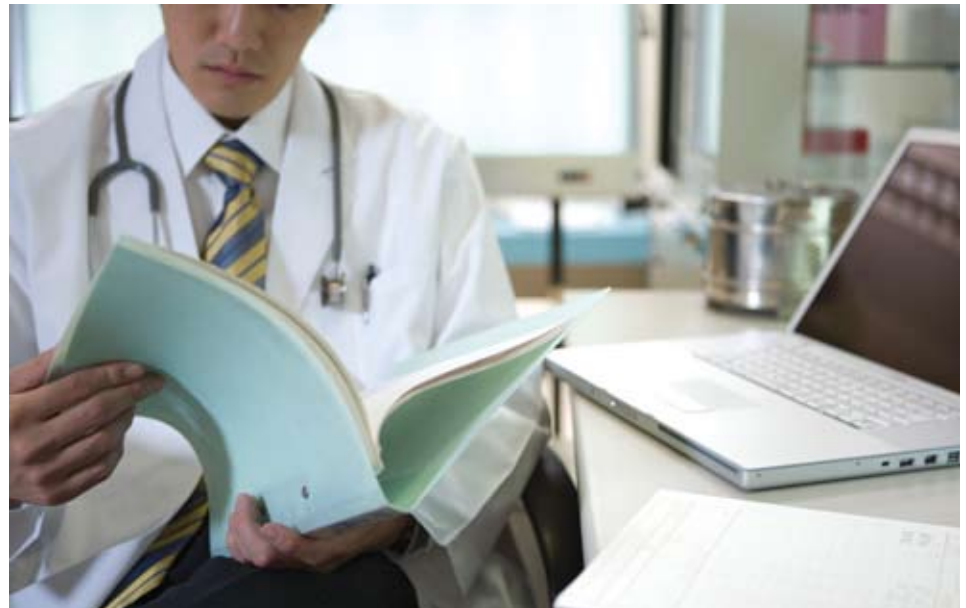


# INGENIX<sup>®</sup>

## Indian Stream Health Center Reduces AR Days, Cuts Costs, and Gains \$135,000 in Increased Revenue with Ingenix EncoderPro Expert

### Highlights

- With Ingenix EncoderPro Expert, Indian Stream Health reduced its AR days from 82 to 45 in less than three months.
- Ingenix EncoderPro Expert has allowed Indian Stream Health to be more accurately reimbursed for the services it provides, resulting in a cumulative, projected three-year revenue increase of \$135,000.
- Indian Stream Health has gained a return on investment of more than 1,000 percent from the use of EncoderPro Expert, with a payback period of one month.
- Indian Stream Health has reduced its clearinghouse fees by deploying Ingenix EncoderPro Expert.



### Challenges

Indian Stream Health Center is a federally qualified health center and the most comprehensive provider of primary care to residents of 20 rural communities in New Hampshire, Vermont, and Maine. The area it serves is one of the most isolated and sparsely populated rural regions in New England. Many residents are French-speaking, with English as a second language, and many elderly speak primarily French and have some difficulty understanding English.

The residents it serves are often older than the overall population, and many are low-income, uninsured, or under-insured. Many receive government-related health insurance such as Medicare and Medicaid rather than having private insurance.

Indian Stream Health was using a coding application that had very limited scrubbing capabilities, leading to a variety of problems with getting adequate reimbursement for the services it provides. Indian Stream Health set out to deploy a system that would:

- **Reduce AR days.** Due to the number of rejections and need to re-file claims, AR days were more than Indian Stream Health wanted—more than 80 days. This caused cash flow problems that Indian Stream Health wanted to resolve in a more timely manner.
- **Get more accurate reimbursement for the services it provides.** Indian Stream Health had a limited automated way to scrub claims or to ensure that it was billing properly for the medical services it provided to its clients. It relied on manual work and its coders remembering the proper codes. It wanted to ensure that it was receiving the proper reimbursement for the services it provides, so that it would have enough revenue to provide the best health care possible for its clients.

