

# INGENIX<sup>®</sup>

## Georgetown University Hospital Reduces Denial Rates, Increases Collections, and Shortens Accounts Receivable Cycle with Ingenix ClaimsManager™ and ContractManager™

### Highlights:

- Using Ingenix ClaimsManager, Georgetown Practice Group was able to reduce claim denial rates to approximately half of what they would have been
- ClaimsManager helped Georgetown Practice Group increase its gross collection rate by nearly 5 percent in eight years
- Georgetown Practice Group uses ClaimsManager to offer feedback to those responsible for coding claims, facilitating increased coding accuracy for future claims
- ClaimsManager helps Georgetown Practice Group send out bills more quickly which leads to more timely payments, a shorter accounts receivable cycle, and more accurate reimbursements
- Georgetown Practice Group uses Ingenix ContractManager to identify underpayments, and to facilitate a more precise appeals process
- Georgetown Practice Group expects to achieve a full return on investment in ContractManager in 18 months

"Ingenix ClaimsManager has helped us reduce claims denials, increase gross collection rates, and educate clinicians on proper coding technique. This has led to a shorter accounts receivable cycle and more accurate reimbursements."

— Andrew Weiss, Director of Finance and Systems, Georgetown Practice Group

### Challenges

Georgetown University Hospital, a component of MedStar Health, is one of the largest health care delivery networks in the Baltimore/Washington D.C. area. The Georgetown Practice Group, the physician group associated with Georgetown University Hospital, is constantly looking for ways to keep the costs of health care down. Toward that end, it focused its efforts on reducing underpayments and claim denial rates, shortening its accounts receivable cycle, and increasing its collection rate.

Before 2000, the Georgetown Practice Group had no comprehensive system in place for reviewing claims before submission and for handling corrections. The hospital did its best to educate its clinicians so that they did not make mistakes when preparing claims, and tried to be as effective as possible handling corrections. It recognized, however, that it could be far more efficient with a systematic claims management tool. Georgetown University Hospital set out to employ a system that would:

- **Reduce rejection rates.** Claims were being rejected for multiple reasons, including coding problems, incorrectly entered data, and services being applied to the wrong procedure. The hospital needed a solution that would allow it to systematically reduce rejection rates.
- **Identify problematic coding patterns, and fix them.** Without a tool for analyzing problematic coding and billing patterns, the hospital had no way to systematically improve the way in which it billed. It needed a comprehensive tool that would allow it to identify problematic coding patterns, and then fix them.
- **Educate clinicians on proper coding techniques.** The hospital wanted a system that would be able to create reports that could be used to educate clinicians on improving their coding techniques.
- **Shorten the accounts receivable cycle.** When claims are rejected, the hospital has to rework them, correct them, and resend them. All this leads to an increase in the amount of time it takes for the hospital to be reimbursed for its services. The hospital wanted a tool that would help shorten the accounts receivable cycle.

### Solutions

The Georgetown Practice Group investigated several solutions and chose Ingenix ClaimsManager because it was the most comprehensive system of its kind, and seamlessly integrated into the hospital's IDX (now GE Healthcare) system. Since Georgetown University Hospital installed ClaimsManager in 2000, it has become an integral part of the hospital's billing system.

ClaimsManager offers a customizable rules engine, and robust, database editing functionality. It can customize claims editing practices so that claims are automatically checked against the rules that apply to specific payer contracts

before submission—a prerequisite to rapid processing. Its Rules Creation Manager allows a rule to be built—based on department, provider, specialty, and other criteria—for any payer guideline. Rules can go beyond the clinical editing process to include such things as business rules, company policies, and procedural rules to streamline the workload and edit more efficiently.

For the Georgetown Practice Group, each charge entered into the system flows automatically into ClaimsManager, which checks each charge against a set of rules written by the hospital. Claims that are successful in passing the tests are published to the billing and accounts receivable system as invoices, and are then sent out for collection. Claims that do not pass the tests are corrected and submitted back through ClaimsManager for “pass through” and then billing and accounts receivable.

