



Software Solution Case Study

## Taking the Pain out of Medical Claims: ETSU Physicians Reduces Claim Denial Rates and Speeds Reimbursement

### Clinical Compliance Tool For Providers

#### Healthcare

ETSU Physicians and Associates has seen its claim resubmission rate decrease from 20 percent down to only 7 percent, saving them more than \$611,000 every month.

After helping alleviate their patients' aches and pains, healthcare providers everywhere feel the pain associated with submitting medical claims for payment. Healthcare industry research shows that the cost to simply resend a rejected claim to a payor exceeds \$4.40. According to an article in *Health Management Technology*, when calculating the additional costs of phone inquiries, duplications and extra administrative expenses, resubmissions can cost as much as \$57.46 per claim. East Tennessee State University (ETSU) Physicians and Associates is the multi-specialty group teaching practice of doctors and other healthcare professionals. ETSU Physicians and Associates serve more than 12,000 students and the residents of Johnson City, Tennessee and the surrounding area.

#### The Ailment: High Denial Rates



Like many healthcare providers, ETSU Physicians and Associates was swamped under the huge volume of paperwork associated with submitting claims for payment. Every month, the group has approximately 23,800 patient encounters and submits 21,500 claims for payment. Due to coding mistakes and data entry errors, ETSU Physicians and Associates saw their claim resubmission rate soar to 20 percent. With the group generating approximately \$4.7 million in charges every month, the denial of 20 percent of those charges cost ETSU Physicians and Associates approximately \$940,000 in delayed payments every month, not counting the additional administrative costs associated with resubmitting the claim after it was first denied. Having to go through the resubmission process for so many claims caused accounts receivable days to be as high as 70 days.

ETSU Physicians and Associates needed a solution that would reduce costs from claim denials, re-submissions and write-offs, speed reimbursement and improve regulatory compliance. They considered a batch editing solution where an entire batch of claims is first created in the practice management system and then submitted to an editing engine, but the claims would all be suspended until the entire batch was edited. Recognizing the drawbacks of this method, ETSU Physicians and Associates knew they needed to improve the process starting at the point of service. They desired a front-end claims entry and editing solution that would correct potential denials before the claim was actually created in the practice management system.

## The Remedy: Clinical Editing Technology

ETSU Physicians and Associates began their research by contacting other physician groups who used the same practice management system and asking what claims editing technology they used. Several of the organizations they contacted recommended ClaimsEditor® Professional by Context<sup>4</sup> Healthcare Inc.

ClaimsEditor® Professional is the most comprehensive clinical editing technology available to healthcare providers. It ensures that claims are properly coded and in accordance with applicable state Medicare and other third-party payer rules and regulations. ClaimsEditor® Professional examines the whole claim and identifies procedure-to-diagnosis mismatches, unbundling occurrences, use of nonspecific diagnosis codes, global service violations, potential unbilled revenue, and many other problem areas that can adversely affect not just claims processing, but a provider's overall practice.

As a client-server technology, ClaimsEditor® Professional offers ETSU Physicians and Associates more flexibility in customizing the software to the needs of their practice management system. Instead of keying into the accounts receivable system, they key each patient's charge information directly into the ClaimsEditor® Professional software and review it against any edit alerts that are generated based on the updated Medicare, Medicaid and Commercial Rule databases embedded in the software. Errors are corrected before the claim is submitted to accounts receivable, ensuring that it will be accepted the first time.

## A FULL RECOVERY: The Outstanding Results

ETSU Physicians and Associates found that ClaimsEditor® Professional perfectly addressed their needs with its front-end functionality at point of service and its ability to upload the most up-to-date carrier rules into the software.

Since implementing ClaimsEditor® Professional, ETSU Physicians and Associates has seen its claim resubmission rate decrease from 20 percent down to only 7 percent, saving them more than \$611,000 every month. They also receive payment of claims approximately 30 days faster, with accounts receivable days dropping from between 65 to 70 days, down to 35 to 40 days.



**CONTEXT**<sup>4</sup>  
HEALTHCARE

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