

INGENIX®

Hattiesburg Clinic Reduces Denial Rates by 32%, Improves Productivity, Gains Nearly \$200,000 in Net Benefits with Ingenix ClaimsManager

Highlights

- Using Ingenix ClaimsManager, Hattiesburg Clinic has reduced claim denials by more than 32%, leading to a savings of \$420,000 over five years because it does not have to rework denied claims.
- Ingenix ClaimsManager has improved productivity of Hattiesburg Clinic coders and staff, leading to a savings of more than \$144,000 over five years.
- Previously, it took up to six months to have some claims paid because of denials; now almost all claims are paid within seven to 10 days.
- Ingenix ClaimsManager integrates well with McKesson Horizon Practice Plus practice management system used by Hattiesburg Clinic.



Challenges

Hattiesburg Clinic, Mississippi's largest multi-specialty clinic, serves more than 500,000 residents in South Mississippi. It operates a six-story, 225,000 square foot clinic, 19 primary care satellite clinics, 27 off-campus specialty clinics, a three-story women's services clinic, three immediate care clinics, and 13 dialysis units. Approximately half of its patients are on Medicare.

Hattiesburg Clinic was using McKesson's Horizon Practice Plus for its practice management system. It had no system for checking claims before they were sent out for payment, which was leading to high denial rates. To solve the problem, Hattiesburg Clinic set out to employ a system that would:

- **Decrease denial rates and improve productivity.** High denial rates meant that Hattiesburg Clinic had to rework thousands of claims a year, which cost the clinic a significant amount of money in staff time. Hattiesburg Clinic was looking for a solution that would dramatically cut down on denial rates and improve the efficiency and productivity of its coders.
- **Ensure payments were received more quickly.** Denied claims often take a very long time to get paid because of rework and delays. Not uncommonly, it took up to six months to get claims paid that were initially denied. Hattiesburg Clinic wanted to make sure payments were being made in a more timely fashion.

- **Work with McKesson's Horizon Practice Plus.** Any system Hattiesburg Clinic chose had to work well with Horizon Practice Plus, the McKesson system the clinic was using for practice management.

Solutions

Hattiesburg Clinic researched potential solutions, and narrowed the choice to three vendors. It chose Ingenix ClaimsManager because ClaimsManager offered the most sophisticated set of features, was the easiest to use, and would generate the most benefits for the Hattiesburg Clinic.

Ingenix ClaimsManager is a rules-based, front-end clinical editing tool that offers one of the most customizable rules engines in the industry, and features some of the most robust database editing functionality in the marketplace. With it, Hattiesburg Clinic reviews claims before submission in order to reduce claim denial rates, shorten accounts receivable cycles, and increase the rate of collection.

Ingenix ClaimsManager integrates with the Horizon Practice Plus practice management system used by Hattiesburg Clinic. Claims are initially entered into Horizon Practice Plus, and routed to Ingenix ClaimsManager, where they are corrected and "scrubbed." They are then sent back to Horizon Practice Plus for submission and management.

"Having Ingenix ClaimsManager work so well with Horizon Practice Plus makes our life much easier," says Brenda Gardner, Hattiesburg Clinic Coding and Reimbursement Manager. "It's like working with one integrated application, rather than two separate systems."

Ingenix also manages ClaimsManager for Hattiesburg Clinic, and helps write its rules, freeing up Hattiesburg Clinic staff to work on more value-added tasks.

"Ingenix has been an excellent partner," Gardner says. "They are in constant contact with us, asking us if there is anything they can do to help us."

"With Ingenix ClaimsManager, we have improved coding accuracy and decreased our denial rate. We also receive payments more quickly now than previously."—Brenda Gardner, Hattiesburg Clinic Coding and Reimbursement Manager

Results

Using Ingenix ClaimsManager, Hattiesburg Clinic has reduced its denial rate, increased staff productivity, shortened the amount of time it takes to receive payment for claims, and receives the proper reimbursement for the services it provides.

In addition, Hattiesburg Clinic is seeing a significant financial payback. It has gained \$197,854 in net benefits over five years as a result of the deployment, due to reductions in claims denials and improved productivity. The project has a return on investment of 54% and a payback period of nine months.

The greatest financial benefits have been gained as a result of a reduction in claims denials. Previously, Hattiesburg Clinic did not scrub claims before submitting them, and only discovered incorrect or problematic claims when they were denied, leading to high denial rates. Hattiesburg Clinic staff had to rework each of those denied claims, taking up significant amounts of staff time. Using Ingenix ClaimsManager, Hattiesburg has reduced claims denials by more than 32%, leading to a cumulative savings of \$197,854 over five years.

Because denials have been reduced dramatically, Hattiesburg Clinic is now paid more promptly for its claims. Previously, it took up to six months to get some claims paid because of denials; now almost all claims are paid within seven to 10 days.

