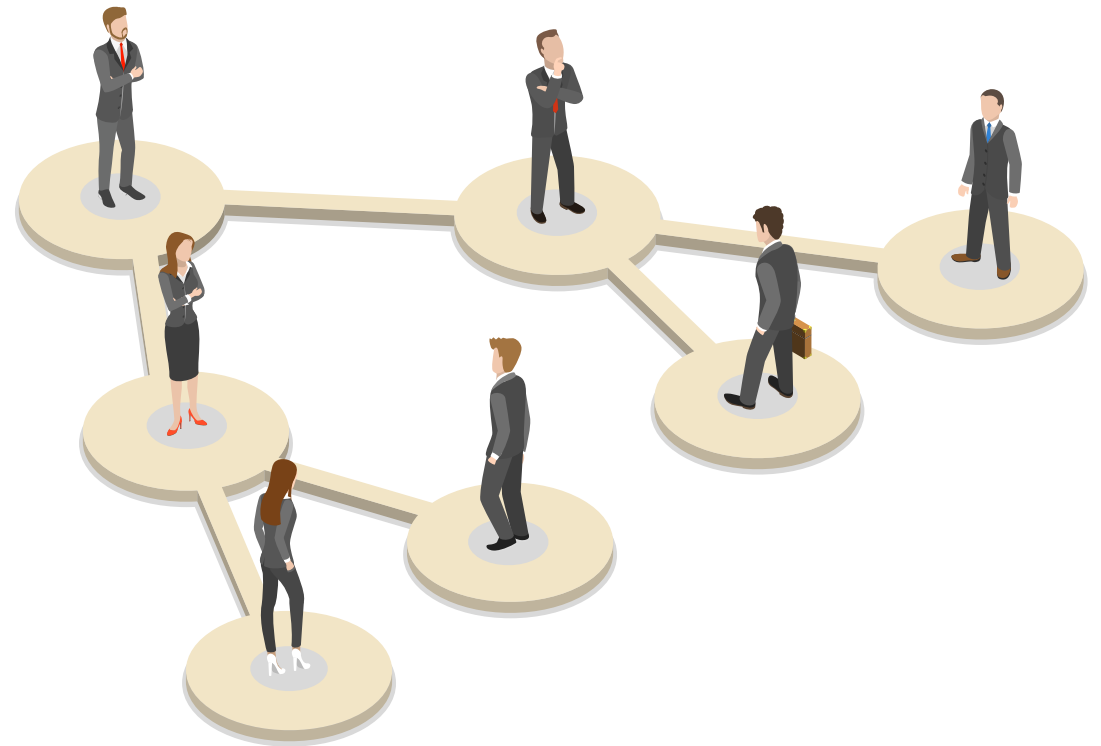
Valuable revenue



Proactive risk mitigation

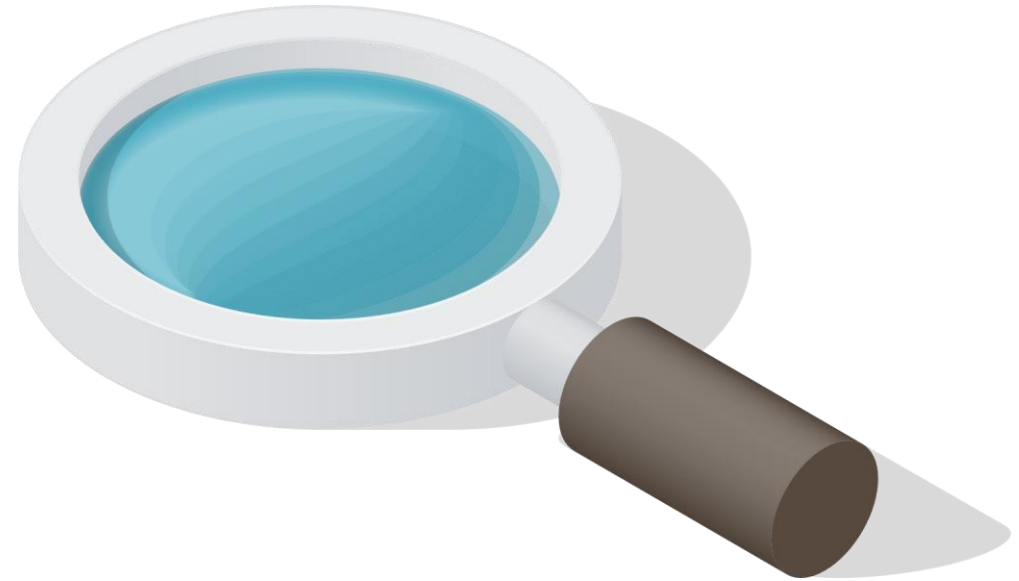


Streamlined and transparent process

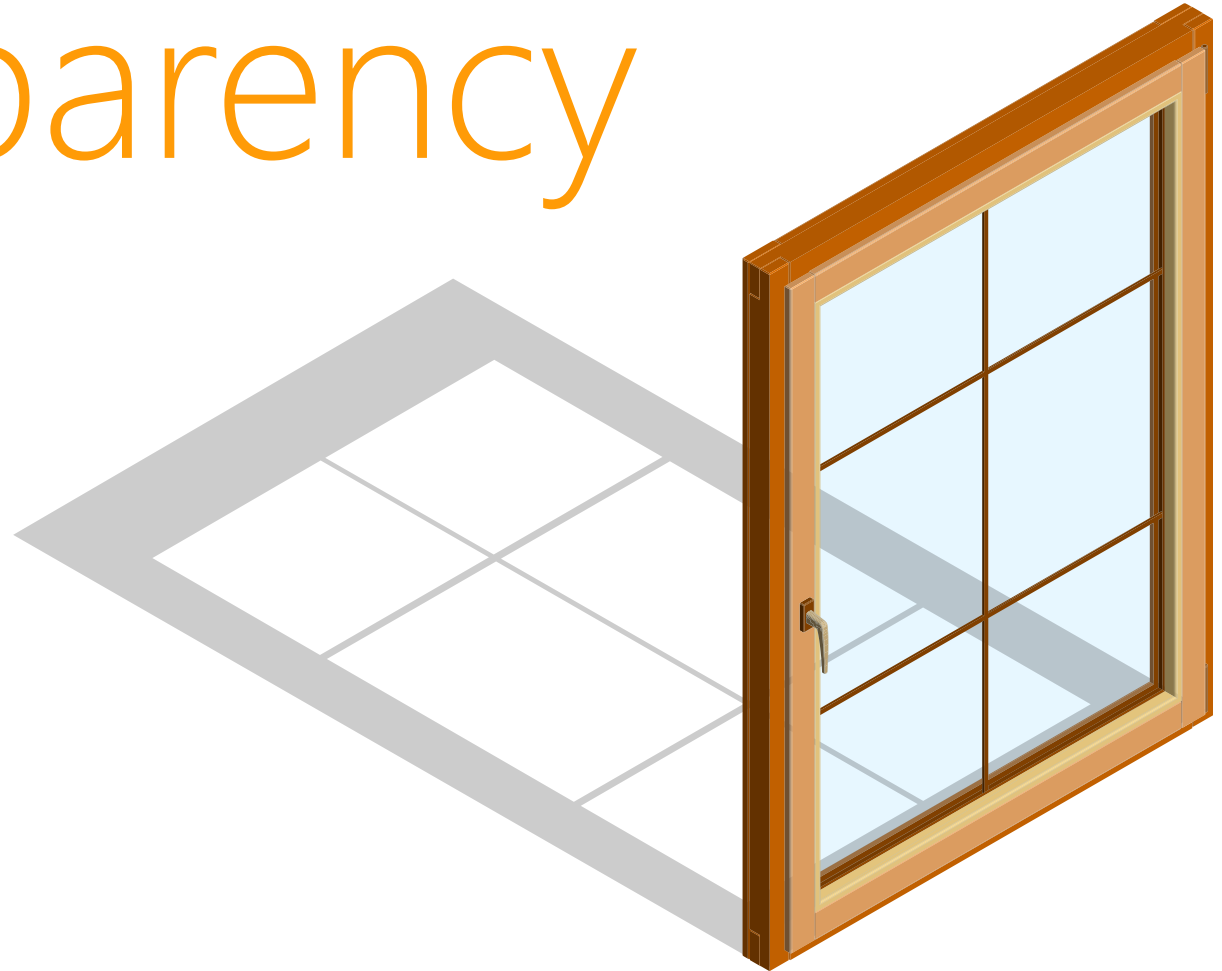


Bankruptcy identification and claim filing

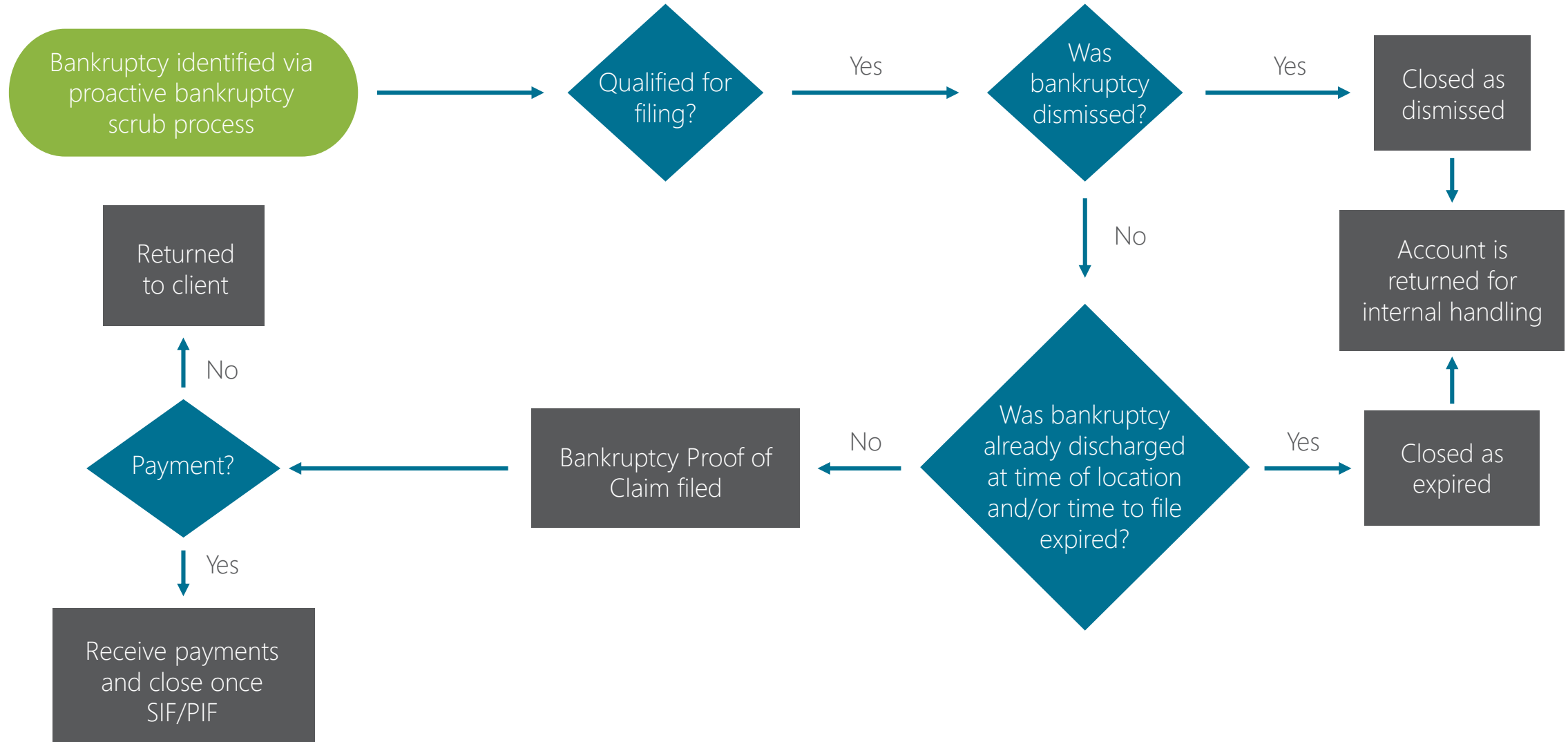
- Automated and electronic claim filing procedures on all Chapter 7a and 13 bankruptcies
- Assembly of necessary documents
- Completion and review of final proof of claim documents
- Timely filing of claims with the courts
- Proactive identification



Process optimization and transparency



Process flow



The value



Bankruptcy

A dose of compliance and new revenue.

- Compliance
- Stronger controls
- Streamlined process
- Greater transparency
- Increased recovery





Case studies



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Case study 1



Background

Integrated non-profit system located in the SE United states operating 42 hospitals, 37 urgent care locations, and other clinics.



Opportunity

- 8 FTE engage in a fully manual process of finding estates
- Reactive decedent identification
- No non-probate or trust strategy
- Process was costly
- Returns were minimal

