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Financial Management

Tracking metrics turned the Camp Lowell Surgery Center's AR around.

Kendal Gapinski, Associate Editor



Financial Management



SOFTWARE SOLUTIONS Lisa Rochon, RN, the financial director of the Camp Lowell Surgery Center, is utilizing the center's software to increase its cash flow.

When Lisa Rochon, RN, arrived as the financial director at the Camp Lowell Surgery Center in Tucson, Ariz., the facility was leaving a lot of money on the table. It was having trouble collecting from payors and patients. There was plenty of blame to spread around for the financial struggles: a software switch, soft co-pay collections and failing to bill secondary insurers.

Working with the staff to use the software more efficiently — coupled with other policies, like switching to generics

and implementing patient payment plans — has improved the center's finances dramatically in a short period of time, so much so that the fully physician-owned, 6-OR ASC wins this year's OR Excellence Award for Financial Management.

To a good revenue cycle

Starting in June 2013, Ms. Rochon says that the center began to carefully track accounts receivable (AR) metrics in search of solutions. By using the software to its fullest advantage, the staff got a better grip on what was going on with its AR and found ways to drive numbers down.

Ms. Rochon says that the center uses the software to track several different metrics — including AR greater than 90 days as a percent and as a dollar amount, credit balances as a percent of AR and initial claim denials. After getting a better look at its AR trends, the center has implemented programs, like a more thorough intake process.

The center now verifies all cases and ensures authorizations are on file prior to the patient's arrival, says Ms. Rochon, and compares a patient's insurance cards to what they have on file during a financial orientation call before surgery. In a year, the average number of initial denials has dropped from 99 a month to 34.

"This rigorous intake effort plays a huge role in our good revenue cycle," says Ms. Rochon.

Ms. Rochon says that staff uses the software to assign certain payors to collectors and creates pre-defined criteria for accounts that need to be reviewed. When a non-payment or denial trigger is met, or an account hits a deadline saying it's time to follow up, it then gets added to the collector's workflow.

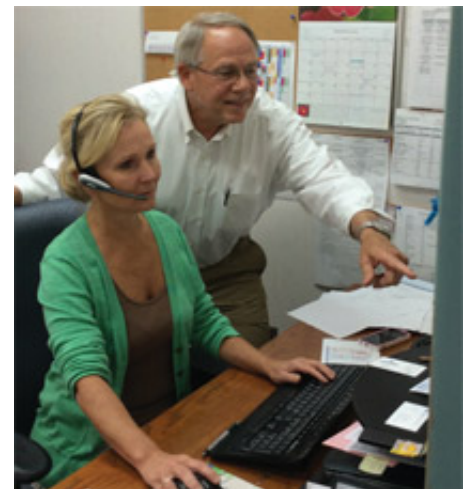
Ms. Rochon credits the 9% drop in AR greater than 90 days to using the new software and metrics. She notes that in dollar amounts, in just over a year, AR greater than 90 days has decreased by more than \$1.02 million.

WORK FROM HOME

Telecommuting RN Makes Pre-Op Screen Phone Calls

Is there any reason why a nurse who does pre-admission screens can't work from home? Not at all, says Andy Whitener, MSPT, MBA, administrator of the Gainesville (Ga.) Surgery Center. Besides reducing staffing costs — the nurse is paid per each screening she completes — the nurse can do the screenings when it's most convenient for the patient, especially helpful for those working 9-to-5. He adds that the cost of having the nurse work from home is actually less than holding nurses over in the facility to make these critical phone calls.

"We had several nurses who would stay after doing pre-admission screenings," says Mr. Whitener, noting many times the nurses at the facility could only leave messages. "They were trying to take care of patients and call others at the



FINANCIAL MANAGEMENT
Administrator Andy Whitener, MSPT, MBA, works with Business Office

same time.”

Manager Lauren Bell at the Gainesville Surgery Center in Georgia.

Mr. Whitener has made other enhancements to the center’s financial health.