Based on the success of ClaimsManager, the Georgetown Practice Group chose to deploy Ingenix ContractManager in April of 2008 for the automation of contract compliance monitoring, underpayment identification, and appeals generation. According to Andrew Weiss, Director of Finance and Systems for the Georgetown Practice Group, ContractManager was more affordable than competing products, which were in some cases four to five times its costs. In addition, “ContractManager had the possibility of ultimately integrating with the hospital’s GE Healthcare system, something none of the competing systems did,” says Weiss. “ContractManager is far easier to use than competing systems, each of which would have required that Georgetown pay for setup, maintenance, and support,” he says. “With ContractManager none of that was required.”

## Results

With ClaimsManager as an integral part of its claims processing, the Georgetown Practice Group has been able to reduce claims denial rates and increase gross collections by nearly 5 percent in eight years. The service sends out accurate bills in a timely manner, leading to faster payments, a shorter accounts receivable cycle, and more accurate reimbursements.

According to Weiss, since implementing ClaimsManager in 2000, the charge volume for the Georgetown Practice Group has increased by 20 percent to 25 percent and in that same time the charge value of rejected claims has either declined slightly or stayed constant. The Georgetown Practice Group has been able to reduce claim denial rates to approximately half of what they would have been if it had not using the service.

To help continually improve the accuracy of the claims process, the Georgetown Practice Group uses ClaimsManager to offer feedback to those responsible for coding, facilitating more accurate coding of future claims.

“Ingenix ClaimsManager is a critical piece of our claims processing,” Weiss says. “It has proven to be a very effective education tool for front-end client departments and associated physicians. We have been able to feed information back to them that helps educate them on the coding experience and correct long-standing issues and habits that have hindered us previously.”

In April 2008, the Georgetown Practice Group deployed ContractManager to identify underpayments and facilitate a more accurate appeals process. Approximately 85 percent of the hospital’s claims volume is being sent through

**“Ingenix ContractManager is very user-friendly. With other vendors, you have to sign a contract to have them set up the product, and then pay them to maintain it, and be reliant on them for support. ContractManager is so simple to use; we can do all the work ourselves.”**

—Andrew Weiss, Director of Finance and Systems, Georgetown Practice Group

ContractManager to identify underpayments. In addition, the hospital will use ContractManager to model contracts they have negotiated to facilitate a fair payment structure. ContractManager will also become a vital part of the appeals process, by generating the necessary correspondence, and retaining a history of all transactions related to appeals. As a result, the Georgetown Practice Group expects to achieve a full return on investment for ContractManager in 18 months.

“Ingenix ContractManager and ClaimsManager are a vital part of our claims process,” Weiss says. “We are going to much more effectively support our client departments. Used together, the products will position us to more effectively negotiate with our payers and achieve more favorable rates.”

## About Georgetown University Hospital

Georgetown University Hospital was founded in 1898 to promote health through education, research, and patient care. This mission has been shaped by and reflects Georgetown’s Catholic, Jesuit identity and heritage. With a 609-licensed bed hospital and 1,100 physicians, Georgetown University Hospital and the Georgetown Practice Group’s clinical services represent one of the largest health care delivery networks in the Washington D.C. area. The hospital is consistently ranked among the best in the nation by *U.S. News and World Report*. Georgetown is the first hospital in the district to be awarded “Magnet Status” by the American Nurses Credentialing Center (ANCC). This coveted international award, earned by health care organizations providing the best nursing care and practices, has only been achieved by fewer than two percent of hospitals nationwide.

## About Ingenix

Ingenix delivers Intelligence for Health Care, uniting the brightest minds to improve health care through information and technology. Ingenix serves more than 250,000 diverse health care clients including insurance companies, federal/state agencies, pharmaceutical and biotech firms, Fortune 500 enterprises, hospitals, and physicians within the health care community.

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