

## CASE STUDY:

# Midwest health system

When a secondary vendor casts doubt on this Midwest health system's transfer DRG underpayment recovery process with eSolutions, now part of Waystar, the organization decides to run an independent audit.

## SOLUTIONS

- **Transfer DRG**

## RESULTS

- **Uncovered and recouped \$949,000+ in underpayments over 5 years**
- **Uncovered \$175,000+ in underpayments during audit with reimbursements recovered within 2 weeks**

## The organization

A well-respected Midwest hospital and not-for-profit healthcare organization with more than 1,500 employees and 25 facilities in their 10-county service area.

## The background

In 2015, a director on staff decided to audit the performance of the health system's current Medicare transfer Diagnosis Related Group (DRG) underpayment recovery process. The director suspected revenue slippage and chose to evaluate other vendors to help audit their process at the time.

Medicare underpayments can occur when a patient is discharged as a "transfer," but there is no post-acute care (PAC) billing. This often happens when a patient decides to forego the recommended PAC after discharge. When a patient elects not to transfer to a post-acute care facility in accordance with CMS rules, the discharging hospital is entitled to the full DRG payment but will have only received partial payment. In these cases, the burden of recuperating the full payment due falls on the facilities.

The Centers for Medicare and Medicaid (CMS) allows for a four-year retrospective review from the current date. If reasonable evidence is found showing that a claim was billed with an incorrect discharge status code, CMS allows reopening of that claim to adjust the code with "good cause." CMS will not perform underpayment reviews on a facility's behalf; providers are responsible for performing transfer DRG reviews for their facilities.

Waystar's Transfer DRG identifies these claims, provides clear justification for the reopening of the claim, and makes the adjustments on the facility's behalf.

Waystar performed a secondary assessment that year and uncovered an additional \$67,000 in revenue validating the existing vendor's underperformance. After further analysis and research, the organization chose Waystar's service as the primary vendor for underpayment recovery.

During five years of service, Waystar uncovered and recouped over \$949,000 in Medicare transfer DRG underpayments for this organization. →

# CASE STUDY: MIDWEST HEALTH SYSTEM

## The current issue

In the beginning of 2020, the organization made the decision to audit their Medicare transfer DRG recovery process again. A secondary vendor had raised concerns with the financial services team, claiming Waystar was missing opportunities and leaving money on the table.

The organization chose to audit the performance of the two services – Waystar and the other vendor – by comparing both vendors' findings in reviewing the same DOS data over a period of seven months.

## The result

Within three days, Waystar uncovered over \$175,000. Invoices went out and reimbursements were recovered within two weeks.

The same DOS data was provided to the secondary vendor. After four months of review, the secondary vendor was finally able to report their findings to the organization. At that point, choosing to remain partnered with Waystar as a primary vendor was a quick and easy decision for the financial services team.

## What does this mean for my organization?

The best way to protect your hospital's bottom line is to work with a thorough, experienced transfer DRG partner who can help you detect and analyze any underpayments.

Transfer DRG is Waystar's proprietary software that allows us to conduct underpayment audits on behalf of your facility and ensure your reimbursement for those claims. Unless a specific underpayment audit is conducted for these cases, the revenue loss and the underpayments discovered will persist and continue to grow. Our automated processes require only a minimal data set to identify eligible claims, resulting in a fast turnaround.

Thanks to our Medicare connection and data capabilities, we've already identified millions of dollars in transfer DRG underpayments for our hospital and health system clients.

Our goal is to stop your organization from losing money to underpayments, starting today.

### Every claim examined

Automated search of 100% of variances with minimal data set (15 fields)

### Retrospective filing

Audit and correction of discharge status codes for previous four (4) years

### Due diligence

Direct contact with FI/MAC, SNF, HHA to validate accuracy of corrections

### What makes Waystar different

- + Unique relationships with MACs
- + Intelligence built into our software
- + Actual recovery in as little as 14 days
- + Verifiably non-disruptive
- + Medicare Advantage reviewed as well
- + Comprehensive condition code review

## Ready to transform your performance?

Contact Waystar: **1-844-6Waystar** or visit us at **waystar.com**

### ABOUT WAYSTAR

Waystar simplifies and unifies the healthcare payments 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.