

PIH Health Partners with Guidehouse to Resolve Net Revenue Challenges



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Challenge

Healthcare continues to see rapid expansion and turbulent transitions. For hospitals and health systems, growing pains can include a loss of revenue and an increase in accounts receivable, depending upon a number of internal and external factors. PIH Health, headquartered in Whittier, California, experienced similar complications after acquiring a second hospital and medical group.

PIH Health's ability to efficiently identify, monitor, and trend key performance metrics was significantly limited due to use of multiple clinical and billing systems, including Allscripts and Cerner/Siemens. The systems lacked the interoperability necessary to seamlessly produce performance reports. These technological challenges also inhibited the ability to conduct root cause analysis to understand the key issues impacting revenue.

Solution

PIH Health engaged Guidehouse in 2015 to provide a comprehensive assessment of its revenue cycle performance and operations. The assessment included qualitative interviews and shadowing of revenue cycle staff members and departments to evaluate the operating environment, as well as quantitative data analysis to compare revenue cycle key performance indicators against industry leading practices. After careful evaluation, Guidehouse estimated a 12-month annualized net benefit between \$2.04M and \$7.08M within one year of implementation of the recommended areas of opportunity. Recommendations included revenue cycle management advisory, leadership, structure review, and process improvements to position PIH Health for meaningful, sustainable impact to metrics.

PIH Health selected Guidehouse as a partner for a 9.5-month engagement from November 2015 through August 2016. The Guidehouse team was engaged to focus on the following key revenue cycle initiatives: interim management of the revenue cycle vice president function, point-of-service collections, denials management and avoidable write-offs, and vendor management.

Results

Point-of-Service Collections



Hospital

Average monthly collections improved to \$1.09M (20% increase) January–August 2016, resulting in \$1.86M of annualized net revenue benefit



Professional Clinics

Average monthly collections improved to \$462K (18% increase) April–August 2016, resulting in \$654K of annualized net revenue benefit

Denials Management and Avoidable Write-Offs



Implemented a denials management tool to follow up on denials more efficiently



Reduced hospital avoidable write-offs by 25%, resulting in \$2.5M of annualized net benefit



Reduced professional clinics unbilled encounters older than 90 days by 98.6%



Reduced professional avoidable write-offs by 55%, resulting in \$653K of annualized net benefit

Vendor Management



Payer Search
Identified additional 50 accounts per month for potential insurance billing



Transfer DRG (Diagnosis-Related Group)
Recovered \$372K in DRG reimbursement from historical account review



Motor Vehicle Accident (MVA)
Improved yield on MVA accounts from 4.8% to 25% on Med-Pay accounts

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About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies. For more information, please visit: www.guidehouse.com.

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