

CASE STUDY:

John Muir Health

Drives game changing denial reduction

CHALLENGE

- Deliver world class revenue cycle performance
- Improve net revenue payer yield through denial management
- Reduce operational costs through performance improvement

SOLUTIONS

- Denial Avoidance
- Eligibility
- Claims Manager
- Remit Management

RESULTS

- Achieved a 99.3% yield in payer revenue over three years
- Reduced denial rate by 40%
- Achieved a top quartile ranking from Epic Financial Pulse for Denial Management
- Improved efficiency: allowed redeployment of 2 FTEs from hospital billing to professional billing

The challenge

Fulfilling your mission to serve more of your community at an affordable price, while new payment models compress margins and cut reimbursement, requires effective cost control and attention to every step of the revenue cycle process. John Muir Health, highly regarded for its clinical quality, sought to deliver exceptional performance through a program its financial leaders conceived called REVINATION.

“The objective of “REVINATION is to drive world class revenue cycle process improvement and innovation. We want to optimize payer yield for increased net revenue, reduced operational cost and improved employee engagement.”

Josh Welch, Executive Director of Revenue Cycle for John Muir Health

“Our patient accounting system reporting was not in sync with the way we saw the world. I wanted to pursue a yield-based approach centered on reducing net denials, not the needle in the haystack AR reporting and billed charges used by most vendors. In addition to reporting, I also knew that our internal team would be spread thin with the program and that we would need additional experts to drive process improvement across the revenue cycle teams to achieve our goals,” notes Josh.

John Muir evaluated multiple vendors to support a denial avoidance program across its hospitals, physician network and medical group. Ultimately Waystar was chosen for its ability to augment John Muir’s yield based REVINATION plan and engage the entire revenue cycle team in creating a system designed to prevent future denials for its hospitals.

Waystar solutions

Waystar’s advisory team assessed John Muir’s current process, denials structure, reporting and metrics. They analyzed John Muir’s historical data to synthesize denial patterns, determine root causes and propose best practice preventive recommendations. They customized reporting, targeted high impact denial types, spearheaded education, organized denial prevention work-groups and

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process improvement sub-committees. Then they continually engaged stakeholders in performance management.

Results

“Most health systems have three to five percent revenue leakage, that equates to a payer revenue yield of 95% to 97%. John Muir has achieved a 99.3% yield after three years with the REVINATION program supported by Waystar. We also earned the top 25% quartile ranking for primary denial rate from Epic Financial Pulse for West Coast, non-academic health systems,” reports Josh. The Epic Financial Pulse metric is calculated by dividing the number of denial payments by the total number of payments posted in the past four weeks.

“The Waystar SMEs (Subject Matter Experts) are super helpful. Their operational knowledge and support of our business is fantastic,” says Josh.

“Reporting with Waystar’s solution is unique, consistent and super valuable. It provides a forum to raise awareness,” says Josh. Our custom reporting supports a more responsive, predictive process with payers and our department. It has enabled us to see trends, identify process breakdowns and quickly address behaviors,” says Josh. For example, Waystar SMEs provide the medical necessity denial sub-committee a trending report of Medicare inpatient denials by date of services

for physicians that incorrectly order inpatient-only procedures. This report has resulted in process changes, staff education and Epic optimization for inpatient-only CPT codes to flag issues at the time of order entry.

“We have honed and tracked issues to specific service lines, and invoked changes,” says Josh. Infusion Authorizations for cancer are a good example. Front-end Epic optimization recommendations and physician communication on work-flow have been instrumental in reducing denials. Reports highlight continued progress.

The benefits of the REVINATION program have improved productivity as well. “We gained efficiencies through improved systems and processes that streamlined complex billing and reduced denials. These efficiencies allowed us to reallocate two people to better serve the growing professional side of the business that had doubled in claim volume since our Epic go live,” says Josh.

Impact

The reporting component of Denial Avoidance continues to provide a catalyst to improve performance across John Muir through monthly reviews and even more important work groups that drive ongoing denial prevention initiatives.

Denials were reduced by 40%. “Waystar’s Denial Avoidance was huge in helping us achieve our REVINATION performance objectives. It’s raised awareness and provided work-group forums to pull key leaders in contracting, case management and service line directors to dig into the details, address root causes and prioritize technical denial prevention programs,” says Josh.

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Waystar simplifies and unifies the healthcare revenue cycle with innovative, cloud-based technology. Together, our technology, data and client support streamline workflows and improve financials for our clients, so they can focus on their patients.