



CASE STUDY

Effectively Manage Surgical Invoicing

How a Charge Capture Solution Helped Mercy Health –
Fairfield Hospital Realize 4x Faster Processing Time



ReadySet
Surgical

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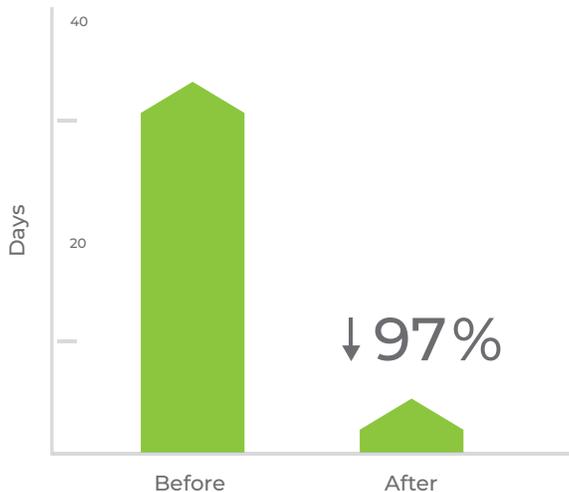
INTRODUCTION

Ever-changing healthcare regulations and inconsistent reimbursement models can make timely settlements challenging. To combat that, revenue cycle management (RCM) has become a major focus area for healthcare service providers. In the case of acute care hospitals and surgery centers, effective RCM can make all the difference between running at a profit and running at a loss.

While most efforts around RCM tend to be on the payments side, effective and accurate charge capture remains a largely untapped opportunity. Charge capture for surgical procedures has proven to be particularly cumbersome given the various needs of that supply chain.

ReadySet Surgical offers a surgical charge capture solution, called Capture, which streamlines the bill-only process via one invoice while ensuring compliance to pre-negotiated contracts.

This case study examines the results of one customer's — Mercy Health – Fairfield Hospital — Capture test implementation.



Maximum number of days lag time for "bill-only" submissions pre- and post-Capture implementation

KEY FINDINGS

A six-month analysis period revealed that after implementing Capture, Mercy Health – Fairfield experienced:

- 4x faster processing time of surgical invoices
- No more charge capture lag time, no longer jeopardizing accurate payments for services rendered
- More accurate and complete tracking of accounts payable through a single digital trail, including third-party post-payment audits by insurance payors

THE CHALLENGE

Mercy Health – Fairfield Hospital is a 236-bed general medical and surgical hospital located in a suburb of Cincinnati, Ohio. U.S. News & World Report lists the hospital's annual volume at 16,038 admissions, with its physicians performing 3,555 inpatient and 4,682 outpatient surgeries, many of which are performed at an outpatient surgery center on the same campus.

Like many hospitals, Mercy Health – Fairfield Hospital is under financial pressure due to changes in the reimbursement environment; therefore, the hospital's leadership has been focusing on RCM to maximize the financial condition of the hospital. While a solution was identified for claims processing through collections, there remained a gap in effective charge capture for surgical cases.

Their existing process for surgical charge capture included several inefficiencies:

- All invoices for bill-only equipment were paper, with manufacturer's reps often handwriting critical information.
- Pricing information needed to be manually cross-checked with the hospital's GPO contracts in order to arrive at correct pricing.
- Non-approved equipment was not flagged at the time of service, causing contentious after-the-fact negotiations with medical suppliers.
- A team of people used a three-way match process for each invoice to ensure that the equipment was used, the item was contracted and the invoice displayed the correct price.
- Any discrepancies often took several weeks to resolve, delaying accurate information for surgical billing and accounting.

