

Case Study

BLUEFIELD REGIONAL MEDICAL CENTER

Organization

A not-for-profit, 240-bed community medical center with more than 125 physicians serving southern West Virginia and southwestern Virginia

Challenge

Manual chargemaster processes – inability to ensure accurate charge capture, billing, reimbursement and compliance

Solutions

Craneware's Chargemaster Toolkit® to automate chargemaster management, and Bill Analyzer to improve charge capture, identify missed revenue opportunities, and produce clean and compliant claims

Results

\$1.1 million net revenue gain the first year, including \$660,000 attributed to a single recurring CPT coding error identified by Bill Analyzer

Craneware Revenue Integrity Solutions™ help a community medical center identify and address root causes of revenue leakage, making sure that all charges are captured and billed properly.

“Craneware confirmed that we were not billing appropriately – undercharging in high-volume departments. Without Bill Analyzer, we would not have discovered the primary source of significant amounts of missed revenue.” – Megan McNamara, Chargemaster Coordinator

Automated Tools Replace Inefficient Manual Processes

Faced with mounting debt and shrinking reimbursement during the economic downturn in 2009, Bluefield Regional Medical Center in Bluefield, West Virginia, began seeking solutions that would eliminate time-consuming, inefficient manual processes. “We realized we had to change the way we were doing business or go out of business,” says Richard Cox, Director of Materials Contract Management. “No one knew if charges were accurate. We thought we were missing revenue opportunities, but didn't know the full extent of the leakage.”

Clearly, manual chargemaster management and periodic reviews by consultants (once every three years) were not working to improve financial performance and comply with continually changing charging, coding and billing requirements. Using spreadsheets and forms provided by consultants to manage chargemaster changes was inefficient and unreliable, notes Cox. “We had no consistent notification procedure, no record of changes – no audit trail.”

As the number of denied claims increased, reimbursement steadily declined and compliance was a serious concern. “We were using CPT codes that had been deleted or replaced, and were receiving no payment as a result,” adds Megan McNamara. “And we were missing additional revenue by failing to capture charges according to state-mandated reimbursement percentages.”



“The bottom line for us is that the results have exceeded, and continue to exceed, any expectations we might have had prior to using the software.”

Richard Cox, Director of Materials
Contract Management

Case Study: Bluefield Regional Medical Center

Ultimately, the growing discrepancy between the amount charged and the amount of reimbursement eventually received led to the key question: "Are we doing all we can do to optimize reimbursement?"

Bluefield began by setting their top priorities: capturing all charges, ensuring accurate coding, producing compliant claims, and instilling accountability. Extensive research for the right automated solution led to Craneware. Cox recalls the process well. "We looked at other companies and chose Craneware because they offered: 1) the most complete understanding of the healthcare industry's charge process – and therefore have a comprehensive package of products designed to serve our diverse facilities; 2) a phased-in implementation process; 3) strong customer support; and 4) services that support process improvement."

Because charge capture was a difficult challenge and offered the most potential for revenue enhancement, Cox and his colleagues saw the value of using Craneware's Chargemaster Toolkit in conjunction with Bill Analyzer to maintain a solid chargemaster and produce clean, compliant claims. By giving Bluefield full visibility into billing data, Bill Analyzer reconciled data within the chargemaster to provide immediate and ongoing feedback on charge capture performance, identify missed revenue opportunities and report compliance risks.

To strengthen their overall proactive approach, Bluefield also purchased Patient Charge Estimator™, part of Craneware's Strategic Pricing solutions, designed to simplify the process of providing upfront estimates for inpatient and outpatient services.



With Bill Analyzer, McNamara and her staff can systematically review claims to identify underlying causes of missed charge capture opportunities and coding errors, thereby eliminating recurring errors permanently. In the most compelling case to date, the software identified a "device to procedure" issue in which device codes were listed with no related surgical procedure. Further investigation revealed that for any claim with more than one surgical CPT code, the second (and any thereafter) had been removed. This pattern of error represented a significant loss, as the hospital performs over 20 procedures with related second procedures that account for 50 percent of the cost.

As a result, an estimated annualized potential of \$660,000 was discovered by running a report of every patient who had undergone more than one surgical procedure. "Without Bill Analyzer, this error would not have been found," says McNamara. "The software helped us pinpoint the problem at its source and also identified staff education needs."

"Without Bill Analyzer, this error would not have been found. The software helped us pinpoint the problem at its source and also identified staff education needs."

Megan McNamara,
Chargemaster Coordinator

Craneware Professional Services Leads Process Change

Installing new software is only part of the solution – establishing a related process to manage new technology is essential. For Bluefield, process change was a major goal. “Craneware Professional Services worked closely with us to create a new process that would produce optimal outcomes,” says Cox. “Their initial assessment included nine specific recommendations that gave us the ability to see how much more efficient we could be. As a result, we’ve streamlined workflow and improved operational efficiency by 90 percent.”

Educating clinical and financial departments on the most efficient use of Bill Analyzer reports was a top priority for McNamara. “Craneware’s training and ongoing support have been vital to making sure we use the tools most efficiently to prevent revenue leakage and improve financial performance for our organization,” she says.

In addition, education to promote understanding of charging, coding, and compliance issues has yielded substantial benefits, according to McNamara. “Our billing manager now understands why she’s receiving certain edits and knows what actions to take. With Online Reference Toolkit®, the documentation is right there—a reference for billable services, compliance regulations, and current coding information. We no longer have to search the CPT manual for codes. This is a really great benefit.”

Prior to implementing Bill Analyzer, Bluefield was missing numerous high-dollar charges due to billing errors, and had no means of identifying the root causes of these hidden problems. “With more and more pressure on hospitals to increase revenue, improve operational efficiency, and meet compliance, Bill Analyzer is an invaluable tool for continually identifying missed charges and making sure we’re billing and being reimbursed properly,” concludes McNamara.

“Craneware Professional Services helped our staff streamline workflow and improve operational efficiency by 90 percent.”

Richard Cox, Director of Materials Contract Management



Craneware's Professional Services team completed a post-implementation assessment, identifying areas of highest financial risk based on an analysis of Bill Analyzer data. With a clear action plan in hand, Bluefield continues to improve financial and operational performance toward a goal of sounder revenue integrity. Cox attributes their success so far to a combination of best-practice technology and process change. "Our financial goal was to turn gross revenue into more net revenue," says Cox. "Within one year we surpassed a modest goal of \$1 million in gross revenue, achieving a net revenue gain of \$1.1 million. The bottom line for us is that the results have exceeded, and continue to exceed, any expectations we might have had prior to using the software."



About Craneware

Craneware (AIM:CRW.L) is the leader in automated revenue integrity solutions that improve financial performance for healthcare organizations. Craneware's market-driven SaaS solutions help hospitals and other healthcare providers more effectively price, charge and code for services and supplies associated with patient care. This optimizes reimbursement, increases operational efficiency and minimizes compliance risk. By partnering with Craneware, clients achieve the visibility required to identify, address and prevent revenue leakage. To learn more, visit craneware.com.



Email: info@craneware.com
Toll-free: 1-877-624-2792
craneware.com