

Charge Capture Analytics Enables \$7.8M Revenue Increase



\$7.8M increase in annual revenue, the result of improved charge capture accuracy, based on the services provided.

PRODUCTS

- ▶ VitalIntegrity™

EXECUTIVE SUMMARY

Up to one percent of net charges in the healthcare industry are lost because of ineffective charge capture. To collect revenue for the services it rendered, one integrated health system sought to improve its charge capture performance. The organization recognized that it needed to update its technology to help it detect inefficiencies and lost revenue from poor charge capture. By implementing an analytics application, the health system improved its charge capture accuracy.

CHARGE CAPTURE EFFECTIVENESS VITAL FOR SUCCESS

Healthcare system financial success depends on the ability to generate revenue through effective charge capture—as much as one percent of net charges are lost because of charge integrity issues. One integrated health system with annual net operating revenues of more than \$4B wanted to improve its charge capture performance, but the vendor and aging technology the organization had been using to ensure revenue integrity were not meeting its needs. Charge capture performance was no longer improving, and the organization knew it likely had missed charges, late charges, and late coding. However, its patient accounting system and charge capture tool couldn't provide the insight required to identify improvement opportunities. The organization needed a modern charge integrity solution to help its teams identify inefficiencies and lost revenue from poor charge capture while also ensuring compliance.

ANALYTICS IMPROVES REVENUE CYCLE PERFORMANCE

To improve revenue cycle performance, the organization replaced its charge capture tool with VitalIntegrity™, an analytics application that enables hospital systems to improve the charge capture process. The organization uses the analytics application to perform daily reviews of all inpatient and outpatient itemized charges.

By leveraging the comprehensive rule engine in the analytics application, the organization identifies gaps in charge capture processes and compliance issues, including inaccurate or incomplete documentation, missed charges, and overcharges. These issues, identified by the analytics application, populate a work queue for specialists within the EMR. The charge capture specialists review and reconcile issues, ensuring the ability to appropriately charge for the services provided before the bill is submitted for payment.

Rather than only using the data as drivers for the work queue, the organization evaluates charge capture issues over time, refining the rule engine and leveraging professional services to address root causes to prevent future issues and improve efficiency. Examples of addressing root cause, and the benefits from making improvements include:

- ▶ The analytics application identified charges for injections and infusions in the outpatient surgery setting that did not have a corresponding charge for surgery or procedure. Data exploration resulted in the development, implementation, and refinement of a rule to identify outpatient surgeries and procedures that were missing coding and charges for a surgery or procedure, recovery, anesthesia, and/or supplies.
- ▶ The organization had been using a list of 30 different key performance indicators for billing. After evaluating the indicators in relation to charge capture processes, it substantially narrowed the number of billing indicators.
- ▶ For the first time, the organization was able to identify bills that were being sent for payment before coding was complete. The organization adjusted its timelines, enabling coders adequate opportunity to finalize coding before bill submission.
- ▶ The organization also has new insight into late charges and late coding and can evaluate the impact of any registration or changes on charges, identifying new opportunities to reconcile and close cases.



VitalIntegrity has improved our charge capture accuracy, increasing revenue and decreasing denial rates.

Chief Revenue Officer

RESULTS

VitalIntegrity has improved the organization's charge capture accuracy and helped advance the organizational ability to ensure all services are accounted for and billed appropriately. In just one year, the organization has achieved:

- **\$7.8M increase in annual revenue**, the result of improved charge capture accuracy and based on the services provided. The charge integrity analytics solution **identified more than 23K unique accounts for review and improvement**. In the first 45 days of installation, VitalIntegrity **identified 1.5 times** more missed charges than the previous charge capture tool.
- **Automation and efficiency improvements enabled** the organization to **expand its revenue cycle charge capture improvement efforts** to an acquired hospital—without adding additional resources.



WHAT'S NEXT

The organization will continue to address root cause issues, and make enhancements to improve the accuracy and efficiency of its charge capture efforts, ensuring revenue integrity and optimal revenue cycle performance. 🚀

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.

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