

nTELAGENT



Effingham Hospital's Front-End Makeover

***How One Facility Boosted Its Upfront Collections by 86 Percent
and Reduced AR Days from 103 to 50***

An nTelagent, Inc. Case Study

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Introduction

In the television series “What Not to Wear,” the hosts spend each episode overhauling a person’s style for the better – from clothing to hair and makeup. It’s usually not easy. The person being made over generally has a hard time letting go of her old clothes and style, her old way of putting on makeup and doing her hair. She’s simply scared of stepping into a more modern world of style. In the end, though, after the outside transformation process is complete, that person’s attitude often undergoes a change as well: a new confidence emerges, she walks taller and straighter, and a stronger smile appears on her face.

Over the past couple of years, Springfield, Ga.-based Effingham Hospital has experienced its own dramatic makeover, specifically in the areas of its patient access staff’s responsibilities and in how the facility handles its front-end operations.

With a background in medical collections, Beverly Kicklighter joined Effingham in early 2006 as the hospital’s business office manager. Effingham, a critical access hospital, is located in the 28th fastest growing county in the nation.

When Kicklighter arrived, the facility was part of a larger organization, and front-end revenue cycle operations were simply not the focus. Instead, the hospital concentrated its efforts on the post-service side of things – as many healthcare service providers have done for decades (and continue to do).

There was no process in place for upfront collections; the patient access staff members weren’t asking the hospital’s patients for co-pays or deposits, and they certainly weren’t working with patients to set up payment plans. Even on the back end, all collections activities were outsourced, so there was little consistency. Effingham’s upfront collections were only \$4,700 for the entire first quarter of 2006.

Kicklighter was shocked, asking herself how a business could possibly stay afloat without a focus on collections. Like other businesses, the hospital was providing valuable services – but it wasn’t asking to be paid for those services.

Later in 2006, Effingham became a stand-alone facility, no longer associated with the larger system. Norma Jean Morgan, who rejoined the hospital as its CEO, Kicklighter and Effingham’s other team members began to change some things around.

“Getting On the Upfront Collections Train and Riding It”

Effingham’s hospital management team understood two important facts. First, the roles and responsibilities of the facility’s front-end staff – the registration clerks – had drastically changed over time.

Historically, the patient access department of a healthcare facility has been responsible for such tasks as scheduling, registration and admissions. Today, however, the responsibilities of patient access departments are far more multifaceted and comprehensive than in the past. Patient access staff are now reviewing referrals, obtaining authorizations, verifying eligibility, validating demographic information, determining charity care and discounts, requesting payment at time of service, and other complex tasks that were once handled in other areas of a facility – or simply not done at all. As patients continue to bear more and more financial responsibility for their care, the frequency of such duties will only increase.

Second, Effingham realized that the front-end staff needed the proper tools and training to effectively and consistently handle the above-mentioned activities. Without an investment in staff training and point-of-service solutions, the hospital’s overall revenue cycle would continue to suffer. Kicklighter told her co-workers that they were going to have to “get on the upfront collections train and ride it,” or the hospital’s ability to continue providing exceptional community service was going to be threatened.

Registration Clerks Become Financial Counselors

On the staff training side of things, Effingham implemented an innovative organizational change: The front-end staff members, then called “registration clerks,” would become trained as experts in all things related to patient financial communications, and they’d be given a new title, “financial counselors.” The extensive, mandatory, two-month training spearheaded by Kicklighter involves a number of modules, including a course on “Insurance 101,” becoming certified by HomeTown Health (Georgia’s rural hospital association) in insurance and registration, and learning all the necessary systems and technology to support them in their work.

These days, the patient access staff have a new look as well. They all wear white lab coats with their names on them, punctuating their new role as professional, expert financial counselors. According to Kicklighter, they are expected “to achieve a certain level of excellence.” After training modules are completed, they have to take a test, undergo a 90-day probationary period, and then have a personal evaluation.

As expected, there was some turnover in staff when the mandatory training went into effect. Now, however, things have “shaken out” and Effingham has a stable group of 16 highly trained individuals working with its patients. As their responsibilities have increased, the staff members’ salaries also have been appropriately adjusted.

Implementing a Point-of-Service Solution

Going hand-in-hand with financial counselor training was the need for a point-of-service collection system. At a 2008 HomeTown Health meeting, CEO Norma Jean Morgan was introduced to a web-based solution developed by nTelagent, Inc. nTelagent’s system, called the Retail Application for Healthcare, tells healthcare registrars and financial counselors exactly what to do and what to say to each patient at the point of service regarding financial responsibilities – similar to applications used in the retail industry at the point of sale. From determining patient financial responsibility (e.g., co-pays, co-insurance and deductibles), to insurance verification, to identifying discounting, social services eligibility and charity care options when applicable, to allowing for price transparency and payment plan terms, nTelagent’s system is a “one-stop shop” for all necessary point-of-service activities.

