

Healthcare

New revenue cycle approach nets \$13M for MetroHealth

The MetroHealth System automates and improves receivables collections with enhanced revenue cycle management approaches.

The challenge

MetroHealth, a large, safety-net healthcare system in Ohio, and Cognizant have collaborated on revenue cycle solutions since 2013. Both partners identified the need to mitigate a spike in claims denials by payers, to shorten accounts receivables days outstanding, and to increase cash collections.

One critical issue was a lack of integration between MetroHealth's upstream and downstream systems that made it difficult to identify root causes of pending or denied claims. For example, an incorrect benefits eligibility confirmation or missing preauthorization can cause a health insurer to deny payment on a claim. MetroHealth also wanted more transparent processes across departments, such as provider enrollment, patient registration and coding, in order to identify and solve issues.

The approach

MetroHealth identified automation as key to preventing denials before they occur and creating optimal workflows for tracking outstanding claims with health insurers. MetroHealth also augmented its staff with Cognizant's experts to identify the root causes of problems in billing and coding and to recover any missed reimbursements. To accomplish these goals, the Cognizant and MetroHealth revenue cycle management teams worked closely to deploy the Cognizant® Revenue Cycle Management Workflow solution (CRCM Workflow). CRCM Workflow is both a performance improvement engine and a cloud-based technology platform that continuously deploys



At a glance

Industry
Healthcare

Challenge
Reduce denied health insurance claims and improve collections.

Products and Services

- Cognizant Revenue Cycle Management Workflow
- TriZetto Advanced Reimbursement Manager (ARM) Pro

Success Highlights

- Decreased denials by 30%, translating to \$13M in additional revenue over one year
- Increased averaged daily collections by 25%

new features and automation to improve process quality and financial outcomes. The solution allows MetroHealth to examine any point across the entire revenue cycle.

Each day, CRCM Workflow prioritizes eligible accounts to address and assigns them to Cognizant's specialty teams using business rules based on the payer, amount and age of the accounts.

Along with streamlining the process of recognizing revenue from older receivables, CRCM Workflow prevents denials on the front-end with its integrated TriZetto® Advanced Reimbursement Manager (ARM) Pro denials management solution. ARM Pro automates the previously manual process of identifying the root causes of initial claim rejections, both avoidable and unavoidable. With ARM Pro, MetroHealth can categorize denials down to the department level. This information allows MetroHealth and Cognizant to collaborate on denial prevention plans and assist affected departments in implementing them. For example, CRCM Workflow and ARM Pro revealed an error with a "place of service" classification that enabled MetroHealth to recoup more than 6,000 claims from two Medicare Advantage plans.

In addition to implementing the CRCM Workflow technology, Cognizant's accounts receivable follow-up and denials services teams partnered with MetroHealth to identify and resolve underpayment and nonpayment trends with various payers in numerous accounts. For example, one large payer was not responding to over 5,000 of MetroHealth's accounts. The Cognizant team identified these accounts, MetroHealth alerted the payer and the accounts were processed. In another case, our team alerted the client that two large payers were reprocessing its claims at a lower rate due to a modifier issue. The MetroHealth team then worked with the payers to rectify the issues

Business outcomes

Through the combination of CRCM Workflow, ARM Pro and the Cognizant Revenue Cycle Management services team, MetroHealth and Cognizant have uncovered other process issues that can result in pending or denied claims, such as how patient observation hours are entered in MetroHealth's electronic health record system. That fix required creating a rule to ensure hours are reported per date of service, not as a whole, to help avoid denials by Medicaid managed care plans.



“Cognizant’s tools [CRCM Workflow, ARM Pro and staff] have enabled us to prevent more than \$13 million in denials and to reduce aging receivables. We consider Cognizant an extension of our company. We are partners in the process and could not do what we do without them.”

Jennifer Davis, VP of Revenue Cycle, MetroHealth

These types of solutions throughout and beyond the revenue cycle have netted the following results:

- Denials have decreased by 30%, which translates into \$13M in additional revenue over a one-year period.
- Average collections per day increased 25% between Q1 and Q4 in a single year.
- Average productivity has increased by 8%.
- Aging receivables were reduced by 19% in the 0–90 days category; by 13% between 91 and 365 days; and by 40% in the 365+ days group
- Six-month average denials percentage rate decreased from 2.62% to 2.24%, leading to over \$600,000 less in write-offs.

MetroHealth also delivers a better financial experience to patients by improving processes that affect timely payment of their claims.

About MetroHealth

The MetroHealth System operates four hospitals, four emergency departments and more than 20 health centers and 40 additional sites throughout Cuyahoga County, OH. The system serves more than 300,000 patients, two-thirds of whom are uninsured or covered by Medicare or Medicaid. MetroHealth is home to Cuyahoga County's most experienced Level 1 Adult Trauma Center, verified since 1992, and Ohio's only adult and pediatric trauma and burn center.



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