PO REQUEST SHEET

Date of Service: 5-7-19
 Customer Name: Mercy Fairfield
 Physician: Spooxys

QTY	Item #	Description and Lot/Serial #	Use Type	U
1		EXTS 1000 Tria Stimulator (lot # 91480 37)	Permanently Disposed	
1		EXTS 1000 Patient Magnet (lot # 41144 12)	Permanently Disposed	
1		Insertion Needle Kit (lot # AACB 1015 / 94061 49)	Permanently Disposed	
1		Rx-2 reusable Epinephrine Needle (lot # 21422 16)	Permanently Disposed	
1		Rx-2 reusable Epinephrine Needle (lot # 21422 16)	Permanently Disposed	

Bill only

ReadySet Surgical | DePuy Synthes

Contract Items

Description	Quantity	Unit Price	Net Total
EXTS 1000 Tria Stimulator	1	1000.00	1000.00
EXTS 1000 Patient Magnet	1	1000.00	1000.00
Insertion Needle Kit	1	1000.00	1000.00
Rx-2 reusable Epinephrine Needle	1	1000.00	1000.00
Rx-2 reusable Epinephrine Needle	1	1000.00	1000.00
Total			5000.00

THE SOLUTION

In May 2019, ReadySet worked with Mercy Health – Fairfield Hospital to test the invoice solution. The scope of the test included all DePuy Synthes total joint procedures and their related invoices.

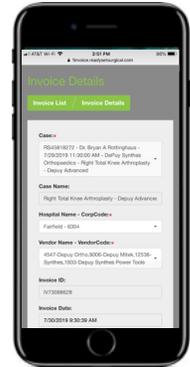
Capture offers the following functionalities:

- An invoice-creation interface, walking the user through the process step-by-step
- An electronic interface to the hospital's item master, updated daily
- Automatic pricing population, using the hospital's lowest negotiated price
- Menu-based selection of equipment and materials, ensuring consistent and accurate item naming
- Ability to list multiple items on a single invoice
- Consistently presented invoice information to eliminate confusion
- Immediate digital invoice submission at the point of service

The implementation process for Mercy Health – Fairfield Hospital was completed in 30 days and was defined by the following stages:

- **Pre-Implementation (15-20 days)** — Set up user accounts; established digital links to the item master; trained reps and staff. Communications were sent to stakeholders, announcing the implementation date.
- **Implementation (3-5 days)** — On-site support from ReadySet staff to troubleshoot; finalized training; real-time process walk-through.
- **Implementation complete** — Provided 24-hour support to reps and users, ensuring uptime for hardware and software.

From May to October 2019, Mercy Health – Fairfield Hospital processed 82 invoices for surgical cases representing over \$350,000 in costs via the Capture solution.



THE RESULTS

The following analysis is based on Mercy Health – Fairfield Hospital’s actual experience using Capture. Data was gathered via information collection from software history as well as from interviewing key hospital staff, which included their OR and supply chain leadership.

Overall, the resulting benefits of the solution can be separated into three areas: speed, accuracy, and consistency.



Improved Speed

- With Capture in place, all Depuy Synthes materials were billed within 24 hours of the related procedure. This fast execution was made possible by the immediate availability of the software interface and its ease of use. (Note: While all invoices were captured within 24 hours, the vast majority were prepared and submitted before the rep left the OR.)
- Once an invoice was prepared, the hospital spent far less time processing surgical invoices. In fact, their OR manager reported that the average invoice processed through Capture took one-quarter of the time it took to process traditional invoices. This equates to 4x the productivity in administrative tasks associated with bill-only invoicing.
- The benefit of invoice processing speed also avoided excess charge capture lag time. Since payments for some procedures are dependent on equipment used, underbilling can occur if payments are made before vendor invoices are processed. Delays in invoice processing add to the lag time, potentially jeopardizing payments for services rendered.

Improved Accuracy

- Due to all invoicing occurring within 24 hours of the procedure, there were no reported instances of forgotten items or equipment that was mistakenly included. Reducing the time from item use to invoicing helped to eliminate human error.
- All information listed on the invoices were validated against a digital item master prior to submission. Not only did the process ensure proper names for each item were used, but the software also automatically populated the appropriate pricing. The direct link to the hospital's item master eliminated the need for reps to provide pricing. Instead, the hospital's best pre-negotiated price appeared on the invoices.
- The time lag associated with traditional invoices creates the situation where reported payables are inaccurate. With the digital process in place, Mercy Health – Fairfield Hospital's accounts payable for Depuy Synthes was up-to-date at all times. Full payable information was known in real-time and accurately reported.

