

INGENIX®

Prevea Health Improves Productivity, Handles Increased Claims with Reduced Costs, and Gains \$19 Million in Benefits with Ingenix ClaimsManager

Highlights

- Ingenix ClaimsManager has improved the efficiency of Prevea Health coders, leading to a cumulative, five-year productivity benefit of \$875,000.
- Prevea Health has used Ingenix ClaimsManager to dramatically reduce claims rejections, resulting in \$15,256,983 in benefits over five years.
- By using Ingenix ClaimsManager, Prevea Health has been able to reduce the cost of its coding operations while handling an increased number of claims.



Challenges

Prevea Health is a physician-owned, multi-specialty clinic offering primary and specialized health care to patients throughout Northeast Wisconsin. It includes more than 20 health centers, has more than 1,000 employees, and offers more than 50 specialties.

Prevea Health faces a common challenge among health care providers: How to handle increasing growth while holding down or reducing costs in a challenging economic environment. Toward that end, it wanted to improve the way it handled claims, because it handles more than 200,000 claims a year, and making the claims-handling process more efficient could have a dramatic impact on costs. To help meet that challenge, Prevea Health set out to employ a system that would:

- **Reduce rejection rates.** Prevea Health had a higher rate of claims rejections than it wanted, and wanted to reduce that rate. Approximately 70 percent of rejections were registration-related, and it was looking for a solution that would easily correct that problem.
- **Improve workflow.** Coders typically did not have a great deal of time to handle claims before sending them out. They often spent time re-working denied claims. Prevea Health wanted to change the workflow so that coders spent more time on the front end handling claims, and less time reworking claims.

- **Increase productivity and reduce costs.** With the number of claims increasing every year, Prevea Health needed to improve productivity so that it did not have to increase the amount of money it spent on coding. Prevea Health wanted a solution that would dramatically improve coder productivity to help reduce costs.
- **Ensure that it receives proper reimbursement for its services.** If claims are not coded with the proper reimbursement codes, Prevea Health may not receive the full reimbursement for the level of services it provides. Because Prevea Health has such a high volume of claims, if even a small percentage are not coded with the proper reimbursement level, it could mean a significant revenue loss. Prevea Health wanted a solution to help ensure that it always receives the proper payments for the services it provides.
- **Work with the Epic practice management software.** Prevea Health uses Epic practice management software, so any solution it chose had to work well with Epic.

Solutions

Dean Cravillion, Prevea Health Director of Business Operations, had experience with Ingenix ClaimsManager at another health care organization, and had been impressed with the way it had improved productivity and workflow and reduced rejection rates. Based on that experience, he recommended that Prevea Health deploy Ingenix ClaimsManager.

“Ingenix ClaimsManager has helped us improve productivity, reduce costs, and be more accurately reimbursed for the services we provide. With it, we have been able to handle an increasing number of claims while reducing our costs.”—Dean Cravillion, Prevea Health Director of Business Operations

Ingenix ClaimsManager is a rules-based, front-end clinical editing tool that offers one of the most customizable rules engines in the industry, and features some of the most robust database editing functionality in the marketplace. With it, Prevea Health reviews claims before submission in order to reduce claim rejection rates, shorten accounts receivable cycles, and increase the rate of collection. Prevea Health also makes substantial use of ClaimsManager’s claims editing capabilities during order entry, before claims are “scrubbed.”

“It was critical for us to cut down on rejections, clean up claims before sending them out, and improve our workflow,” Cravillion says. “Ingenix ClaimsManager did all of that for us, and more. Also important is that Ingenix ClaimsManager can handle all claims in a consistent way, so that we are not relying only on the historical knowledge and memory of individual coders.”

Results

With Ingenix ClaimsManager, Prevea Health has improved productivity and workflow, reduced rejection rates, ensured that it receives the proper reimbursement for the services it provides, and has handled an increased number of claims while reducing coding costs. Ingenix ClaimsManager integrates easily with Prevea Health’s Epic practice management software, making for an effective, comprehensive solution.

The greatest financial benefits have been gained as a result of a reduction in claims rejections. Previously, Prevea Health did not scrub claims before the claims were submitted, leading to higher rejection rates than Prevea had targeted. With Ingenix ClaimsManager, Prevea Health has reduced claims rejections dramatically, leading to a cumulative savings of \$15,256,983 over five years.

