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TRENDSETTER

Connecting Innovative
Ideas to Best Practices

OPTIMIZING PAYMENT RECEIPT TO IMPROVE CASH FLOW AND REDUCE ERROR

Although the healthcare industry has made strides in leveraging technology to streamline financial operations, there are still many pockets of cumbersome and error-prone manual processes.

Payment receipt, for example, is one function that organizations have been slow to automate. Where hospitals or health systems have a revenue cycle solution in place, it often does not provide reconciliation tools that match payments with remittance. Checks or credit card payments that arrive through a lockbox are manually sorted and entered into the revenue cycle system, using up valuable staff time and introducing opportunities for mistakes.

Recently, LMH Health – a 174-bed hospital located in Lawrence, Kansas – was looking to revamp its remittance efforts. “When I started at the health system, I worked with my team to evaluate current processes and gain an understanding of how the department operated,” says Susan May, senior director, revenue cycle for LMH Health. “There were several opportunities to eliminate manual

processes, boost productivity and decrease error. For example, after processing check payments, we were having our explanation of benefits (EOBs), correspondence and patient-payment exceptions mailed from the lockbox to our facility. Our team would sort, stamp and scan documents; manually process credit card payments and then post EOB and patient payments that were mailed into the lockbox. It was quite time-consuming and expensive. We wanted to increase our electronic remittance advice (ERAs) and lessen the number of EOBs we received. We also wanted to address the problem of payers submitting payments via credit cards, leading to a high cost-to-collect due to the associated fees. I had previous experience with remittance automation solutions and knew there was an opportunity to significantly improve our processes and productivity and limit mistakes and rework.”

LMH Health turned to CommerceHealthcare® – a division of Commerce Bank – adopting the company’s RemitConnect® solution. The technology reduces manual insurance claim

As healthcare changes, hospitals, health systems and physician practices are struggling to create payment efficiencies, streamline workflows and improve the bottom line. CommerceHealthcare® marries financial foresight with healthcare insight to help clients rethink outdated payment processes and enable long-term financial growth, while improving the patient experience. The CommerceHealthcare® team of healthcare and banking professionals specializes in automated receivables management and payment services, patient loan financing and lending solutions.

CommerceHealthcare®



processing by preparing payments for posting and reconciling them to an organization's financial general ledger. The program is designed to create efficiencies in patient accounting workflow, limit manual tasks and decrease paper remittances from payers, allowing organizations to shrink processing time, curb costs and lower error rates.

"Since implementing the technology, we've seen a substantial increase in efficiency," says May. "Our files now go directly from the lockbox to our portal, reducing shipping and scanning costs. Our staff's efficiency has improved as they spend less time processing mail and scanning and running credit cards – dropping from an average of 48 hours per week to just over 22 hours per week. Concurrently, the CommerceHealthcare team has been enrolling paper-submitting payers into ERA and [electronic funds transfer] EFT programs, moving us toward more paperless operations."

The initiative also has helped LMH Health better prepare for a new patient accounting system. "Having gone through previous conversions, I understood the difficulty of posting payments for claims created in two different systems," says May. "CommerceHealthcare is able to segregate our new and legacy payment data in comingled remittances, reducing error and smoothing the overall system implementation process." Through general ledger and cash posting reporting, CommerceHealthcare allows LMH Health to monitor old and new accounts receivable without having to spend staff resources determining which payments go where. Innovative splitting technology generates posting files for both systems and then reconciliation reports tell the organization where the money belongs.

LOOKING BEYOND REMITTANCE TO OTHER PAYMENT RECEIPT CHALLENGES

RemitConnect is one of several CommerceHealthcare solutions that helps providers minimize payment slowdowns and

disruptions. The company also has a patient lending program that assists providers in supporting patients with challenging healthcare payment responsibilities. "Our lending solution is designed to take the burden of payment plans off hospitals and health systems, offering a zero percent line of credit to patients, which they can use as long as they continue to make payments," says Amy Rinard, vice president, specialty healthcare payments for CommerceHealthcare. "Healthcare organizations are focused on caring for patients, not consumer lending, and payment plans are something we've been involved in for more than 150 years. We have designed our solution with the consumer in mind. There are no credit checks with our simple enrollment process. We leverage our experience to scale programs to meet the specific needs of a healthcare organization's patient population."

ADDRESSING BROADER HEALTHCARE CHALLENGES

Underpinning the variety of solutions CommerceHealthcare offers is a commitment to helping organizations reimagine and redesign their payment processes. "Our consultative mindset paired with innovative technology sets us apart," says Rick Heise, senior vice president, specialty healthcare services for CommerceHealthcare. "Our team includes treasury and banking professionals, as well as revenue cycle, supply chain and insurance specialists. This gives us an end-to-end perspective on your cash flow and a unique ability to identify improvement opportunities that are going to make a meaningful difference in your operations. Given our diverse experience, we can play a role in almost any situation in which there's an exchange of payment, modernizing processes and taking out costs."

A particularly timely area in which CommerceHealthcare is focused relates to supporting organizations that are undergoing mergers and acquisitions or establishing new

partnerships or work agreements. "When pursuing various arrangements, organizations often struggle to achieve alignment between combined entities," says Rinard. "Without leveraging the right financial partner, entities may miss the opportunity to appropriately align different departments and functions. More specifically, we are redesigning corporate account structures, merging and optimizing remaining lockbox functions and putting automation tools and data recording strategies in place so organizations can realize workflow standardization benefits and reallocate staff to more value-added tasks."

New system implementations are another area in which CommerceHealthcare provides valuable insight. "Let's say a client is changing its electronic health record and revenue cycle system," says Heise. "We can help organizations close the loop on financial operations so processes are streamlined and automated across revenue cycle and finance departments before go live. For instance, if an organization is receiving checks, we can turn them into automated payments. If it is posting payer payments manually, we can convert them into electronic remittances for automation in the revenue cycle. If it's accepting paper payments from patients, we can process them and create electronic files. Basically, we make the organization's payment receipt effort as efficient and effective as possible to free up resources, so that staff can focus on successfully navigating the new system integration."

A UNIQUE PERSPECTIVE FACILITATES TRANSFORMATIVE PERFORMANCE

CommerceHealthcare is passionate about helping organizations optimize their payment receipt processes, using its financial and revenue cycle viewpoints to help organizations improve performance. "Through our comprehensive lenses of both revenue cycle and finance, we can appreciate the priorities of both areas and find practical strategies for tying the two worlds together," says Heise. ♦