

# Optum™ to Manage Bethesda Healthcare System's Revenue Cycle

Achievements in Revenue, Productivity, and Operational Excellence



Founded in 1959, Bethesda Healthcare System is a nonprofit health care organization serving the medical needs of Florida's South Palm Beach County, with a mission to provide quality health services in a caring manner.

## Challenges

Bethesda Healthcare System faces the same financial strains as do other health care institutions, including price erosion and rising costs, and it strives to use its resources for the maximum possible impact. Bethesda's goal is to devote those resources to focusing on its core mission of providing the highest level of patient care. To that end, it was seeking a partner that would provide a comprehensive revenue cycle management program for its hospital and outpatient facilities. It wanted a partner that would help accomplish the following:

- **Control operational costs.** Administrative and operational costs continue to rise across the entire health care industry. Bethesda wanted a partner that would help decrease those costs, particularly related to the revenue cycle.
- **Deliver predictable revenue streams and improve financial performance.** As reimbursement rates for services erode, it has become increasingly important that Bethesda receive prompt, accurate reimbursement for the services that it provides.

## Highlights

- Optum initiated its Margin Performance Program by training each associate in Lean Six Sigma-based methodology in order to produce an atmosphere of continual process improvement
- Optum's management of comprehensive revenue cycle functions for Bethesda Healthcare System will reduce costs and claim denials, and support prompt, accurate payments and a predictable revenue stream
- Time required to schedule appointments at Bethesda will be reduced by 20 percent
- The discharged, not final billed (DNFB) rate has improved by 63 percent
- Cash receipts have increased 28 percent

Ingenix is now OptumInsight™, part of Optum™—  
a leading health services business

Bethesda wanted an experienced partner to help accomplish that, while improving revenue cycle yield and reducing claim denials.

- **Streamline processes and improve productivity.** Bethesda was seeking a partner with substantial experience in automating workflow to eliminate administrative bottlenecks and improve productivity.
- **Improve the entire revenue cycle, from start to finish.** Bethesda wanted a company that could evaluate all of its revenue cycle functions, not just individual components. And it was looking for a true partner that would share Bethesda's goals and integrate with its corporate culture.
- **Collaborate with Bethesda on innovative approaches.** The health care industry will see significant changes over the next several years, and solutions that work today might not be suitable tomorrow. Bethesda was looking for a partner capable of new, innovative approaches.

## Solutions

Bethesda looked at a number of potential partners, and chose Optum™ to manage its end-to-end revenue cycle functions. Bethesda had already worked with Optum through its analytics, technology, services, and consulting company, OptumInsight™ (previously known as Ingenix). Bethesda used several of its revenue cycle management and other products, and had been extremely impressed with the company's industry-leading technology and world class process improvement expertise.

"It was critical that we select a partner with the depth and breadth of management experience to address the entire revenue cycle, from end to end," says Roger Kirk, Bethesda Healthcare System executive vice president and chief operating officer. "It was clear to us that Optum was an ideal partner because of that experience and the quality of their technology and staff."

"Health care institutions have to do things differently if they are going to thrive in today's competitive environment," adds Robert Hill, Bethesda Healthcare System president and chief executive officer. "Optum understands that, and was willing to work with us in a unique partnership model. And it was clear that they have the experience, expertise, and resources to implement what we need in a timely fashion."

Optum's Margin Performance Program offers more than a standard consulting engagement, and more than a routine technology installation. Its long-term, end-to-end involvement includes working side-by-side with Bethesda associates and empowering them to make sustainable changes. Optum staff members teach, coach, and mentor so that the associates on the front line have the authority and accountability to make positive, repeatable improvements, all of which results in a more engaged and proactive team environment. In addition, Optum guarantees results; under its agreement, it shares the financial risk, and only gets paid if Bethesda sees financial improvements.

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"After an extensive evaluation process, we determined Optum could best provide us with the support necessary to enhance revenue cycle performance and enable us to better meet the ever-growing needs of the community we serve."

— Joanne Aquilina, vice president of finance and CFO of Bethesda Healthcare System

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## Results

Optum™ is redesigning revenue cycle processes across Bethesda Healthcare System, using an integrated suite of technology and services, including the electronic Financial Record (eFR®) Platform, computer-assisted coding, patient financial counseling services, and medical necessity consulting. Optum also provides full-time onsite staff to help manage revenue cycle related functions, including scheduling, patient registration, health information management, patient financial services, decision support, and managed care contracting.

