

# Case Study: Newport Hospital



## RESULTS AT A GLANCE:

- A/R days reduced by 9 days
- Accuracy rates increased from 79% to 94%
- Record amount of cash on hand in a payroll week

## QA SOFTWARE HELPS WASHINGTON HOSPITAL REDUCE A/R DAYS, IMPROVE REGISTRATION ACCURACY

A refocus on the revenue cycle at Newport Hospital, a twenty-four bed Critical Access Hospital in rural Washington, led to awareness of financial risk factors for the facility. After implementing QA software AccuReg, increased registration accuracy helped reduce Accounts Receivable days by nine full days in the first nine months of use.

### THE PROBLEM

In late 2007, Newport Hospital recognized a need to repair revenue cycle breakdowns that led to fiscal weaknesses. With accounts receivable days at an all time high, the hospital's cash flow and overall financial health status were at risk.

*"We have broken two records—lowest A/R days and largest amount of cash in the bank during a payroll week... everyone is very impressed."*

As Admitting Manager at Newport Hospital, Teresa Santee was responsible for her department's ability to accurately and adequately capture patient demographic and insurance information to avoid costly claim denials, returned mail, and back-end rework that ultimately led to the higher Accounts Receivable days Newport was experiencing. For Santee, "getting it right the first time during registration" was the answer to many problems throughout the entire revenue cycle. Registration Quality Assurance was approached in a variety of ways; 100% manual registration review, which became impossible as Newport's registration volumes increased, and random sampling review, which was limited and ineffective. "Over the years," Santee says, "I have approached registration accuracy and quality assurance in many different ways," including manual processes, various training techniques, and restructured hiring and

evaluation processes. While the attempts were successful, registration errors still remained.

### THE SOLUTION

Santee first learned of AccuReg Registration Accuracy Software at a California Association of Healthcare Access Managers (CAHAM) conference by other hospitals that were already experiencing results from implementing the registration accuracy software. Santee, along with her CFO Kim Manus, attended a demo of AccuReg, and "immediately saw the potential impact." As an automated quality assurance software program, AccuReg provided the capability of auditing 100% of patient accounts by auditing for common errors that affected billing, including demographic and insurance errors. By auditing for hundreds of hospital-specified errors, AccuReg generated detailed reports to registrars on what errors were made and how to fix those identified errors. In addition, AccuReg provided accuracy and productivity rates by employee and location, allowing supervisors and managers to note the progress of Admitting to those senior managers outside of the department. AccuReg provided Santee with a client list, and she began to gather feedback from admitting managers using AccuReg at their hospitals.

After hearing the success stories of other hospitals using AccuReg to identify and correct registration errors, Santee decided on AccuReg to automate the QA process at Newport. The hospital signed on in June of 2008 and completed installation in October of the same year.

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## THE RESULTS

During the nine months following installation, Newport experienced a reduction in Accounts Receivable days from 62.6 days to 53.6 days, nine full days. Registration accuracy rates, 79% at installation, rose to over 94% during the same time frame. The hospital also had the largest amount of cash on hand in a payroll week as a direct result of the decreased AR days. "Everyone is very impressed," Santee said, "this is the most rewarding project I have ever been involved in." The hospital knew it had found a valuable solution to a number of issues that had developed throughout the revenue cycle.

Additional benefits were also realized, including improved individual and department wide performance. For Santee, the greatest benefit was "to analyze and fix old processes that didn't work, and time to completely revamp old revenue cycle practices to ensure the financial success of our facilities"

Newport continues to utilize AccuReg to automatically audit 100% of patient registrations, and works with AccuReg support staff to add and modify edits as needed. With the success of AccuReg at Newport Hospital,

hospital administration has decided to implement AccuRegMD, the version of AccuReg designed for physician groups, in two associated family practice clinics. This implementation is set to be completed during the third quarter of 2009.

## ABOUT: NEWPORT HOSPITAL

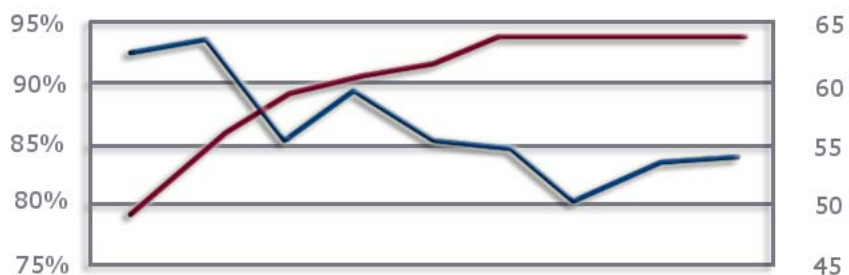
Newport Hospital is a 24-bed Critical Access Hospital in Newport, Washington. As part of Newport Hospital & Health Services, the facility provides acute care services, 24 hour trauma and emergency care, and general medical and surgical care. Newport Hospital & Health Services also operates two family practice centers, a 50-bed extended care and rehabilitation facility, and a 42 unit assisted living facility.

## ABOUT: DATABASE SOLUTIONS, INC.

Database Solutions, Incorporated (DSI), located in Mobile, AL, is a software development firm specializing in Hospital Patient Access and Business Office operations. Founded in 2004 by former hospital Business Office Director Paul Shorosh, DSI's flagship product AccuReg provides registration auditing and reporting to hospitals and healthcare systems of all sizes.

For more information about AccuReg Software, please contact our Marketing Department at 866-872-7498 option 3.

## Accuracy Rates vs. A/R Days



	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Accuracy %	79%	86%	89%	91%	92%	94%	94%	94%	94%
A/R Days	62.6	63.5	55.1	59.2	56.7	54.7	50.1	53.5	53.6