Morgan was impressed, and she jokingly told Effingham’s CFO to write a check right there on the spot. They were attracted to the overall simplicity of nTelagent’s Retail Application, to the fact that it was easy to use and could be quickly implemented, and that training wouldn’t be difficult. (nTelagent’s standard implementations usually only take four to six weeks, from initial set-up to completing the staff training. Around 95 percent of the work is done by the nTelagent specialist assigned to the client. The client’s time is well respected and only used for making key decisions about the system.)

Effingham implemented the nTelagent solution in August 2008. After just a few weeks, the nTelagent specialist assigned to Effingham had incorporated the hospital’s own business policies and rules into the Retail Application, staff had been trained on how to use the system, and the solution went live. Ongoing online training on the nTelagent solution is part of the mandatory training modules for financial counselors.

Now for the Results

To put it mildly, things have improved at Effingham in the area of point-of-service activities. Collections have been steadily rising, partly due to the well-trained financial counselors, but also because they now have the tools and technology they need – right at their fingertips – to best communicate with their patients.

After implementing the Retail Application, Effingham increased its upfront collections by 86 percent within eight months (July 2008 vs. March 2009). Looking at Effingham's improvement over a longer timetable, **upfront collections for Q1 2009 increased by an astounding 383 percent compared to Q1 2006**. The hospital believes the potential for upfront collections is quite a bit higher, and expects that with continued use of nTelagent's system, combined with ongoing staff training, they'll reach their goals by the end of 2009.

According to Kicklighter, "nTelagent's Retail Application takes the guesswork out of handling the often complex tasks around patient financial responsibilities. The financial counselors enjoy the system because it does the hard work for them. nTelagent gives them the tools to check a patient's demographics, so they know not to ask a low-income patient for a \$500 deposit. The scripts tell them how to properly handle each account, depending on income level. They can also accurately determine and handle charity care processing. At one point, they offered all patients indigent forms to fill out. Now they know who should get what."

With the "Friday Report" provided by nTelagent every week, patient access staff members can see what they did and how they stack up compared to others using the Retail Application. Kicklighter continues, "The financial counselors have learned to navigate the system. If a particular counselor is uncomfortable asking for money, she just has to read the script, it's right there in front of her."

In short, **the nTelagent Retail Application has given Effingham's staff the information and the confidence to best communicate with the patient**. Effingham's patients receive outstanding service from front-end staff, who have the tools to accurately and consistently assist the guarantor in resolving all accounts. Patients can also rest assured that if they are eligible for any type of financial assistance or discounts, they will be notified of them.

"The financial counselors love that the system allows them to print promissory notes on the spot and have the patient sign them right then and there," said Kicklighter. "Before nTelagent, they had to do all the calculations manually and had to hand-write the promissory notes."

Another way nTelagent helps Effingham is through a hefty reduction in AR days, resulting in more cash on hand. In 2006, AR days outstanding were an "unbelievable" 103. By bringing collections in-house, and by using nTelagent's solution, Effingham has more than halved its AR days to around 50.

The new policy of asking patients for upfront payments – of running the revenue cycle in a more retail-like manner – has not been a complete bed of roses. With the support of hospital management, however, patients are adjusting to the idea of point-of-service collections.

Effingham now use nTelagent's Retail Application on all patients, not just those without insurance. Kicklighter reports, "Even patients with insurance need to know what their financial responsibilities are these days, and most of them don't. They don't know about co-pays or co-insurance or deductibles. They often think that if they have insurance through an employer, it pays for everything. nTelagent's system lets the financial counselor educate them about their benefits. Before, they didn't have this type of information."

Effingham Hospital is one to watch, as the facility's management continues to embrace innovative solutions, making great progress in both its clinical and financial areas of focus.

Who knows what future makeovers are in store?

About Effingham Hospital

Located in Springfield, Ga., Effingham Hospital is a Critical Access Hospital (CAH) accredited by the The Joint Commission. Hospitals having the CAH designation are necessary community hospitals serving citizens living in rural and growing areas. Effingham is the 28th fastest growing county in the nation. Effingham's emergency room plays a vital role in saving lives and sustaining health for the thousands of patients that come to their door each year. For more information, visit www.effinghamhospital.com.

About nTelagent, Inc.

nTelagent, Inc. has developed the Retail Application for Healthcare, the only point-of-service collection solution for the healthcare industry that settles all accounts on the front end – regardless of whether the patient is insured, uninsured or charity. Similar to applications used in the retail industry at the point of sale, the company's proprietary, automated system provides healthcare registrars and financial counselors with real-time scripts, telling them exactly what to do and what to say to each patient at the point of service regarding financial responsibilities. Healthcare service providers experience increased collections, upfront and overall, and increased cash on hand, as well as decreases in bad debt and A/R days. Moving workflow to the front end of the revenue cycle, nTelagent helps providers ensure a better patient experience through clearer communication and better, more consistent handling of all patient accounts. Visit www.ntelagent.com for more information.