

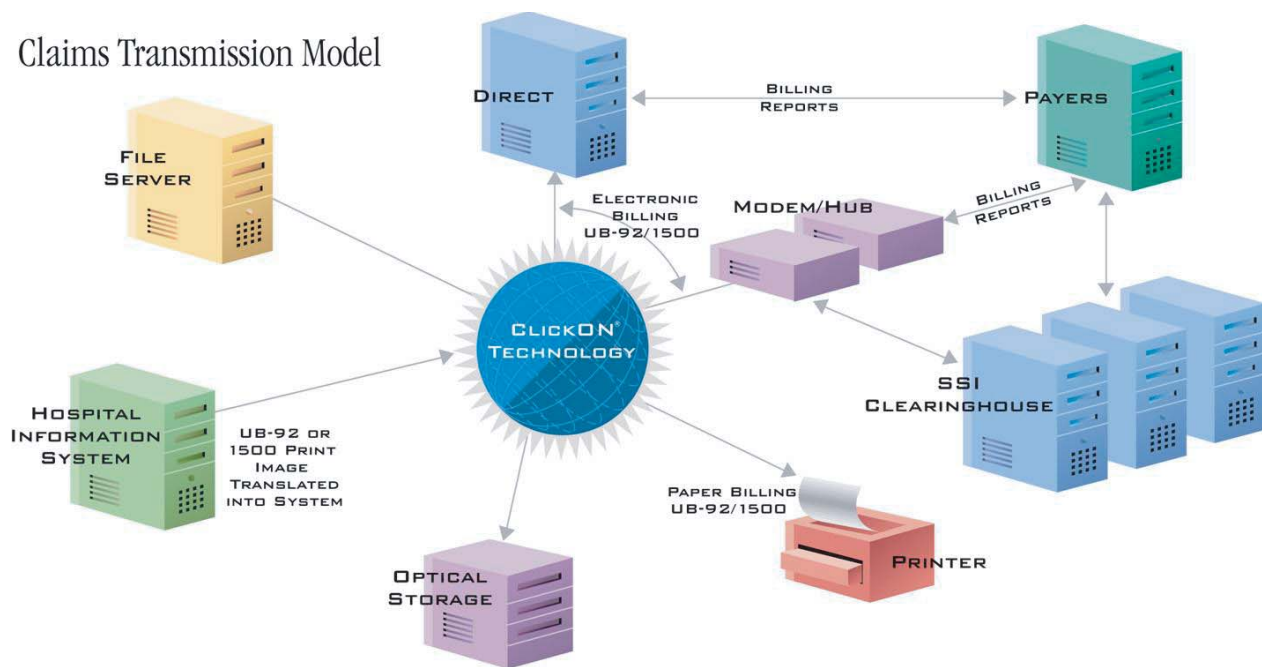
ViaHealth Case Study

SSI's White Paper Series

About this Healthcare Facility

ViaHealth, located in Rochester, N.Y., is a nonprofit, multi-hospital healthcare system with approximately 710 acute hospital beds, 550 long-term care beds and approximately 200 employed physicians. The facility processes approximately 175,000 hospital and physician claims per month. There are six billers that handle the claims processing and about 60 billers that do the inquiry and follow-up with the claims.

Claims Transmission Model



The Situation

ViaHealth was faced with a \$75 million loss at the beginning of 2001 and had only nine days of operating cash.

According to a June 11, 2004, article in HealthLeaders, "The facility had reached a point where no one knew how much money there was," said Richard Hogg, Chief Financial Officer for ViaHealth. "Being under

ClickON® Products used:

- ClickON Billing (Clearinghouse and Direct to Payer)
- ClickON Secondary Billing
- ClickON Automated Secondary Billing

rate controls, a trend towards capitated payments, and a troublesome billing system had combined to strangle ViaHealth financially. While struggling to develop itself into a successful integrated delivery system, ViaHealth had acquired elements and developed programs that did not perform."

As well, "the current billing system had difficulty sending out a bill and collecting it," says Samuel R. Huston, Chief Executive Officer for ViaHealth. "Billing was not an essential activity under the New York rate controls, he adds." When Rochester General Hospital and Genessee Hospital were merged to become ViaHealth in 1995, the billing systems of the two facilities were brought under the same roof, but not properly combined. "They operated side by side, causing a great deal of confusion," says Huston. As a result the organization had to write off a substantial number of accounts causing \$50 million in bills that were past due for timely filing.

The Decision

John Midolo, Vice President of Patient Financial Services, was hired in February of 2001 to lead the reengineering of the Revenue Cycle. Two of the first priorities were to improve the quality of the claims and reduce the number of claims being denied by the payors. Due to the high number of initial payor denials, along with the looming HIPAA transaction deadlines, viaHealth began looking for an electronic billing vendor. With the market penetration of the The SSI Group (SSI) in the Northeast along with the references that were provided to the facility, in addition to Midolo's personal experience in working with SSI at other facilities, the system made the decision to purchase the Direct ClickON billing product along with the ClickON Automated Secondary Billing product as a long-term solution to its financial situation.

The Results

The SSI software handled the conversion of the claims to the new HIPAA format which allowed the facility's programming resources to be freed up to work on other priorities, including software fixes designed to reduce payor denials. Per Midolo, "The SSI Group enabled the facility to see all of the remaining denial data up front before the claim left the facility. This allowed the facility to correct claims in the ClickON billing product, reducing the remaining denials dramatically, but also allowed the facility to organize the denials and correct the processes up front prior to claims production."

Prior to the facility using the ClickON billing product the facility's AR days were approximately at 63.8 and the initial acceptance rate of claims was under 40 percent. Since ViaHealth began using the ClickON billing product for the past year, the facilities' AR days are now at 50.5 and the acceptance rate is now at approximately 95 percent.

According to Midolo, "The SSI software allowed us to restructure the billing staff so that we had a dedicated team to work the claim issues which freed the rest of the staff to work on

follow-up issues unrelated to the claim. Eventually, all of the systems claims will run through SSI's products enabling us to better track claims and predict cash flow."

"Cash is King" is the facilities' new financial philosophy!

