

Texas Orthopedics Sports & Rehabilitation Associates

“You think you are being paid correctly, but when you get the data out on the table you find out you are not. It’s impossible to maintain this amount of information manually.”

— Twyla Fuertes, Chief Business Officer,
Texas Orthopedics Sports
& Rehabilitation Associates

Client. A 27-physician orthopedic surgery, sports medicine, rehabilitation, and occupational medicine practice based in Austin, Texas.

Challenge/Objective. Ensuring proper payment and managing complex contracts generating 12,000 claims monthly; improving collections of growing self-pay accounts; and monitoring frequent payer policy changes.

Resolution. Experian Health **Contract Manager and Analysis** verify contractually allowed claims amounts to identify and recover underpayments, and negotiate contract terms; Experian Health **Patient Estimates** integrated with **Passport Eligibility** estimates patient liability based on latest eligibility and contract data, increasing time-of-service collections; Experian Health **Payer Alerts** provides specialty-specific notifications of modifications to payer policies and procedures.

Results. Gained staff efficiencies; negotiated contract pay increases; identified and eliminated systematic underpayments, resulting in \$1.4 million in recoveries; increased up-front collections of patient deductibles and co-pays to nearly 100 percent.

Texas Orthopedics reaps 154 percent ROI

“Better contract management and increased patient collections bolster our bottom line.”

Client

Like many mid-size group practices over the past decade, Texas Orthopedics Sports & Rehabilitation Associates struggled to manage reimbursement governed by increasingly complex contracts. In an attempt to track and manage contract

payments, the practice programmed its top 100 codes for its larger contracts into its practice management system. However, transaction volumes prevented loading all codes for all contracts, and the practice management system was not set up to apply contract rules.

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As a result, the practice often did not know when it was being paid according to contract and when it was not.

At the same time, the proportion of practice revenues due from patients rose with growing insurance deductibles and co-payments. Self-pay receivables climbed, along with the cost of carrying patient accounts and accurately verifying patient eligibility and insurance coverage.

Challenge/Objective

When payments received from payers didn't match the practice management system's allowables, practice staff had to manually determine why so that underpayments could be documented and appealed. Even when the system did flag a possible underpayment, it took a lot of work to produce enough information to successfully appeal claims, says Twyla A. Furtés, Chief Business Officer at Texas Orthopedics. "We were able to maintain our big contracts pretty well, but it was time-consuming to do it manually." The practice also found it difficult to monitor continually changing payer policies or to analyze the impact of proposed fee schedule changes on revenues. "We needed something that could assist us in all aspects of contract management."

In addition, a lack of detailed contract, eligibility and benefits information made it difficult to accurately predict reimbursement. Without knowing what the payer would allow for a claim, it was impossible to accurately calculate a patient's financial responsibility and therefore ask for patient payment before or at the time of service. As a result, the practice focused on large deductibles only. "If someone had a \$2,000 deductible, we'd ask for \$1,000 up-front and put the rest on a payment plan," Furtés says. "We collected up-front in about 30 percent of cases, and sometimes the patient never paid his remaining deductible and co-insurance."

Resolution

In 2001, Texas Orthopedics began discussions with Experian Health. "It took many meetings to get us on board, but once we realized what Experian Health could do for contract management, we were sold," Furtés says.

In late 2001, the practice's contracts were loaded in Contract Manager. In the process, Furtés and her staff uncovered many contracting issues. "Not all the information the insurance companies gave us about the contracts was correct."

Once the contracts were loaded and verified, the results were enlightening, Furtés says. The ability to track payment errors across services and providers revealed significant underpayment issues. One major managed care plan was found to be paying 25 percent less than the contracted rate. "You think you are being paid correctly, but when you get the data out on the table you find out you are not," Furtés says. "Experian Health opened our eyes to a lot of contract issues — I never thought it would be as much as it turned out."

The fully loaded contracts from its payers also allowed Texas Orthopedics to tackle the patient balance problem. By leveraging Patient Estimates integrated with Passport Eligibility, the practice can easily value claims, which provides the foundation needed to calculate a patient's out-of-pocket obligations based on the latest eligibility and benefits data, payment rules and contract terms.

The practice now conducts more than 4,500 real-time eligibility checks through Experian Health per month. This information is then combined with the latest benefits information to determine a patient's financial responsibility. "Experian Health's integrated solution works great and provides the information we need to both validate eligibility and increase time-of-service collections," Furtés says. "We use it every day, all day long."

With the ability to quickly and accurately calculate patient deductibles and co-pays in advance of surgeries, Texas Orthopedics adopted a policy of asking for the patient portion due at the last presurgery office appointment. Instead of offering payment plans, the practice refers patients to a financing company. "When they hear that, patients often find credit cards they didn't know they had in order to pay the estimated balance due," Furtés says.

Shortly thereafter, the practice further improved its cash flow with the addition of Payer Alerts. These specialty-specific notifications give staff immediate access to policy and procedure changes posted on hundreds of payer websites so they can make any required adjustments and expedite reimbursement.

"Every day, we face changing requirements for a number of items, including specialty drugs and radiology and procedure authorizations," Furtés says. "Payer Alerts helps us monitor these updates so we can ensure our claims are processed on time. They also allow us to continually refine our internal processes so we are able to comply with insurance guidelines without wasting time for our employees and patients."

Results

Furtés calculates that Texas Orthopedics has generated a return on its investment in Experian Health of over 154 percent. "We have benefited at least that much in avoiding underpayments from payers updating their payment software in order to pay the correct allowables."

The ability to test proposed fee schedule changes on a single contract review using real historical utilization data also enabled Texas Orthopedics to negotiate better rates. "We can now project exactly how payment changes are going to affect us," Furtés says. "Using this information, we renegotiated one major contract to yield 5 percent more revenues."

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Experian Health pays off at Texas Orthopedics

ROI, Experian Health:

154 percent

Increase in monthly patient cash collections, Patient Estimates integrated with Passport Eligibility:

45 percent

Validated appeal recoveries:

\$1,442,629

Payer Alerts further streamlines claims processes by increasing clean claims rates and reducing claim rejections. Verifying eligibility and benefits in advance of a patient's scheduled appointment also helps to keep rejections low and speed payment while supporting the creation of quick and accurate estimates. By collecting co-payments and deductibles from patients up-front, Texas Orthopedics increased average monthly cash collections by 45 percent in the first six months of use. While some patients are surprised to find out how much they will owe out-of-pocket, most are happy to know the charges up-front, Fuertes says. "This gives them a chance to review it with their insurance companies and employers before they go forward."

In the future, the practice hopes to eliminate the cost of carrying patient accounts — and the risk of non-payment after treatment.