

INGENIX®

St. Vincent Health Reduces Denials and AR Days, Doubles Productivity, and Gains More than \$4.6 Million in Benefits with Ingenix ClaimsManager

Highlights

- With Ingenix ClaimsManager, St. Vincent Health reduced denials from 20 percent to between 2 and 3 percent.
- St. Vincent reduced AR days from 63 days before the use of Ingenix ClaimsManager to 35 after deployment.
- Ingenix ClaimsManager has helped double the productivity of St. Vincent Health office staff handling claims.
- St. Vincent Health has seen a cumulative six-year net benefit of \$4,648,499 from the use of Ingenix ClaimsManager, driven by reductions in rejections and AR days.
- By contracting for Ingenix to host Ingenix ClaimsManager, St. Vincent Health has saved time and money and increased agility and uptime.



Challenges

A member of Ascension Health, the nation's largest not-for-profit and Catholic Healthcare System, St. Vincent Health is Indiana's largest healthcare employer, with 19 health ministries serving 45 counties in central Indiana.

Several years ago, the Physician Business Services department of St. Vincent's was billing for primary care only. As it began expanding billing services into specialty areas (where much of the billing had been outsourced), Physician Business Services recognized that it would need a claims-scrubbing system in order to operate efficiently. Toward that end, St. Vincent Health set out to deploy a system that would:

- **Reduce denial rates.** Denial rates were running at approximately 20 percent, which required that significant amounts of time be spent on reworking and resubmitting claims. St. Vincent Health wanted to bring down denial rates to a more manageable level, and to ensure that handling specialists' claims would not increase denial rates.
- **Reduce AR days.** Because of high denial rates, St. Vincent Health had a higher number of AR days than was ideal—63. It was looking for a system that would help it reduce denial rates and improve cash flow.
- **Work with GE Centricity.** St. Vincent Health was moving to the GE Centricity Business revenue cycle management system, and needed a solution that would integrate easily with it.

- **Keep up with growing demand and improve productivity.** Because St. Vincent Health was expanding beyond primary care to specialty care, it expected to see escalating growth in its number of claims. It needed a system that could handle very large claims volumes, and could do so easily in the face of expanding demand, without having to add significantly to staff.

Solutions

After researching solutions, St. Vincent Health chose Ingenix ClaimsManager because it concluded that Ingenix ClaimsManager was the most comprehensive solution for its needs, combining ease of use with a robust feature set.

“We were very enthusiastic about Ingenix ClaimsManager and also about its integration with the GE Centricity platform,” explains Kurt Paige, St. Vincent Health Director of Physician Business Services.

Roy Axelson, St. Vincent Health System Director, Physician RCO & IT Support, adds, “When you think of a claims scrubbing solution, you automatically think of Ingenix ClaimsManager. It’s clearly the standard. We looked at the company, the product’s reputation in the field, and saw the evidence of its success. The decision was an easy one. Why would you look anywhere else?”

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, St. Vincent Health reviews claims before submission in order to reduce claim denial rates, shorten accounts receivable cycles, and increase the rate of collection.

Deployment went quickly and smoothly. Ingenix ClaimsManager easily integrated with the GE Centricity Business revenue cycle management system. Within two months, the first group of clinics and practices went live with Ingenix ClaimsManager, and every month after that several more practices were added.

To ensure the smoothest operation and reduce costs, St. Vincent Health moved to an ASP model for Ingenix ClaimsManager, in which Ingenix hosts and manages the ClaimsManager deployment, operation, maintenance, and servers. In that way, St. Vincent Health frees up its IT staff for higher-value tasks. Overall, uptime and agility have been improved.

“Ingenix ClaimsManager has doubled the productivity of those who handle claims, and dramatically reduced our denial rates and AR days. It has been able to do this even while we have added more complex claims to our mix.”—Kurt Paige, St. Vincent Health Director of Physician Business Services

Results

Using Ingenix ClaimsManager in concert with GE Centricity Business (formerly IDX Flowcast), St. Vincent Health has significantly reduced denial rates and AR days, improved staff productivity, kept pace with dramatic claims growth without adding significantly to staff, ensured compliance by billing more accurately, and increased billable revenue.

As a result of the use of Ingenix ClaimsManager and GE Centricity Business, St. Vincent Health has reaped significant financial benefits. It has gained \$4,648,499 in net benefits over six years as a result of the deployment, due to a significant reduction in claims denials and improvements in AR days. The project has a return on investment of 469 percent and a payback period of eight months.

The largest financial gains have come as a result of reducing denial rates. Previous to the use of Ingenix ClaimsManager, denial rates were 20 percent. Each denied claim had to be investigated and resubmitted, at an average cost of \$15 per claim. After

the use of ClaimsManager, the denial rate plummeted to between 2 and 3 percent. As a result, St. Vincent Health was able to save \$5,329,500 over six years.

St. Vincent Health has reduced AR days from 63 days before the use of Ingenix ClaimsManager to 35 after deployment, resulting in a six-year financial benefit of \$310,679.

