



St. Vincent Health Minimizes Underpaid Revenue, Gains More Visibility into Contracts, and Reduces Cost and Complexity with Hosted Version of Ingenix ContractManager

Highlights

- Ingenix ContractManager™ has helped St. Vincent identify and recover more than \$100,000 in underpaid revenue.
- By having Ingenix host ContractManager, St. Vincent Health eliminates maintenance and reduces staffing requirements, cost, and complexity.
- Ingenix builds contracts for St. Vincent using information provided by St. Vincent about terms, fee schedules, payment rules, and modifiers.
- St. Vincent Health plans to use ContractManager to help negotiate more favorable contract terms with payers.



Challenges

St. Vincent Health is a member of Ascension Health, the nation's largest not-for-profit Catholic health care system. Its hospital system is one of Indiana's largest employers, with 20 health ministries serving 46 counties in central Indiana.

St. Vincent performed spot checks to make sure that payers were properly set up with its system, but it wanted to develop a more systematic approach towards ensuring that it is being properly reimbursed for the services it provides. It was looking for a solution that would accomplish the following:

- **Minimize underpaid revenue.** St. Vincent wanted to make sure that it was properly collecting the revenue for procedures according to the contracts it had negotiated with its payers. It was looking for a comprehensive system, rather than having to rely on spot checks.
- **Streamline appeals and recovery procedures.** Once it identified potential underpayments, St. Vincent Health wanted to make it simpler and more efficient to appeal payments and recover underpaid revenue.
- **Model contracts.** St. Vincent was looking for a system that would be able to analyze the services it provides and the reimbursements it receives, and model the fairest contracts based on its findings.
- **Offer hosting and advice.** St. Vincent did not want to burden itself with maintaining servers and hosting applications. It was also looking for a partner that had expertise in contract modeling and building.

Solutions

St. Vincent Health had a strong relationship with Ingenix, and was using Ingenix ClaimsManager™ as a front-end clinical editing tool for claims scrubbing. St. Vincent had seen dramatic results from the use of ClaimsManager, including a significant reduction in claims denials, and improvements in AR days. Based on that relationship, and on the capabilities of ContractManager, St. Vincent Health chose ContractManager.

“We were extremely pleased with ClaimsManager, and with the work Ingenix had done for us,” says Roy Axelson, Revenue Cycle Director for St. Vincent Physician Services. “We knew from past experience that they deliver on what they promise. And ContractManager looked as if it had the exact capabilities we were looking for.”

St. Vincent Health also wanted to reduce the number of outside vendors it worked with, as a way to improve its efficiency, so consolidating work with Ingenix made sense. In addition, the integration between ClaimsManager and ContractManager was also a draw.

“We saw the efficiencies that we could get from running ClaimsManager and ContractManager together,” Axelson explains.

Ingenix ContractManager centrally stores all payer contracts and automatically tracks compliance with contractual fee schedules and modifiers and carves out reimbursement rates. It also identifies and flags claim variances, then easily generates and tracks appeals for recovery.

St. Vincent Health chose to have Ingenix host ContractManager to reduce costs and increase efficiency.

“Having Ingenix host ContractManager saves us in capital costs and in staffing expenses,” Axelson says. “In addition to savings on hardware and maintenance, we don’t need to worry about keeping a person on staff with the specific experience required by the application. And because Ingenix has many clients that they host, they can be more efficient than we could be in running ContractManager. Having Ingenix host for us lowers the overall cost, and provides a more stable application.”

“Using Ingenix ContractManager has paid off for us in many ways. We can more easily identify and recover underpaid revenue, and gain visibility into our contracts. Having Ingenix host ContractManager has been important as well, because it allows us to reduce risk and costs.”—Roy Axelson, Revenue Cycle Director for St. Vincent Physician Services

Results

ContractManager has helped St. Vincent identify significant areas of underpayment. St. Vincent also uses ContractManager with the appeals and recovery process. To date, thanks to ContractManager, St. Vincent has been able to recover more than \$100,000 and expects to recover more in the future.

“We have just started the process of recoveries using ContractManager, and we believe there is a lot more we can recover as well,” says Axelson. “There’s also a significant multiplier effect with recoveries, because if we recover \$50,000 from a vendor for six months of past payments, we will also receive the extra \$50,000 in the next six months, and every six months from then going forward, because we will be getting the proper reimbursements for the services we provide.”

Having Ingenix host ContractManager pays off for St. Vincent as well.

“Having Ingenix host ContractManager has been a big bonus for us,” Axelson says. “We’re not responsible for the server and for handling all the upgrades. A whole layer of responsibility and complexity has been taken away.”

In addition to handling hosting, Ingenix also builds payer contracts for St. Vincent Health. St. Vincent Health sends the terms negotiated with the payer, fee schedules, payment rules, modifiers, and any other relevant information, and Ingenix builds the contract. This saves considerable time and effort for St. Vincent, which ultimately expects, with Ingenix’s help, to build its own contracts in ContractManager.

The use of ContractManager has also given St. Vincent visibility into and a more comprehensive understanding of its reimbursement schedules, which will help St. Vincent in future contract negotiations.

“Going through the contract build process has taught me the right questions to ask during the negotiations process,” says Holly Nicholson, Senior Managed Care Consultant with St. Vincent. “I’m able to build an attachment about reimbursement rates and terms that goes with every contract we’re renegotiating. That way, the payers know our expectations, and we can more accurately get reimbursed for the services we provide. We’re now on a much more level playing field with the payers when it comes to negotiations and contracts.”

St. Vincent expects to use ContractManager to model contracts in the future, so that it can better understand the proposed terms and rates prior to signing contracts, help negotiate more favorable contract terms, and avoid unprofitable reimbursement terms.

“The entire landscape for payments is going to change in the next several years, depending on the impact of health care reform,” Nicholson says. “We believe that ContractManager will be an exceptionally useful tool for helping us navigate that change.”

“Having Ingenix host ContractManager shows how much we value our relationship with them. Ingenix is the only software company I’ve found where designers and engineers are willing to sit down and honestly listen to users, and then put those recommended changes into place quickly.”—Holly Nicholson, Senior Managed Care Consultant with St. Vincent

About St. Vincent Health

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About Ingenix

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