

Charge Integrity Analytics Improves Revenue Recognition, Retaining More Than \$6M



\$6.1M in net revenue retained, a result of the timely resolution of more than 350 charge capture issues identified by daily audits in the analytics solution.

PRODUCTS

- ▶ Health Catalyst® Data Operating System (DOS™)
- ▶ VitalIntegrity™

EXECUTIVE SUMMARY

MultiCare Health System (MultiCare) recognized it had an opportunity to improve its charge capture processes and reduce losses. The organization sought a solution that was scalable, reduced errors, and increased profitability. MultiCare leveraged its analytics platform and a charge integrity analytics solution to enhance its ability to efficiently manage its charge capture processes, providing access to timely and actionable insights and enabling efficient root cause resolution.

EFFECTIVE CHARGE INTEGRITY PROCESS KEY TO FINANCIAL SUCCESS

Charge capture is a critical component of the revenue cycle performance. Inaccurate charge capture jeopardizes revenue and regulatory compliance. Up to one percent of a health system's net charges, a significant amount of money for any healthcare organization comes from lost charge capture opportunities.¹ An efficient strategy for charge integrity is essential for financially healthy organizations.

TIMELY ROOT CAUSE IDENTIFICATION AND RESOLUTION

MultiCare experienced changing payer reimbursement and billing guidelines as well as significant and extensive growth, which resulted in increased compliance issues, denials, adjustments, and frustration among both patients and clinical department leaders. The organization recognized that its people, processes, technologies, and tools had not kept pace with the changing environment, creating gaps between the needs of the organization and the output of its revenue cycle department. MultiCare assessed the alignment of its revenue cycle performance with its organizational strategy and executive expectations. It recognized the need for a solution that would optimize charge integrity analysis by proactively identifying issues and providing root cause resolution that was scalable with growth, promoted reduced error volumes, and improved net revenue.

PROACTIVE ANALYSIS IMPROVES CHARGE INTEGRITY

MultiCare developed a robust charge integrity audit program to improve revenue cycle performance and increase net revenue. It focused its efforts on improving its people capabilities, processes, and technology.

- **People Capability Improvements:** MultiCare supported its staff in increasing their analytics acumen, improving the ability to recognize trends, identify high-priority issues and the associated impact, and collaboration with other teams.
- **Process Improvements:** MultiCare changed its processes to identify and address root cause, shifting processes to ensure staff work the root issues rather than individual accounts. MultiCare modified the process to ensure the appropriate selection and utilization of solutions to address systematic issues, the efficient implementation of improvement activities, and consistent outcomes monitoring.
- **Technology Improvements:** MultiCare initiated a new issue tracker, standardized the root cause analysis template, created new tools for monitoring reports, and developed executive leader scorecards.

MultiCare leverages the Health Catalyst® Data Operating System (DOS™) platform and a robust suite of analytics applications for its data and analytics. The organization chose to implement VitalIntegrity™, a web-based analytics solution that empowers organizations to efficiently manage hospital charge capture processes by detecting and remedying compliance issues and supports the organization's overall goal of improving reimbursement and compliance. MultiCare uses the analytics solution as part of its proactive issue identification and resolution process, allowing the organization to recognize inefficiencies and revenue leakage from missed charges, identify compliance issues from overcharging, and facilitate tracking of inaccurate charges down to the root cause. The organization conducts three different types of audits: daily, systematic, and random.

- **Daily Audits:** Daily audits are automated using the charge integrity analytics solution. The analytics solution receives daily feeds of all coded hospital accounts from MultiCare's EHR and reviews those accounts and charges against a national database of rules, enabling staff assignment, sorting, filtering, exporting, and reporting. Staff can more efficiently identify and rectify trends and issues rather than focus on individual account resolution.
- **Systematic Audits:** MultiCare creates an annual schedule at the beginning of the year for systematic audits. Revenue cycle staff complete the systematic audits by clinical area and compare similar



ABOUT MULTICARE

MultiCare Health System is a not-for-profit healthcare organization that has been caring for communities in Washington State since the founding of Tacoma's first hospital in 1882. Its comprehensive system of 11 hospitals and numerous outpatient facilities serve patients in need of inpatient care, primary care, virtual care, urgent care, dedicated pediatric care, and specialty services.

units across the organization, enabling comparison of like-type groups. Charge description master (CDM) analysts research and document audit findings, providing the organization the opportunity to resolve issues. For example, a systematic audit might identify a cesarean section charge without an accompanying anesthesia charge. CDM analysts could then review other labor and delivery departments across the health system to determine if there were similarly missed charges.

- **Random Audits:** The daily and systematic audits inform the selection of departments for department-based random audits. MultiCare randomly selects and audits 30 accounts associated with a specific department or service line, gaining further insight into additional targeted opportunities for improvement.

MultiCare accelerates organizational learning by ensuring communication of performance to stakeholders at multiple organizational meetings and routinely publishing its audit findings and reports. The organization creates and distributes an executive scorecard, publishes content to the revenue cycle and CDM website, and uses newsletters to share information with a broad audience.

RESULTS

MultiCare has gained access to timely and actionable insights by leveraging its sophisticated revenue integrity analytics solution, enabling the quick resolution of time-sensitive charging errors that affect optimal reimbursement. The organization's people, process, and technology changes are delivering the desired results. In just three months, MultiCare has recognized:

- **\$6.1M in net revenue retained**, a result of the timely resolution of more than 350 charge capture issues identified by daily audits in the analytics solution.



The organization also identified \$36.6M in additional annualized gross revenue at risk of not obtaining optimal reimbursement or resulting in downstream denials and payer audits. MultiCare can now intervene to retain this revenue.

WHAT'S NEXT

MultiCare will continue to leverage VitalIntegrity to improve charge capture integrity and further advance revenue cycle performance. 🚀



MultiCare Health System leveraged Health Catalyst's DOS platform and VitalIntegrity solution to efficiently identify and resolve charge capture issues, retaining \$6.1M in net revenue in just three months, while supporting root cause analyses for ongoing process improvement.

Nicole Gorder, MBA, Executive Director of Revenue Integrity & CDM, MultiCare Health System

REFERENCES

1. Johnson, H. & Ward, D. (2017). Avoiding the high cost of high-capture leakage. *Healthcare Financial Management Association (HFMA)*. Retrieved from <https://www.hfma.org/topics/article/55358.html>

ABOUT HEALTH CATALYST

Health Catalyst is a leading provider of data and analytics technology and services to healthcare organizations, committed to being the catalyst for massive, measurable, data-informed healthcare improvement. Our customers leverage our cloud-based data platform—powered by data from more than 100 million patient records, and encompassing trillions of facts—as well as our analytics software and professional services expertise to make data-informed decisions and realize measurable clinical, financial, and operational improvements. We envision a future in which all healthcare decisions are data informed.

Learn more at www.healthcatalyst.com, and follow us on **Twitter**, **LinkedIn**, and **Facebook**.