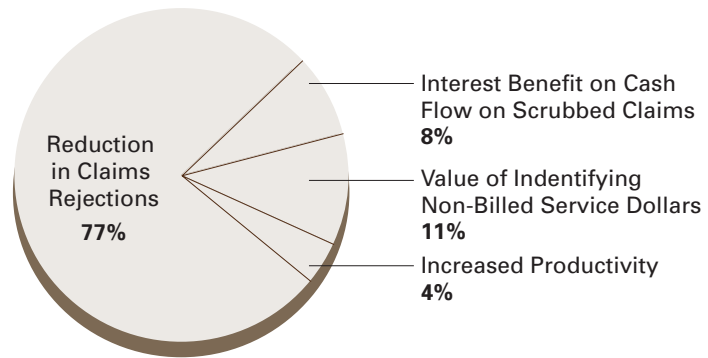
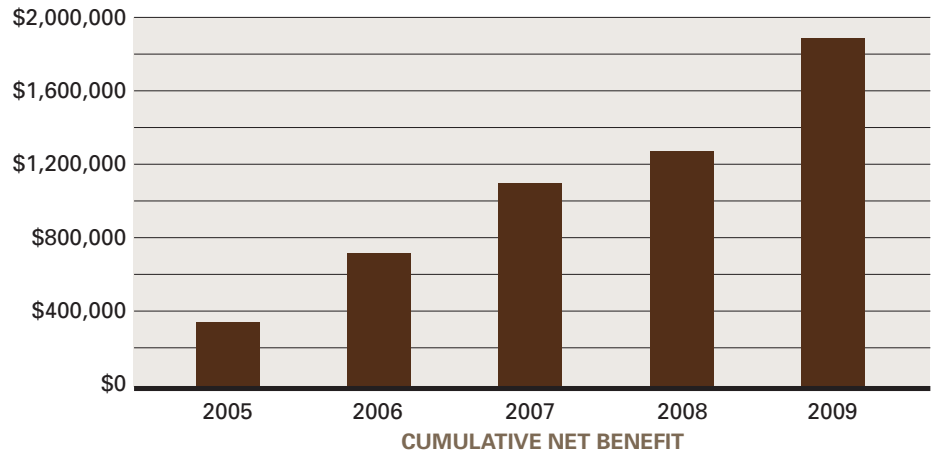
Because Ingenix ClaimsManager automates many aspects of claims handling, coder productivity has improved. Reducing claims rejections has also increased productivity. Previously, every denied claim had to be handled individually by Prevea coders, taking up substantial staff time. Because there are far fewer claims rejections, coders can spend their time on the front end, rather than reworking claims. Prevea Health also uses Ingenix ClaimsManager to benchmark the productivity of its coding staff, and uses that information to help improve their work. Overall, as a result of increased productivity, Prevea Health has gained \$875,000 in benefits over five years.

“One of the biggest challenges facing health care institutions is how to handle an increasing number of claims while holding down or reducing costs. Ingenix ClaimsManager helped us meet that challenge. With it, coding productivity has improved dramatically, and we can handle far more claims, while spending fewer resources on coding.”—Dean Cravillion, Prevea Health Director of Business Operations

Prevea Health has also gained substantial financial benefits because it receives more accurate reimbursement for the health services it provides. Ingenix ClaimsManager checks all claims to ensure that claims are coded properly. Prevea Health also makes substantial use of Ingenix ClaimsManager’s positive editing ability, which identifies unbilled or incomplete charges. As a result of the use of Ingenix ClaimsManager, Prevea Health has gained \$2,112,859 by identifying service dollars that were previously not billed.

“Ingenix ClaimsManager has helped us reduce costs while handling an increased number of claims,” Cravillion says. “As a result, we will be able to spend more resources on providing the best health care possible.”

Project Summary						
ROI	2471%					
Payback Period (in months)	1					
Cumulative Net Value	\$18,995,292					
Net Present Value	\$14,665,928					
Project Costs	2005	2006	2007	2008	2009	TOTAL
Implementation Costs	\$20,000					\$20,000
Period Cost of ClaimsManager	\$144,196	\$144,196	\$144,196	\$158,059	\$158,059	\$748,706
Total Project Costs	\$164,196	\$144,196	\$144,196	\$158,059	\$158,059	\$768,706
Benefits	2005	2006	2007	2008	2009	TOTAL
Increased Productivity	\$35,000	\$105,000	\$210,000	\$245,000	\$280,000	\$875,000
Reduction in Claims Rejections	\$2,873,723	\$2,959,934	\$3,048,732	\$3,140,194	\$3,234,400	\$15,256,983
Interest Benefit on Cash Flow of Scrubbed Claims	\$303,831	\$303,831	\$303,831	\$303,831	\$303,831	\$1,519,156
Value of Identifying Non-Billed Service Dollars	\$397,967	\$409,906	\$422,203	\$434,869	\$447,915	\$2,112,859
TOTAL BENEFITS	\$3,610,520	\$3,778,671	\$3,984,766	\$4,123,894	\$4,266,146	\$19,763,998
Financial Analysis	2005	2006	2007	2008	2009	
Net Value	\$3,446,324	\$3,634,475	\$3,840,570	\$3,965,835	\$4,108,087	
Cumulative Net Value	\$3,446,324	\$7,080,799	\$10,921,370	\$14,887,205	\$18,995,292	



5-YEAR CUMULATIVE NET BENEFIT = \$18,995,292

About Prevea Health

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About Ingenix

Ingenix delivers Intelligence for Health Care, uniting the brightest minds to improve health care through information and technology. Ingenix serves more than 250,000 diverse health care clients including insurance companies, federal/state agencies, pharmaceutical and biotech firms, Fortune 500 enterprises, hospitals and physicians within the health care community. For more information about Ingenix and its products and services, please visit www.ingenix.com.

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