Using this collaborative, innovative approach, Optum staff and Bethesda staff work side-by-side to improve processes and productivity and improve revenue cycle financial performance, including reducing claim denials and supporting prompt, accurate payments. Optum uses Lean Six Sigma techniques to help improve overall efficiency, reduce costs, and increase revenue.

In the first few months of the engagement, a new automated process reduced the time it took to schedule appointments via faxes by 80 percent. For all appointments, Optum is eliminating the need to enter data into two separate systems, which will reduce the time required to schedule appointments by 20 percent overall, as well as reduce errors due to manual data entry.

Optum is also working to reduce the discharged, not final billed (DNFB) rate. Previously, these numbers were only examined in detail at the end of every month; now they are examined on a daily basis so that any issues can be immediately resolved. In addition, a consistent process has been designed for following up on physician queries and dropping accounts.

Coding efficiency has also been improved in several ways. New processes are allowing coders to better organize their notes while reviewing charts. Charts are now more readily available to them, and their work has been reorganized to allow them to focus solely on coding rather than other tasks.

As a result, DNFB numbers have declined dramatically, from \$40 million when the agreement was signed, to approximately \$15 million just four months later—an improvement of 63 percent in this short period of time. In addition, because of streamlined processes and overall improvements, in the first four months of the engagement, cash receipts increased from \$18 million to \$23 million—an increase of 28 percent.

Bethesda expects more financial benefits in the future, including reduced claim denials, increased revenue yield, reduced costs, and further improvements in efficiency and productivity.

Bethesda attributes these benefits to its unique partnership with Optum.

“The way in which we are working with the Optum team represents a new, innovative approach toward revenue cycle management,” says Joanne Aquilina, vice president of finance and chief financial officer of Bethesda Healthcare System. “It’s a true working partnership in which we work side by side with Optum rather than one in which an outside consultant comes in and takes over.”

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“Because of our partnership with Optum, we have the right tools, the right people, and the right relationship to ensure that Bethesda Healthcare System will be stronger financially, and deliver the best patient care possible.”

— Robert Hill, president and CEO of Bethesda Healthcare System

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DNFB numbers have dropped from \$40 million to approximately \$15 million in just four months.

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Robert Hill says that he expects the benefits to go well beyond revenue cycle management.

“We are looking to Optum™ to help us develop what I refer to as a sustainable ecosystem within Bethesda,” he says. “The revenue cycle is a critical component, but we are also expecting benefits related to the case mix index and the delivery of care, which will play an important role as we look at the impact of health care reforms.”

Ultimately, he believes, all this will help Bethesda fulfill its core mission—delivering high-quality health care—more effectively.

“By being on a stronger financial footing, we will be able to maximize the dedication of our resources to patients, and provide the highest level of care,” he concludes.

### **About Bethesda Healthcare System**

Founded in 1959, Bethesda Healthcare System is a nonprofit healthcare organization serving the medical needs of South Palm Beach County with a mission to provide quality health services in a caring manner. As the flagship of Bethesda Healthcare System, Bethesda Memorial Hospital is a 401-bed hospital with more than 550 physicians in more than 40 areas of specialty on its medical staff. Bethesda Memorial Hospital and its affiliates offer a full array of healthcare services, including general, vascular and endovascular surgery, maternity, neonatal and pediatric intensive care, women’s health services and the Bethesda Comprehensive Cancer Center, an Affiliate of the H. Lee Moffitt Cancer Center and Research Institute. The Bethesda Heart Hospital, a 39-bed, all private room facility, provides the most comprehensive level of cardiovascular services and is ranked among the top five percent of heart hospitals nationwide by the Society of Thoracic Surgeons. Bethesda Healthcare System is building an 80-bed community hospital on the northeast corner of Boynton Beach Boulevard and US-441. The new Bethesda West Hospital will open in early 2013. Visit us at [www.BethesdaWeb.com](http://www.BethesdaWeb.com).

### **About Optum**

Optum is an information and technology-enabled health services business platform serving the broad health care marketplace, including care providers, plan sponsors, life sciences companies and consumers. Its business units—OptumInsight, OptumHealth and OptumRx—employ more than 30,000 people worldwide. OptumInsight (previously known as Ingenix) is a leading health information and analytics, technology, services and consulting company.



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