



# Financial Performance Turnaround for a Private Multi-Location Cardiology Practice

## The Background

Enhanced Revenue Solutions (ERS) by Infinx was engaged by a private, 6-physician multi-location cardiology practice in Central Texas (the Practice) to perform an audit of the entire Revenue Cycle Management (RCM) system. Following the results of the audit, ERS was charged with implementing a system-wide upgrade as well as instituting an active recovery program to capture uncollected AR.



The Practice was referred to ERS after a change in operational and business management when it was discovered by physician leadership that the Practice administrator and billing team had misled and concealed material financial information and RCM shortcomings. ERS began their engagement as the new administrator was assuming the leadership role.

## Claims Mismanagement Leads to \$100K per Month Backlog

The Practice was experiencing a severe bottom line crisis, the result of a significant backlog of uncollected claims and mismanaged RCM. It was determined that the Practice was leaving between \$50,000 and \$100,000 per month uncollected due to unbilled or improperly handled claims for patient care, tests, and procedures performed. While the physicians were under the impression that everything was going well, the work piled up.





## Full-Spectrum Audit Defines Areas for Participation and Improvement

The ERS audit uncovered further areas for improvement to include improving the timeliness of filing claims, enhancing coding procedures, and reviewing and recommending additional sources of income. ERS also worked with the new administrator and physician leadership team to institute an improved reporting and accountability system for future monitoring of financial health.

Ultimately, it was determined that ERS would implement a recovery process for existing claims and provide ongoing RCM services including claim submission, coding support, and all follow up on AR. The Practice would retain responsibility for prior authorization with ERS support.

## Implementing a RCM Redevelopment Plan

With the conclusions drawn from the initial audit results, ERS was able to define and implement a many-sided, resourceful RCM redevelopment plan for a practice that had experienced a bottom-line breakdown, exacerbated by a question of trust (with previous employees).



## Significant Improvement to Key Financial Metrics

With the full support of the physician leadership team, ERS was able to implement a plan that achieved the following successes:

### Success #1 – The Claim Submission Process

ERS identified a significant lag time between patient visits and claims being submitted to the respective insurance providers. Following the patient encounter, providers were slow in submitting their charge slips and documentation to the business once which created challenges for timely submission.

Further, the coding process was identified as a serious issue adding to the number of claims that were being rejected or denied. This was due to insufficient code selection and specificity, and missing documentation which called into question medical necessity and left prior authorization unsupported.

The providers were successfully enlisted to improve the claim submission time as well as corresponding documentation supporting the care provided. This was critical in jumpstarting the process and set the tone of accountability and expectation within the Practice.

As part of establishing a strong coding and documentation program, ERS provided training and coding support as one component of the ongoing RCM process. The success of which is outlined below.



### Success #2 – The Recovery of Existing Aged AR

The Practice's existing AR was a tangle of neglected claims that required significant follow-up.

*ERS set the goal of working all existing feasible claims and was able to recover \$160,000 in lost billing in the first two quarters.*

### Success #3 – The Collections Process

The ERS audit revealed that the collections process needed streamlined improvements going forward, including a dedicated and organized reort to systematize ongoing follow-up of claims and a dedicated to resolve denials and rejections as they were received.

*With ERS, the practice improved collections from 88% to 94% in the first full quarter and 102% by year-end.*



#### **Success #4 – The Business Improvement Plan**

After a thorough needs assessment, ERS worked with the Practice to fund the purchase of a PET scan machine through a Community Development Loan Program. With the Practice able to perform noninvasive imaging tests to diagnose significant heart disease and damage, they were providing a much-needed service in the community.

*The Cardiac PET procedures brought an increase to revenue of \$700K per quarter equaling a 12% increase in the Practice's overall bottom line.*



### **Providing Ongoing RCM Services**

With a new administrator in place, a growing PET department, and a notable collection rate, the Practice engaged ERS as their ongoing RCM services partner. ERS continues to provide services to the Practice including:

- Billing and AR Management
- Collections
- Third Party Payer Interactions and Requests
- Procedure and Diagnosis Coding Training and Consultation

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