Create Invoice

Construct Items

Vendor CAT/ Part No	Item Master No	Description	Serial / Lot Num	Quantity	List Price	Contract Status	Item Total	Notes
557160	101055 <small>Lookup</small>	DISCONTINUED IMPL HIP FEM SHELL ACET		1	\$ 975.26	On Contract	\$ 975.26	
DSDS32	<small>Lookup</small>	test		1		Non Contract		
Construct Item Total:							\$ 975.26	

Line Items

Vendor CAT/ Part No	Item Master No	Description	Serial / Lot Num	Quantity	List Price	Contract Status	Item Total	Notes
440.551	100021 <small>Lookup</small>	PLATE LC DCP CONDYLAR BUTTRS RT 249MM		1	\$ 1018.23	On Contract	\$ 1018.23	
FFGGH85	<small>Lookup</small>	test		1	\$ 95.00	Non Contract	\$ 95.00	
Line Item Total:							\$ 1113.23	

Validated By: Jeanette Mitchell - SPDAdmin

Grand Total: \$ 2088.49

Improved Consistency

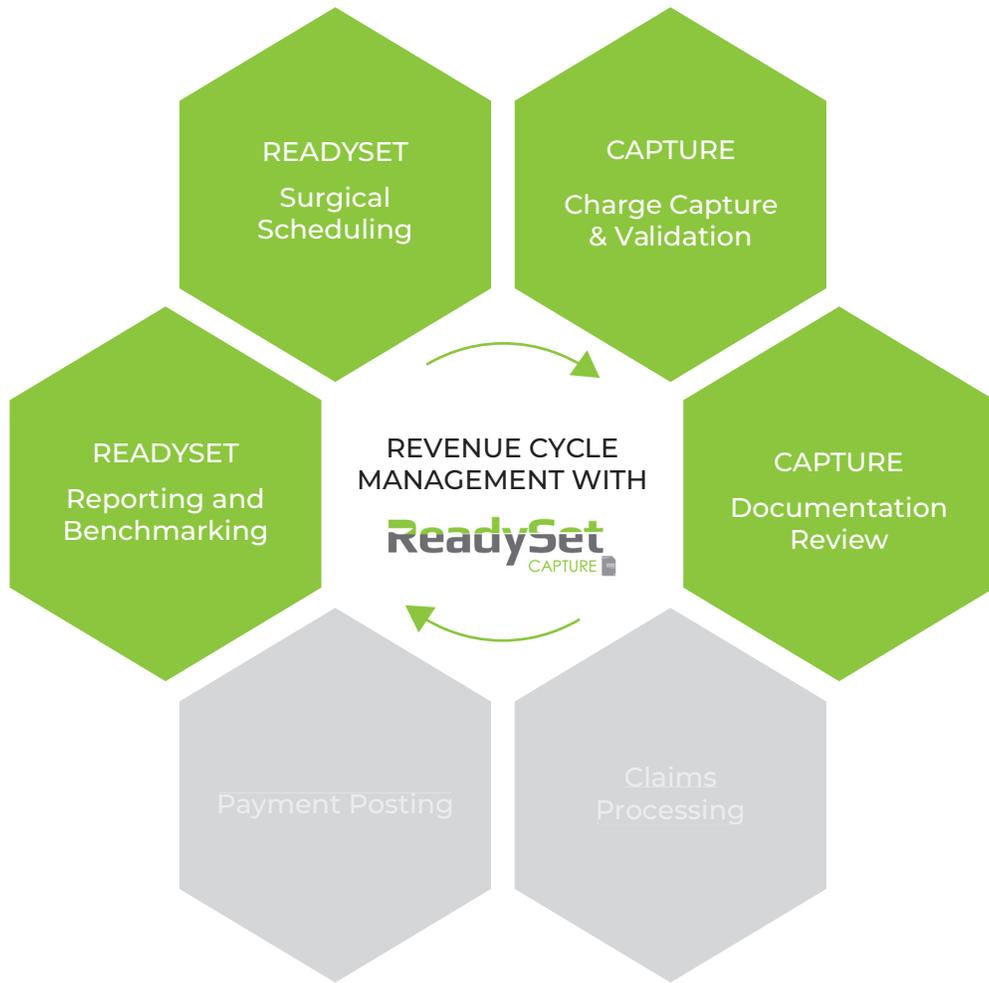
- All processed invoices were displayed in a consistent, easy-to-read format, even when printed, allowing for instant clarity.
- The single workflow process assisted with post-payment audits performed by insurance payors. For these efforts, the typical 'paper chase' was eliminated because all invoices were automatically stored electronically.
- With the invoicing process existing through a digital interface, reps knew that there were no workarounds. The new process drove compliance; put simply, if the process wasn't followed, companies did not get paid.