- **Improve staff productivity.** The software that Indian Stream Health used did not include a comprehensive automated tool for scrubbing. Because of that, employees spent a great deal of time performing manual tasks, resubmitting claims, and focusing on other time-consuming work. Staff members, for example, had to look up codes in codebooks, which was inefficient. Indian Stream Health was looking for a solution that would increase the number of claims done per staff member, and free staff for higher-level, value-added tasks.
- **Reduce costs.** Indian Stream Health was paying clearinghouse fees that it wanted to reduce.

“Because we’re in a rural area with a population with unique health care needs, we need to find ways to be more efficient so we can provide the highest level of care possible,” says Mary Beth DeGray, Indian Stream Health Center Revenue Cycle Manager. “We knew that we needed a more efficient way to process claims, in order to decrease AR days and be reimbursed properly for the services we provide. That way, we would be able to better handle the health needs of our clients.”

“Ingenix EncoderPro Expert has cut down on the number of rejections, reduced re-work, and decreased the average number of AR days. It has also improved our productivity, and ensured that we get reimbursed properly for the services we provide.” —Mary Beth DeGray, Indian Stream Health Center Revenue Cycle Manager

## Solutions

Indian Stream Health Center began looking for a new solution, and quickly chose Ingenix EncoderPro Expert. DeGray had previously used Ingenix products at a hospital billing department in Massachusetts, and had been impressed with the service’s ease of use, efficiency, and the way it had saved the hospital time and money. She was also impressed by the quality of the support offered by Ingenix.

“I immediately began looking to Ingenix and their products,” she remembered. “I like their expert edition of the CP coding books and ICD-9 books. And when looking at EncoderPro Expert online software, I saw that we could go towards a much more automated process and get away from using books.”

Ingenix EncoderPro Expert eliminates time-consuming code lookup in multiple books, improves productivity with efficient claim preparation, and reduces claims denials. It provides online access to a powerful search application for all CPT, HCPCD, and ICD-9-CM code sets plus Ingenix and Medicare coding guidelines to ensure coding accuracy, improve billing performance, and reduce rejected claims.

Ingenix EncoderPro Expert includes a “Compliance Check” feature, which allows Indian Stream Health to check claims for compliance against the large rule set of Ingenix ClaimsManager. The rule set includes more than 75 rules for Medicare and more than 50 rules for commercial payers. By entering the procedure and diagnosis codes from the claims, Indian Stream Health is able to see up front what coding issues need to be addressed in order to properly submit clean claims.

## Results

Ingenix EncoderPro Expert has reduced rejections and AR days, ensured that Indian Stream Health is more accurately reimbursed for the services it provides, improved the efficiency of Indian Stream Health staff, and offered Indian Stream Health significant financial benefits. As a result of the deployment, Indian Stream Health will gain a projected, cumulative, three-year revenue increase of \$135,000. The project has a return on investment of more than 1,000 percent and a payback period of one month. Indian Stream Health would have identified and eventually collected the increased revenue, but Ingenix EncoderPro Expert has expedited the process.

“We are now able to scrub claims more comprehensively than with what is offered in our practice management system, and make sure that they go through correctly the first time,” DeGray says. “This has significantly cut down on the amount of rework and resubmissions we have to perform, and reduced rejection rates.”

Ingenix EncoderPro Expert has also increased the efficiency of Indian Stream Health staff because of the automated way it handles claims. “We have to keep our costs down, and I can’t possibly hire the amount of staff it would take to run billing, so we all do multiple tasks,” DeGray says. “Having EncoderPro Expert is very cost-effective for us.”

“We’re also more accurately processing claims,” she adds. “In the past it would take time for someone to pull all the information about a rejected claim, re-file the claim, send an appeal letter, and correct the claim. We have been able to decrease the number of appeals using this product.”