“Ingenix is the gold standard when it comes to customer service and support. They are very responsive to our needs. We get our questions answered accurately and in a very timely fashion.”—Roy Axelson, St. Vincent Health System Director, Physician RCO & IT Support

St. Vincent Health has reduced denial rates and AR days at the same time that it has expanded its services to offer specialty care—it quintupled the number of practices for which it bills claims. Overall, staff productivity for those in the business office has doubled as a result of using Ingenix ClaimsManager and GE Centricity Business, says Paige. The number of claims per business service full time employee (FTE) has more than doubled from approximately 500 per month to more than 1,000 per month.

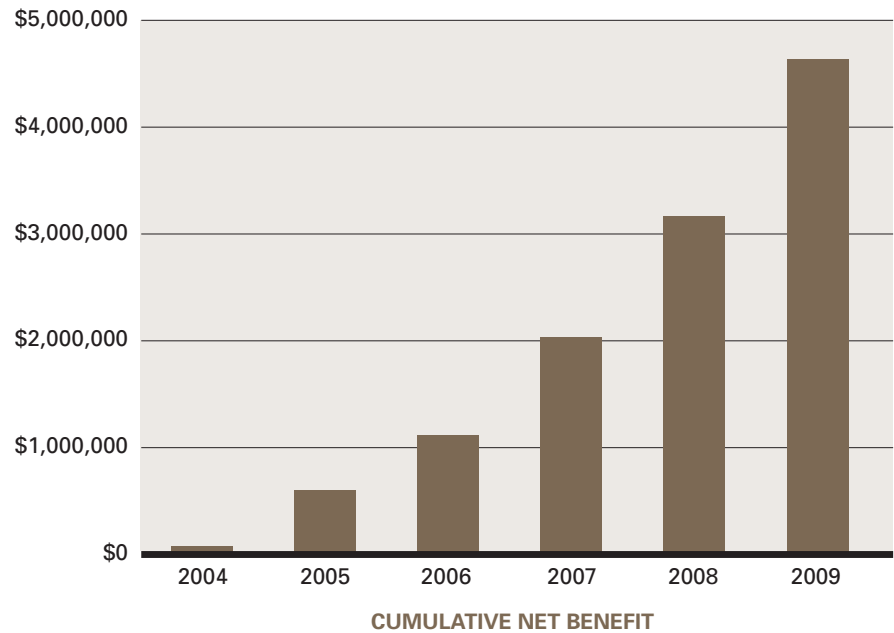
Ingenix ClaimsManager also helps ensure that St. Vincent Health is more accurately reimbursed for the services it provides, because claims are coded properly, using the proper diagnosis sequence. This also helps ensure that St. Vincent Health bills more compliantly and with greater accuracy. Helping St. Vincent Health do all this is its use of custom edits. It uses approximately 200 custom edits, and adds new ones on a regular basis, further increasing efficiency.

In addition to Ingenix ClaimsManager, St. Vincent Health also uses Ingenix ContractManager to ensure that St. Vincent Health gets paid properly for claims submitted.

“Ingenix has been a great partner for us,” concludes Paige. “The use of Ingenix ClaimsManager and ContractManager has helped us be more efficient overall and save significant costs. Ultimately, that translates into a better ability to serve our patient population.”

Project Summary*							
ROI	469%						
Payback Period (in months)	8						
Cumulative Net Value	\$4,648,499						
Net Present Value	\$3,184,288						
Project Costs	2004	2005	2006	2007	2008	2009	Total
Annual Costs	\$185,280	\$161,280	\$161,280	\$161,280	\$161,280	\$161,280	\$991,680
Total Project Costs	\$185,280	\$161,280	\$161,280	\$161,280	\$161,280	\$161,280	\$991,680
Benefits	2004	2005	2006	2007	2008	2009	Total
Denial Avoidance	\$270,000	\$619,500	\$675,000	\$990,000	\$1,230,000	\$1,545,000	\$5,329,500
Benefit of Reduced A/R Days	\$0	\$72,074	\$16,160	\$74,332	\$62,218	\$85,894	\$310,679
Total Benefits	\$270,000	\$691,574	\$691,160	\$1,064,332	\$1,292,218	\$1,630,894	\$5,640,179
Financial Analysis	2004	2005	2006	2007	2008	2009	
Net Value	\$84,720	\$530,294	\$529,880	\$903,052	\$1,130,938	\$1,469,614	
Cumulative Net Value	\$84,720	\$615,014	\$1,144,894	\$2,047,946	\$3,178,885	\$4,648,499	

*Note: The above business case reflects the use of GE Centricity Business in concert with Ingenix ClaimsManager.



About St. Vincent Health

A member of Ascension Health, the nation’s largest not-for-profit and Catholic Healthcare System, St. Vincent Health is Indiana’s largest healthcare employer, with 17 health ministries serving 45 counties in central Indiana.

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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