DEPUY SYNTHES PRICE SHEET		DePuySynthes <small>COMPANIES OF Johnson & Johnson</small>	
MERCY HOSPITAL FAIRFIELD - 000009446			
CASE DATE:	2/3/2020	MRN:	
CASE NO:	CIN62871	CASE TYPE:	KNEE
SURGEON:	ROTTINGHAUS, BRIAN	PROCEDURE:	PRIMARY
PATIENT ID:	BLOMER, PHILIP J	COVER REP:	BARTISH, JOE
PRODUCT	DESCRIPTION	LOT NO	QTY
150410208	ATTUNE PS FEM RT SZ 8 CEM	9372947	1
150680008	ATTUNE RP TIB BASE SZ 8 CEM	9199954	1
151810038	ATTUNE MEDIAL ANAT PAT 38M4	9352409	1
			UNIT PRICE
			TOTAL PRICE
			CAPITATED
			CAPITATED
			CAPITATED
			\$3,813.00
151650805	ATTUNE PS RP INSRT SZ8 5MM	9268999	1
			UPCHARGE
			\$274.00
254400111	ATTUNE SOLO PINNING SYSTEM	368D40	1
			\$295.00
			\$295.00
COMMENTS:		LINE ITEM:	
		\$295.00	
		LINE ITEM:	
		\$0.00	
		MISC:	
		\$0.00	
		CASE TOTAL:	
		\$4,382.00	
ORTHOMDWEST Phone: 855-463-3789 (Opt 2) Email: DL.CPIUS-OM-Billing@its.jnj.com Fax: 614-414-0532 Page 1 of 1			

ReadySet Surgical		DePuySynthes <small>COMPANIES OF Johnson & Johnson</small>				
Bill To:		Case ID #:				
Fairfield		RS26079694				
Corp Code: 6304		Date & Time of Procedure:				
Cost Center:		1/30/2020 1:00:00 PM				
Vendor Contact:		Date & Time of Submission:				
Depuy Ortho		2/4/2020 10:39:33 AM				
Vendor Code: 4547		Patient Initial:				
Vendor Representative:		KN				
Surgeon/Procedure Name/Notes:		Medical Record #:				
Dr. Bryan A Rottinghaus						
Total Knee Explant		Purchase Order #:				
Order Note:						
ORTHO DEVELOPMENT						
Construct items						
Vendor Cat No.	Product No.	Serial/Lot Number	Description	Quantity	List Price	Item Total
						\$0
 Construct Item Part Number Unrecognized in Item Master						

CONCLUSION

Charge capture is critical for the financial health of hospital systems worldwide. As hospitals and surgery centers continue to lose money due to internal inefficiencies and rising expenses, it is now more important than ever to find innovative ways to overcome these obstacles. ReadySet Surgical's Capture, a one-invoice solution, can help make significant progress in your health system's RCM efforts. By delivering faster, more accurate and more consistent surgical charge capture, you can improve your organization's bottom line and, in turn, deliver better patient care.



Surgical demand-signal initiated from ReadySet to vendor / manufacturer



Vendor / manufacturer charge-capture reviewed and approved by OR Staff



Vendor / manufacturer required to complete intra-operative charge-capture via Capture.



Contract compliance reports generated within ReadySet