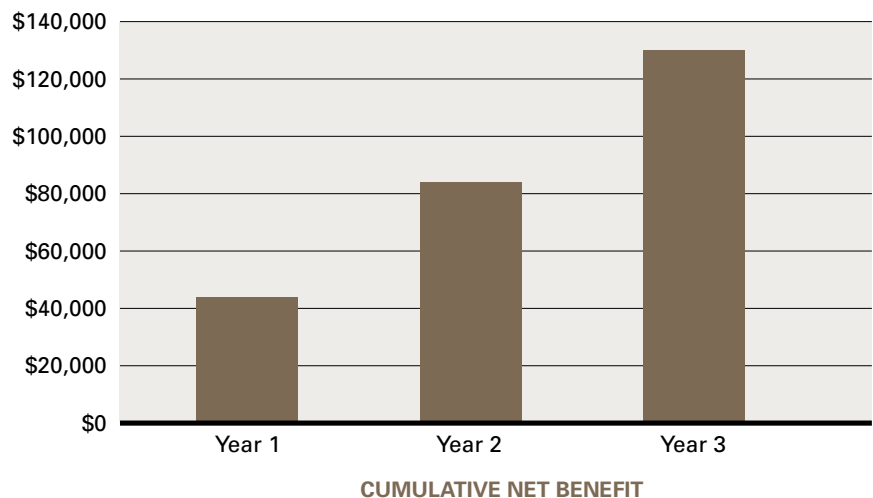
Because claims are more accurate, she says, the percentage of payment is higher as well, and denial rates have gone down. As a result of all this, AR days have dropped dramatically. Before the use of Ingenix EncoderPro Expert, Indian Stream Health had an average of 82 AR days. In less than three months, that number dropped to 45.

Ingenix EncoderPro Expert also checks to make sure that the proper codes are put in for procedures and health services, ensuring that Indian Stream Health gets accurately reimbursed for the services it provides. As a result, Indian Stream Health will gain a projected, cumulative \$135,000 in increased revenue over three years. In addition, with Ingenix EncoderPro Expert, Indian Stream Health was able to reduce its payment for clearinghouse fees, for a projected, cumulative savings of \$1,224 over three years.

Perhaps most important of all, though, is that Ingenix EncoderPro Expert has helped Indian Stream Health provide better health services.

“By saving us money and bringing in more revenue, we are able to devote more resources to the people we serve,” DeGray says. “We handle a lot of Medicaid patients, and people who are underinsured, and we can use the savings we gain from EncoderPro Expert to better serve them.”

**“It is a challenge to provide the best care to a rural population with unique health care needs. By improving our productivity and increasing our revenue, EncoderPro Expert allows us to put all of our resources to helping our target population, and provide them with the best health care possible.” — Mary Beth DeGray, Indian Stream Health Center Revenue Cycle Manager**



**PROJECT SUMMARY**

ROI (3 years) Over 1,000%

Payback Period (in months) 1

Cumulative Net Value (3 yrs) \$129,591

<b>Project Costs</b>	<b>Start Up</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>TOTAL</b>
Annual Costs	\$2,211		\$2,211	\$2,211	\$6,633
<b>TOTAL PROJECT COSTS</b>	<b>\$2,211</b>	<b>\$0</b>	<b>\$2,211</b>	<b>\$2,211</b>	<b>\$6,633</b>
<b>Benefits</b>	<b>Start Up</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>TOTAL</b>
Clearinghouse Savings		\$408	\$408	\$408	\$1,224
Revenue Impact		\$45,000	\$45,000	\$45,000	\$135,000
<b>TOTAL BENEFITS</b>	<b>\$0</b>	<b>\$45,408</b>	<b>\$45,408</b>	<b>\$45,408</b>	<b>\$136,224</b>
<b>Financial Analysis</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	
Net Value	(\$2,211)	\$45,408	\$43,197	\$43,197	
Cumulative Net Value	(\$2,211)	\$43,197	\$86,394	\$129,591	
Net Present Value	\$109,162				
Payback Period (in months)	1				
ROI	Over 1,000%				

The results presented above reflect generally expected performance in the given circumstances. Results may vary, depending on the product and the procedures currently used within an organization.

**About Indian Stream Health Center**

Indian Stream Health Center is a federally qualified health center and the most comprehensive provider of primary care to residents of 20 rural communities located in New Hampshire, Vermont, and Maine. Its 850 square mile service area is in one of the most isolated rural regions in New England and is sparsely populated with 6.7 people per square mile. Within the 20 communities there are over 8,000 residents. The percentage of the population that speaks French is 14%. Many residents are bilingual with English as a second language, and many elderly speak primarily French and have some difficulty understanding English.

**About Ingenix**

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