

# Performance Strategies



Accelerate and Improve Revenue Results Now

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## MetroHealth System Beats Back Rising Bad Debt by Uncovering Medicaid Eligibility



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### Coping with Changing Circumstances of Our Patient Population

Unemployment is on the rise, so more patients are coming through our doors here at [The MetroHealth System](#) without healthcare insurance coverage. Of course, as Cleveland's "safety net" hospital, we have an obligation to care for all people in need — regardless of whether or not they carry an insurance card in their wallet.

Mired in the worst economic downturn since the Great Depression, it would seem that a hospital's only choice is to "grin and bear it." But we did not go with such a passive response. Instead, we made sure that we had the personnel and tools in place to guide patients toward Medicaid eligibility — and ultimately help our organization weather this economic storm.

To address these challenges, we:

- Trained staff members to provide education about government programs to patients, many of whom are not even aware that they can qualify for assistance.
- Placed a special emphasis on communicating with our growing non-English speaking population, in an effort to educate these patients regarding their payment options.
- Leveraged an automated financial clearance system to help determine Medicaid eligibility for patients.

Although these efforts paid off, we still felt the ill-effects of the sour economy — such as the inevitable rise in self-pay patients — and figured that we would simply have to deal with some of the eventual fallout such as rising bad debt.

### Going Beyond Expectations

However, a financial clearance impact evaluation that assessed our results made us think otherwise. The evaluation suggested that our existing system was not optimally discovering Medicaid eligibility. The analysis showed that [RelayHealth's RevRunner®](#) could help us retrospectively recover \$3 million that we lost because of missed eligibility over the past year.

After issuing a request for proposals and reviewing all alternatives, we switched to RevRunner's connectivity services — and quickly recouped the lost monies. This initial windfall, however, was just the beginning. Our use of the solution has enabled us to better identify patient eligibility for government programs — both at the time of service and retrospectively. And we can continue to check for eligibility and process claims for up to one year after services are delivered.

**Here's how it works:** Typically, we process a batch of our self-pay accounts through the system at least once a week — and consistently uncover additional Medicaid eligibility. For example, when we ran the accounts about a week ago, we discovered that another 1,500 patients qualified for Medicaid. The system even identified 400 patients as eligible for Ohio's Medicaid Spenddown Program, an initiative that enables individuals who exceed the Medicaid income limit to deduct medical expenses from their income in order to meet the income guidelines.

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## MetroHealth System Beats Back Rising Bad Debt (Cont.)

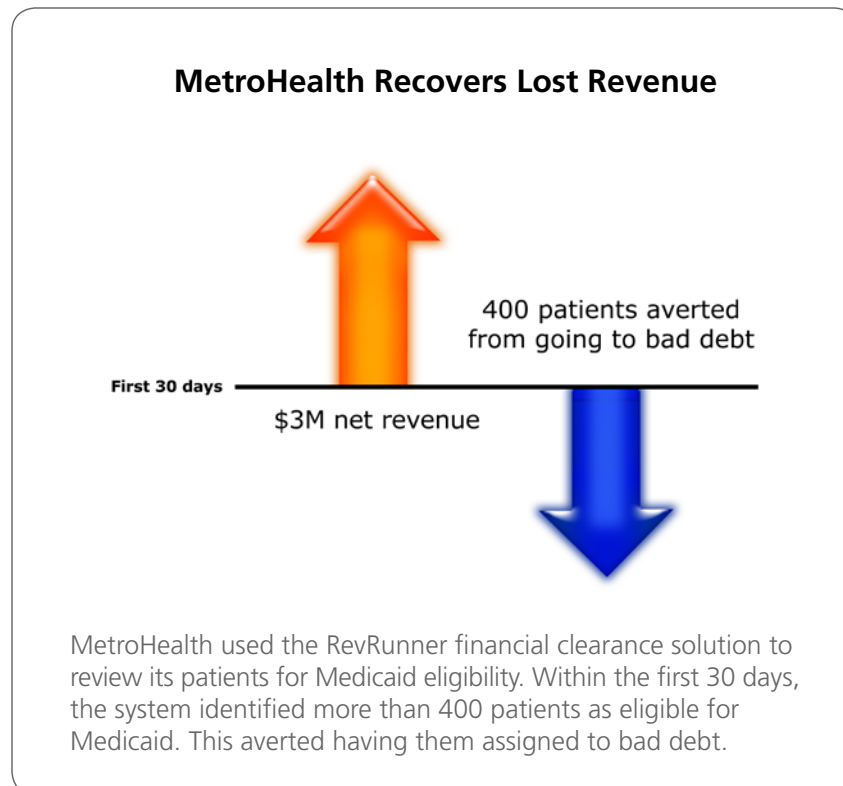
As such, we are able to recoup the money from these accounts before sending them to a collections agency. What's more, once these patients are qualified for Medicaid, we experience recurring value as we can easily receive reimbursement for services when the patients return to our facility (or other facilities, for that matter) as Medicaid-qualified patients.

### Realizing Results with Increased Utilization and Sophisticated Logic

Why is this system outperforming our previously used technology? First, we pay a flat fee vs. a charge for each inquiry. As a result, we use the system two to three times more often than we used the previous system. Secondly, the system's sophisticated logic and algorithms make it possible for this technology to uncover a greater number of patients that are eligible for Medicaid.

Best of all the results have rolled in quickly. To start, we went from decision to implementation within 75 days. Because Ohio Medicaid pays in as little as 21 days, the ability to recover these "found Medicaid patients" provided us with a cash flow infusion within the first thirty days. With RevRunner, we have already identified more than 400 patients that would have slipped to bad debt, and we also increased net revenue by more than \$3 million dollars. Coupled with the long-term benefits for both the patients and the hospital, this ability has curbed an increase in our bad debt expense and provided a long-term technology solution to benefit the system.

*Sharon Dougherty is the Chief Financial Officer of The MetroHealth System in Cleveland, Ohio. She has more than 25 years experience serving in Chief Financial Officer roles for large academic medical centers and as a Revenue Cycle practice lead for a large international consulting firm. She holds both an MBA and CPA, and spent time abroad working in Estonia with USAid.*



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