

Cutting Out Bad Debt Like A Cancer:

Improved Revenue Cycle Helps Florida Oncology Practice Thrive

Over the course of its 23-year history, a Florida-based medical oncology practice earned an outstanding reputation for its physicians' delivery of personalized, compassionate cancer care. And while the quality of its care served as a successful differentiator to build patient volumes, the practice's financial circumstances – particularly its bad debt – prevented the partners from adding locations, investing in equipment, or hiring new physicians.

In 2015, the practice outsourced its entire revenue cycle management to **Scio Management Solutions**, including insurance verification, referrals and authorizations, payments, and accounts receivables.

Since then, the practice has dramatically improved its financial standing, which has allowed its business operations to grow across a range of measures. The practice doubled the number of doctors on staff, added two nurse practitioners, grew from five locations to eight, and added radiation oncology to its care offerings.

Applying A Disciplined Approach To Revenue Cycle

At the outset of Scio's engagement, the team identified several goals:

- To improve the rate of collectibles by reducing the number of accounts aged more than 90 days
- To increase collectible debt while decreasing write-offs and adjustments
- To streamline the revenue cycle process to facilitate greater cash resources for expansion

KEY METRICS OF SUCCESS



Increased charges from \$35.6 million in 2015 to \$74.8 million in 2019



Increased payments from \$17 million in 2015 to \$28 million in 2019



Decreased bad debt by \$277,000 from 2015 to 2019



Decreased average days of A/R to 33 – among the highest performing in the nation



Achieved "best practice" status for collection percentage, percent of claims denied, days in A/R, and total A/R over 90 days.



Scio used lean Six Sigma project management methods in its approach to improving the practice's RCM, which included a deep understanding of the practice's operating requirements, improving the practice's business systems at every level of the organization and enhancing its financial performance.

Preventing Denials Before They Happen

As part of its insurance verification services, Scio confirms insurance authorization for all types of care – from physician visits, to imaging, to infusion drugs – usually 7 to 10 days prior to the patient's appointment. By proactively seeking these authorizations, Scio's clients

can address any pushback from insurance companies in advance of the patient's visit, preventing cancellations and rescheduling, which can adversely affect operations and consistent revenue cycle, and more importantly, patient treatments and outcomes.

Among the changes Scio implemented was ensuring claims were submitted to payors along with corresponding Proof of Expenditure forms (POEs) and the original Evidence of Benefits (EOB) – always through a streamlined web portal. Using this approach, the practice began to receive payments within seven days.

Prior to Scio's involvement, the practice had inconsistent and outdated approaches to collecting from secondary payors. For these secondary payors, which include Medicare supplement plans, coverage for retired military, and coverage for patients who have more than one insurance plan, the practice relied on paper claims submissions. Scio converted all claims to electronic submissions, which dramatically increased on-time reimbursement from these payors.

Another major step, Scio initiated a gradual increase in its fee schedule from 200% of Medicare allowable charges to 250%. This, along with significant volume

growth, has contributed to a doubling of charges to \$74 million in 2019.

Scio's successful revenue cycle management also included:

- A more aggressive approach to rejected claims, seeking resolution on Level I and Level II rejections on a daily basis
- Comparing payors' statement of payment with bank deposits to ensure accuracy
- Bi-weekly reporting on drug charges to avoid underpayments (compared to contracted rates)
- Identifying high-dollar, "medical necessity" denials to prevent ongoing losses for the practice

Through these tactics and others, the Florida oncology practice has achieved its business goals and grown into a highly-profitable enterprise with continued plans for expansion.

For more information about what Scio can do for you, contact our business development team at (877) 635-0409 or info@scioms.com.