

Children’s Specialists of San Diego Cuts Costs by \$4400 per Week using HERAE



Payment processing is one of the most time-consuming functions for Children’s Specialists staff. By using HERAE, our staff can process and route payment work, track an Explanation of Benefits (EOB) or produce a report with a



Larry Silvia, CEO

simple click of the mouse. Our goals are to reduce staff time spent on manual tasks such as copying, filing and tracking EOBs, and to free up the valuable time we need to better serve the physicians in our group.



Background

For more than 25 years Children's Specialists of San Diego has focused on the healthcare needs of children. As San Diego's largest pediatric specialty medical group, Children's Specialists has more than 150 pediatric, adolescent, and

maternal/fetal medicine specialists who provide a full spectrum of outpatient and inpatient care in 27 specialties. Children's Specialists of San Diego is committed and dedicated to providing excellent care to children.

Challenges

As one of the most prestigious medical groups in Southern California, Children's Specialists continually attracts patients looking for the highest level of healthcare available for children. The challenge: how can the administrative staff handle more physicians and more patients when it's currently struggling with thousands of paper EOBs with varying formats, an endless stream of envelopes, underpayments, and secondary insurance claims generated by 150 physicians?

The administrative staff was challenged with time management, unsatisfactory collections from health plans, storage space for paper records and the daunting task of keeping track of

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EOBs. With hundreds of EOBs and health plan payments to process, office personnel spent a large fraction of their

time copying and filing EOBs, and tracking down payment records. These repetitive, time-consuming duties left little time for higher value tasks such as creating reports for management and enhancing the patient experience.

Expense was also an issue. Children’s estimated that it spent \$6.13 per EOB envelope – a cost that was impacting its bottom line. Children’s goal was to find one easy-to-implement solution that would reduce its cash posting time from three days to one, enable more timely financial reports, reduce storage space for paper payment information, and lower costs.

See the solution and savings on side 2...

Solution

HERAE's internal savings analysis tool (iSat) measured Children's Specialists workflow for billing and electronic remittance advice to determine how much staff time was spent on paper payments, how HIPAA 835 transactions might be processed, and how much money per EOB envelope the practice was spending processing claim payments. Time tests of Children's four cash posters showed that they were spending on average more than five minutes per EOB envelope. Children's processes about 1,200 EOBs each week. Multiplied by dozens of payers, hundreds of physicians and thousands of patients, the task had become overwhelming, inefficient and

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expensive for the group.

HERAE implemented a consistent paperless process for Children's Specialists. Unlike a scanning solution, the fully electronic process created standardized virtual remittance forms, HIPAA 835s, with an automatic re-association of claims and payments for Children's. HERAE's Web services-based solution required Children's to have nothing more than a browser on staff PCs. Cash posters also utilize HERAE's browser tiling software, ViewPoint. HERAE's Electronic File Cabinet eliminated Children's need to archive thousands of EOBs and payment records every month, which typically filled two to five file cabinet drawers each month.

Results

Children's Specialists of San Diego reports that its use of HERAE's Web-based payment processing has:

- Improved collections
- Reduced payment processing costs by \$4,400 per week
- Avoided the need for acquiring an expensive paper scanning solution
- Enabled staff to complete the payment posting and deposit cycle in one day as opposed to three, improving cash flow
- Reduced EOB cash posting processing time from five minutes down to 30 seconds

- Produced more timely financial reports
- Enabled Children's to completely turn off paper ERAs from Aetna and establish a plan to do the same with other health plans in the near future
- Reduced paper archives and storage space significantly, eliminating the need for numerous file cabinets in the office

The time and money saved using HERAE is having a positive affect on staff and business overall at Children's. The group practice is moving administrative staff to higher-value tasks, enabling it to meet its business goals by welcoming more physicians and more patients to the group.

About HERAE, LLC

HERAE (pronounced "hurray") provides painless payment processing and direct deposit for the healthcare industry. Through its unique focus on healthcare provider billing challenges and electronic remittance advice, HERAE has developed a paperless process with standardized explanation of benefits (EOB) forms, detailed reporting and process workflow enhancement capabilities that improve collections, reduce costs by up to two-thirds, and complete the payment to deposit cycle in 24-48 hours.

Contact

For more information call your HERAE representative at 1-888-41-HERAE (43723)

www.herae.com