

CASE STUDY:

Cincinnati Children's Hospital

Cut clearinghouse costs in half while maintaining cash flow and AP performance

Cincinnati Children's Hospital Medical Center is a nonprofit academic pediatric hospital with more than 630 registered beds. In 2017, it had 1.3 million encounters with patients from all 50 states and 58 countries.

CHALLENGE

- Claims clearinghouse costs
- Declining clearinghouse service

SOLUTIONS

- Data Analytics
- Claims (professional and institutional)
- Claims Attachments
- Claims Status Coding Compliance
- Denial and Appeal Management
- Remit Management
- Claims Monitoring
- EOB Conversion

RESULTS

- Cut costs by 50% for \$400,000 in annual savings
- Maintained cash flow with no disruption
 - Clean claims rate 98%+
 - 4.1% hospital AR denial rate, 44 days in AR* and 20-25% AR aging over 90 days

**Net of international and transplant patients*

The challenge

If there's one goal all healthcare providers have in common, it is to reduce costs. At Cincinnati Children's Hospital Medical Center, lowering costs to provide better value to patients and families is a high priority. To achieve this goal, Cincinnati Children's administrators continually look for ways to cut costs and manage cash flow, which are challenges for every healthcare provider in the evolving reimbursement environment.

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"It takes money to fulfill our mission," said Charlie Baverman, assistant vice president of billing operations for Cincinnati Children's. "My job is to turn clinical activity into cash flow in a compliant way so we can continue to improve child health, patient outcomes and family experiences."

In 2017, Charlie and his team decided to evaluate claims clearinghouse providers for potential cost savings. Their existing provider had gone through multiple mergers and service had declined as a result. "We're all under cost and reimbursement pressure," said Charlie. "In changing clearinghouse providers, the driving forces were cost, cost and cost."

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Waystar solution

To find a new clearinghouse provider, Cincinnati Children's conducted a formal request for proposal (RFP) process, inviting nine major players to participate. A multidisciplinary group reviewed the proposals and a purchasing team ran a value analysis. They narrowed the field to three finalists with similar clearinghouse capabilities. Since reducing costs was the primary objective, Cincinnati Children's chose Waystar, whose prices were significantly less than the other RFP respondents. Since reducing costs was the primary objective, Cincinnati Children's chose Waystar.

CASE STUDY: CINCINNATI CHILDREN'S HOSPITAL

Waystar solution (cont.)

Before implementation, Waystar focused on three areas they considered critical to success:

- First, they scoped Cincinnati Children's hospital, physician and homecare accounts receivable (AR) and met with the billing teams to understand and document existing process flows.
- Second, they captured billing edits for all three ARs to determine if they were valid and correct before they transferred them to the new system. They also improved first pass payer claims acceptance by quickly coding new edits as needed.
- Third, they managed payer enrollment quickly and thoroughly to avoid denials and cash flow issues, which were concerns for Charlie. "We have patients in every state, and most states have four or five Medicaid HMOs," he explained. "This, on top of our commercial payers, made payer enrollment complex. Despite the magnitude, it was intensively serviced by Waystar and there were little to no issues." Waystar added additional value by identifying opportunities to convert claims previously sent on paper to electronic to improve payment turnaround.

Charlie's decision to keep the former clearinghouse contract in force for three weeks after signing with Waystar also helped ensure all claims were processed during the transition.

Overall, the "go live" went smoothly, thanks to strong Waystar technical and project management staffs. The new system dovetailed well with Cincinnati Children's Epic health information system, which Waystar is experienced working with.

Results

By implementing Waystar claims clearinghouse solutions, Cincinnati Children's cut their clearinghouse costs in half, saving \$400,000 annually with no loss of functionality or efficacy. They maintained cash flow and strong AR metrics, both during and after implementation. "Waystar did exactly what we needed them to do," said Charlie, "which was maintain what we had at a reduced cost."

"Cincinnati Children's cut clearinghouse costs in half with no loss of functionality or efficacy."

Impact

Waystar helped Cincinnati Children's Hospital Medical Center take cost out of their operation so they can be a better value for patients and families. "We want to be more affordable, which means I have to keep all the financial metrics in line," said Charlie Baverman. "I'm pleased that Waystar helped us save a significant amount of money without comprising our other results."

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ABOUT WAYSTAR

Waystar is the combination of Navicure and ZirMed, the two top-rated providers of revenue cycle technologies. Waystar simplifies and unifies the healthcare revenue cycle with innovative technology that allows clients to collect more with less cost and less stress, so they can focus on their goals, patients and communities.