Solutions

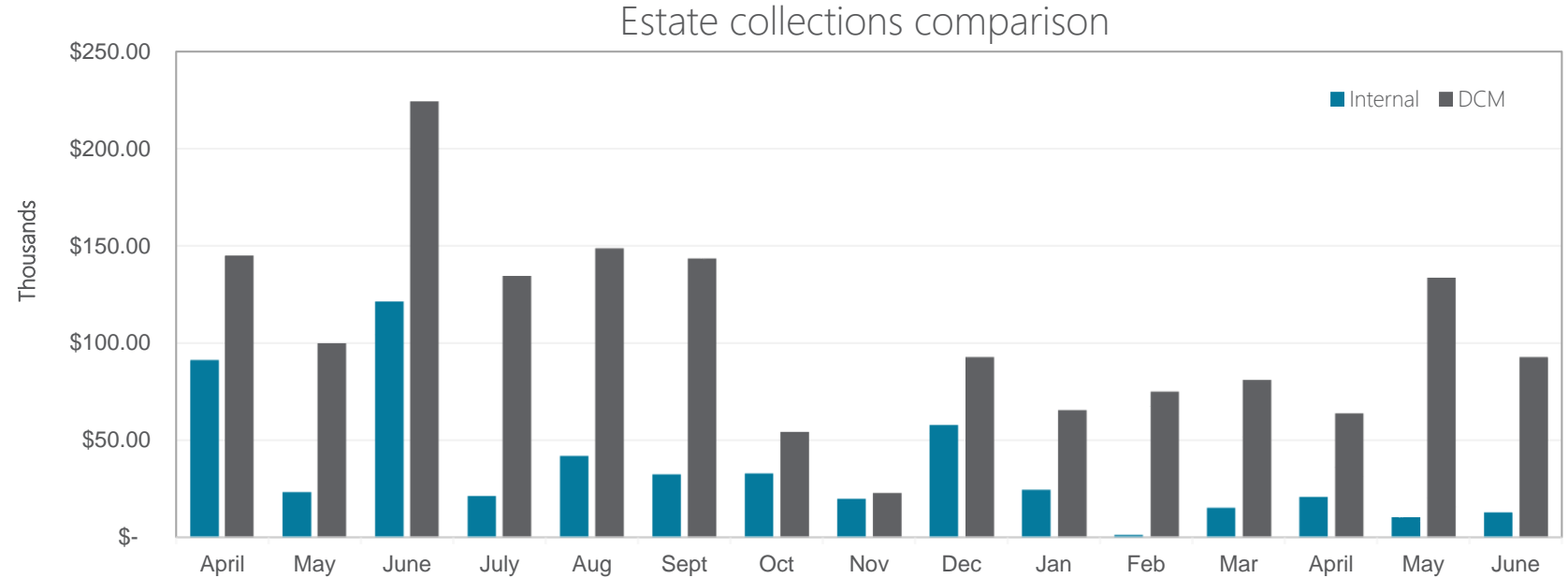
- DCM Services Signature Service
- Proactive scrubbing in place
- Continuous nationwide automated estate searches
- Expert management of claims
- Best in class survivor experience

Case study 1



Results

- **Located over \$5.5M** in probate estates in first year of partnership
- **Recovered over \$2.1M** in the first year of the partnership



Ability to
reallocate 8 FTE



450% increase
in revenue



All up-front costs
eliminated

Case study 2

Background

A prestigious, non-profit academic health system in the north-eastern. Nationally recognized as a leader in 14 care specialties by US News and World Reports, they leads the way in the region and nationally in both care and revenue cycle management. As early as 2010, they recognized an opportunity to create better process, revenue capture and compliance in the area of estates. To meet this need, they created an extensive search and RFP process to choose the best specialty revenue cycle partner in all of these areas.

Before Partnering with DCM Services, they recognized that they had:

- Reactive approach to identifying deceased and probate accounts.
- No formal decedent recovery process, resulting in increased reputational risk.
- Filed or presented a small fraction of potential estate and trust claims.



Case study 2

Solution



Worked with DCM Services to create and implement a comprehensive estate compliance and recovery strategy.

- Implemented best-in class compliance and enhanced survivor experience.
- Transformed reactive probate estate notification and manual search processes to fully automated, nationwide and continuous and probate estate location solutions.
- Automated claim preparation and claim filing processes, which manages changes among 20,000 claim package variables.
- Added clear transparent and replicable processes to recover funds never captured before from non-probate estates and trusts.
- Added robust reporting in all areas for full transparency
- Engaged expert estate and trust claims and non-probate estate management.
- Relationship inception September 2015.



Case study 2



Results

- Fully compliant program meets requirements of state and federal collections laws, HIPAA/HITECH and other privacy laws, CMS Provider Reimbursement Requirements, state probate codes and local probate rules.
- Detailed reporting on all relevant data.
- Improved survivor and patient experience resulting from streamlining of processes and special handling by experts.
- Mitigated reputational risk while increasing collections.

First year of partnership

- **Located \$4.4 million in probate estate accounts.**
- **\$42.4M in total deceased opportunity identified.**
- **\$2.7M recovered since the start of the relationship.**
- **\$2.2M in projected annual steady state revenue.**



Q&A

Please contact Angela Horn, VP,
Corporate Counsel for next steps
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612-384-6210



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