Radiology Specialist, LTD

Orphaned Account Study

Healthcare providers find themselves in a highly competitive and increasingly regulated environment. Managed care payers often demand deep discounts on fees from healthcare providers as a condition of directing their insureds to the healthcare providers' respective practices or facilities. Additionally, government funded Medicare and Medicaid programs are continually looking for ways to cut costs via reduced reimbursements to healthcare providers.

These pressures to reduce or discount charges, coupled with forces that are driving up operating expenses (such as the need to adopt new technologies to stay competitive), the increasingly high cost of pharmaceuticals and costs incidental to the chronic nursing shortage, create a pressing need for healthcare providers to collect every dollar owed. In response, virtually all healthcare providers actively look for ways to improve the cost effectiveness of their non-patient care operations, including receivables operations.

It's a fact of life that providers change billing companies. One of the challenges a provider faces when changing billing companies is what to do with their old AR. The old billing company will generally work the insurance accounts for 60 days then they are done. They won't be putting much effort into the remaining self-pay AR because they've been fired and no longer care to perform.

The new billing company doesn't have the data and generally does not wish to get involved in the old billing company's problems.

So the provider must decide what to do with their old AR. Halo AR Management offers them an alternative.

THE CHALLENGE

This is exactly the position in which Radiology Specialists, LTD found themselves in early 2013. They were dissatisfied with their present billing company and were looking for solutions to their growing AR problem. After an exhaustive search, they chose a new billing partner but found themselves with a large volume of old accounts that needed to be worked.

The accounts had aged dramatically, some going back to 2008 with no follow up. The majority of the accounts had aged beyond the timely filing limits.

The practice had basically written the entire bucket of accounts off and was ready to take the hit to their bottom line.

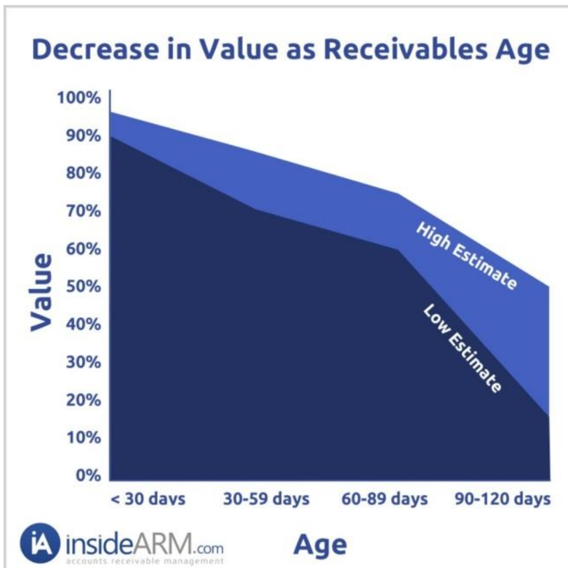
THE SOLUTION

Halo AR Management was presented to the practice in an extended business office capacity to assist with the true self-pay and self-pay after insurance balances. Notified of the challenge the practice faced with the old AR, Halo designed an audit program to enlist the assistance and cooperation of the patient population in order to maximize the recovery of this lost revenue.

Presenting to the patients as an outsourced company chosen to assist the practice in auditing the old billing company, the Halo team worked with the patients to determine if all possible insurances had been billed and all possible discounts had been given. Once a self-pay balance due was determined, Halo then transitioned to contacting the patients to recover the funds due the practice.

THE RESULTS

Typically, aged medical accounts over 270 days are not highly recoverable. National averages run from 1%-3%.



Due to the unique program designed by Halo, they were able to resolve over double the national average or approximately 10% of the accounts, resulting in the recovery of over $42,000 for the practice.

A NEW COURSE OF ACTION

This early success led the practice to get involved in the Halo Extended Business Office process, wherein Halo functions as the billing office for the practice, for those accounts that have been determined as self-pay. This happens after the designated billing provider has done their job in billing out the insurances.

Within the first year of the program, Halo generated over $465,808 dollars in additional revenue for the practice, while the patient revenue from the billing company remained steady. This additional revenue came at a cost of $69,871, translating into an ROI of 567%. That Return on Investment has remained consistent over the last three years, clocking in at 565% so far in 2016.