- **Gap duties.** The center implemented a “gap duty” policy to reduce staff costs. Instead of having staff complete tasks like checking for outdated supplies or breaking down boxes at the end of the day, staff complete them during gaps between cases.
- **Scheduling cases.** When it comes to increasing volume, Mr. Whitener says, “Bring it on.” The schedulers have a “never say no” policy, with staff scheduling the case first, and then checking with the leadership team for review.
- **Negotiating with vendors.** Mr. Whitener says he targeted low-hanging fruit first to help the center’s finances when he arrived. He called and wrote all of Gainesville’s vendors, telling them he needed to lower costs or he was going to shop around. The strategy worked, with half of them reducing prices by 10% or more and saving the center \$50,000 a year.

– **Kendal Gapinski**

Motto: What gets measured gets done

The software is also used to track patient balances. The center only sends 2 statements and attempts 1 phone call before assigning accounts to a collection agency.

“My motto is that things monitored tend to be well-managed,” says Ms. Rochon. “You have to do everything, every day, from claims to payments to deposits. It should be a routine. If you do everything, every single day, it falls into place and takes care of itself.”

The center follows other policies to help keep its costs down and cash flow high.

- **Shopping for supplies.** The materials manager at Camp Lowell frequently pits vendors against each other to ensure the best price, and negotiates trial periods and trade-in deals for capital equipment purchases. The staff are also always on the lookout for generic alternatives to pricey brand-name products. For example, the center switched from Demerol to meperidine. The switches and time spent in researching deals have saved the center “quite a bit of money,” says Ms. Rochon.
- **Patient payments.** The center is “aggressive” on getting patient payments on the day of surgery, but in certain circumstances will set up payment plans where the balance is paid in 3 installments. Patient balances can be paid online or pulled automatically out of a debit or credit card. Ms. Rochon says that the center is also looking into working with a healthcare credit card company to let patients take out a line of credit for medical services. The center would be paid up front and patients would be responsible for making payments to the creditor.

ONLINE STORAGE

Surgeon Builds His Own Software

When John Hilinski, MD, isn't busy performing facial plastic surgery at his San Diego surgical center, you might find him at the keyboard working on his other passion: writing business software. To help his staff complete "daily tedious tasks and logs," he created a paperless solution called E-Log, where the staff can track daily duties like checking OR temperatures or malignant hyperthermia kits.

While it may sound complicated to invent your own software, Dr. Hilinski insists it's something "any surgical center could do." He says he taught himself, first using Filemaker Pro to create databases, and then designing his own software as he learned more.

"Since there have to be logs kept every day, I decided to try and centralize that into one software for the whole facility," says Dr. Hilinski, who owns the Hilinski Ambulatory Surgery Center. With the software, in use for about 2 years, the records can be stored electronically, significantly reducing the center's paper burden. Staff members carry an iPad with them and use it to access the software, find their task and mark down notes for that day.

Plus, he says, E-Log has a feature for inter-office communication. So, when a nurse is checking supplies and notices a few items getting low, she can send a direct message to the administrator listing exactly what is needed, he says.

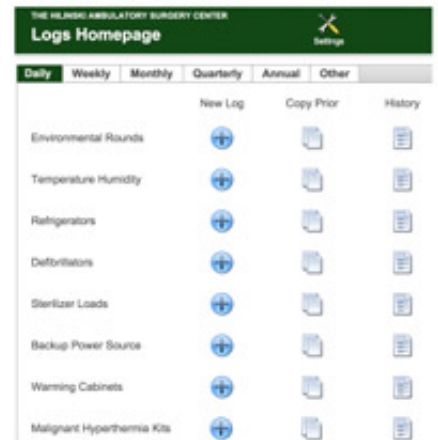
His staff love it, he says, and surveyors like it too. With just a few swipes on the tablet, the staff can pull up logs for any task on any day a surveyor asks for, something Dr. Hilinski says is much harder when tracking with paper.

I've had several inspectors come in, and every one has asked, 'Why don't we have this?'" says Dr. Hilinski.

Dr. Hilinski says that because of its popularity, he is in starting to work with a software company to make it available to other surgical centers.

"It has reduced the paper burden significantly," he says. "Plus, it makes the job a lot easier to do."

— **Kendal Gapinski**



LOGGING SOLUTIONS Using the software John Hilinski, MD, created to reduce paperwork and streamline the logging of daily tasks, staff can choose the task they are completing, fill out the day's form, and then store it electronically.