



## PIH HEALTH PARTNERS WITH NAVIGANT TO RESOLVE NET REVENUE CHALLENGES

California Healthcare Network Decreases Denial-Related Write-Offs and Improves Point-of-Service Collections

### THE CHALLENGE

Healthcare continues to see rapid expansion and turbulent transitions. For hospitals and health systems, growing pains can include a loss of revenue and an increase in accounts receivable, depending upon a number of internal and external factors. PIH Health, headquartered in Whittier, California, experienced similar complications after acquiring a second hospital and medical group.

PIH Health's ability to efficiently identify, monitor, and trend key performance metrics was significantly limited due to use of multiple clinical and billing systems, including Allscripts and Cerner/Siemens. The systems lacked the interoperability necessary to seamlessly produce performance reports. These technological challenges also inhibited the ability to conduct root cause analysis to understand the key issues impacting revenue.

### THE SOLUTION

PIH Health engaged Navigant in 2015 to provide a comprehensive assessment of its revenue cycle performance and operations. The assessment included qualitative interviews and shadowing of revenue cycle staff members and departments to evaluate the operating environment, as well as quantitative data analysis to compare revenue cycle key performance indicators against industry leading practices. After careful evaluation, Navigant estimated a 12-month annualized net benefit between \$2.04M and \$7.08M within one year of implementation of the recommended areas of opportunity. Recommendations included revenue cycle management advisory, leadership, structure review, and process improvements to position PIH Health for meaningful, sustainable impact to metrics.

PIH Health selected Navigant as a partner for a 9.5-month engagement from November 2015 through August 2016. The Navigant team was engaged to focus on the following key revenue cycle initiatives: interim management of the revenue cycle vice president function, point-of-service collections, denials management and avoidable write-offs, and vendor management.

## About PIH Health

PIH Health is a nonprofit, regional healthcare network that includes two hospitals, numerous outpatient medical offices, a multispecialty medical (physician) group, home healthcare services and hospice care, as well as heart, cancer, and emergency services. PIH Health is dedicated to putting patients first — a cornerstone of its mission, vision, and values. Its facilities in Whittier and Downey, California, serve more than two million residents in Los Angeles and Orange Counties and throughout the San Gabriel Valley.

[navigant.com](http://navigant.com)

## About Navigant

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## THE RESULTS

### Point-of-Service Collections



#### Hospital

Average monthly collections **improved to \$1.09M (20% increase)** January-August 2016, resulting in \$1.86M of annualized net revenue benefit



#### Professional Clinics

Average monthly collections **improved to \$462K (18% increase)** April-August 2016, resulting in \$654K of annualized net revenue benefit

### Denials Management and Avoidable Write-Offs



**Implemented a denials management** tool to follow up on denials more efficiently



Reduced hospital **avoidable write-offs by 25%**, resulting in **\$2.5M** of annualized net benefit



Reduced professional clinics unbilled encounters **older than 90 days by 98.6%**



Reduced professional **avoidable write-offs by 55%**, resulting in **\$653K** of annualized net benefit

### Vendor Management



#### Payer Search

Identified additional **50 accounts per month** for potential insurance billing



#### Transfer DRG (Diagnosis-Related Group)

**Recovered \$372K in DRG reimbursement** from historical account review



#### Motor Vehicle Accident (MVA)

Improved yield on MVA accounts from **4.8% to 25% on Med-Pay accounts**

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