Coders have become more productive as a result of using Ingenix ClaimsManager because they do not have to spend so much of their time reworking claims. Coders also now have time to receive special training. As a result of productivity improvements, Hattiesburg Clinic has gained \$144,274 in benefits over five years.

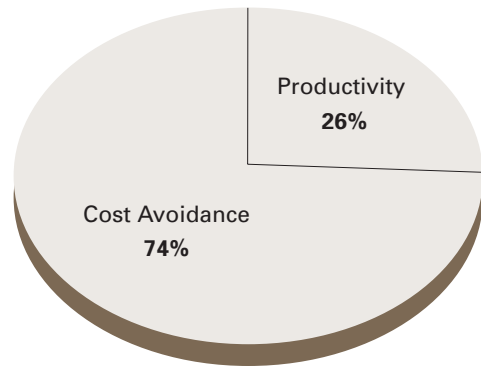
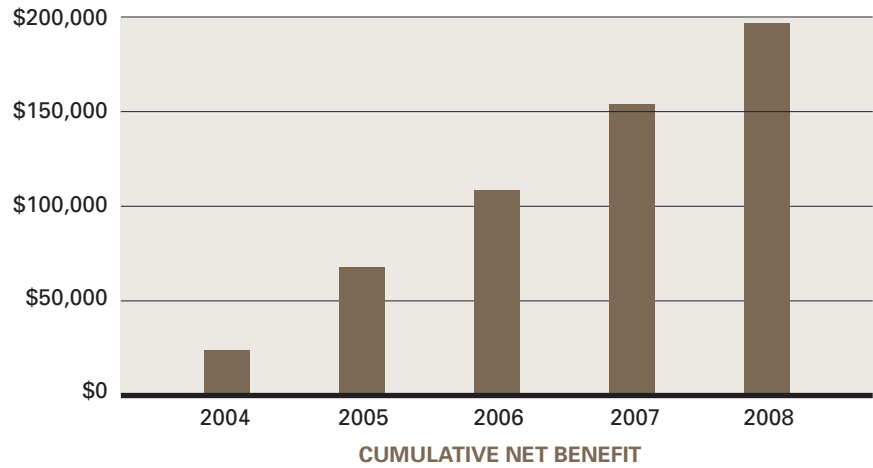
“We have been very pleased with the way that Ingenix ClaimsManager integrates with McKesson’s Horizon Practice Plus practice management system. That integration makes it much easier for us to do the proper coding and manage the practice.”—Brenda Gardner, Hattiesburg Clinic Coding and Reimbursement Manager

With Ingenix ClaimsManager, Hattiesburg Clinic is also more accurately reimbursed for the services it provides, because Ingenix ClaimsManager ensures that claims are coded properly. In addition, because of coding and prescribing improvements enabled by Ingenix ClaimsManager, the clinic is eligible to receive incentive payments from Medicare at the end of every year for properly complying with the Physician Quality Reporting Initiative.

Ultimately, all this goes into improving patient care. Approximately 50% of patients at Hattiesburg Clinic are on Medicare, which makes it vitally important that the clinic be on a firm financial footing, in order to provide the best care possible.

“Ingenix ClaimsManager has paid off for us, and helped save us significant amounts of money,” Gardner says. “As a result, we will be able to apply those savings towards better care for our patients.”

Project Summary						
ROI	54%					
Payback Period (in months)	9					
Cumulative Net Value	\$197,854					
Project Costs	2004	2005	2006	2007	2008	TOTAL
Support and Other Fees	\$33,760	\$33,760	\$33,760	\$33,760	\$33,760	\$168,800
Annual License	\$39,524	\$39,524	\$39,524	\$39,524	\$39,524	\$197,620
Total Project Costs	\$73,284	\$73,284	\$73,284	\$73,284	\$73,284	\$366,420
Benefits	2004	2005	2006	2007	2008	TOTAL
Cost Avoidance	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$420,000
Productivity	\$15,000	\$30,900	\$31,827	\$32,782	\$33,765	\$144,274
Total Benefits	\$99,000	\$114,900	\$115,827	\$116,782	\$117,765	\$564,274
Financial Analysis	2004	2005	2006	2007	2008	
Net Value	\$25,716	\$41,616	\$42,543	\$43,498	\$44,481	
Cumulative Net Value	\$25,716	\$67,332	\$109,875	\$153,373	\$197,854	
Net Present Value	\$151,196					
Payback Period (in months)	9					
ROI	54%					



5-YEAR CUMULATIVE NET BENEFIT = \$197,854

About Hattiesburg Clinic

Hattiesburg Clinic is Mississippi’s largest multi-specialty clinic. It serves more than 500,000 residents who live and work in South Mississippi every day. Hattiesburg Clinic’s central location is a six-story, 225,000 square foot clinic; 19 primary care satellite clinics, 27 off-campus specialty clinics, a three-story women’s services clinic, three immediate care clinics, and 13 dialysis units, located throughout southeast Mississippi.

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. For more information about Ingenix and its products and services, please visit www.ingenix.com.

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