

CASE STUDY:

Yuma Regional Medical Center

How an acute care facility achieved a \$27 million net revenue increase, reduced denials and found coverage for patients presenting as self-pay.

CHALLENGE

- Revenue loss from missing charges and recurring denials
- Bad debt and write-offs from self-pay and charity patients

SOLUTIONS

- Charge Integrity
- Denial Avoidance
- Coverage Detection

RESULTS

- \$27 million net revenue identified from Revenue Integrity solutions
- \$17 million total denial improvement with Denial Avoidance in 22 months
- 5% improvement in denial collections in 22 months
- 4.6% increase in net revenue from Denial Avoidance Solution in 12 months
- 20.4% average hit rate on insurance coverage for patients presenting as self-pay
- \$2.7 million in additional collections for self-pay and payer variance

The challenge

Yuma Regional Medical Center is a 406-bed, not-for-profit acute care facility serving Yuma, Arizona. Like every major hospital, Yuma Regional Medical Center saw opportunities for improvement throughout the revenue cycle. A high priority was capturing missing charges. “Manually monitoring hundreds of thousands of charges was unsustainable and led to significant revenue leakage,” said David Willie, Chief Financial Officer for Yuma Regional Medical Center. “Many of the solutions we saw, however, seemed incomplete, going after low-hanging fruit and one-time results.”

Denials were also top-of-mind for David and his teams. Besides the substantial revenue impact, the inability to identify denial root causes frustrated the billing staff and strained relationships between departments. “We worked in silos,” said Sheri Hanson, Director of Patient Financial Services for Yuma Regional Medical Center. “We didn’t have the data to see where denials were coming from or why.”

Other issues affecting the hospital’s bottom line were bad debt and write-offs from self-pay and charity patients. Amada Lorona, Yuma Regional Medical Center’s Director of Patient Access, suspected many of these patients had insurance coverage, but technical and workflow issues in the hospital’s patient accounting system kept her team from verifying coverage. “Sometimes patients don’t know what coverage they have,” said Amada, “or we may not realize a Medicaid application was filed because the notification goes to the patient and not to us.”

Waystar solution

To solve their charge capture problems, David and his team chose Waystar Charge Integrity, largely because it uses predictive analytics to uncover charges that rules-based products can’t find. “Our goal was to address underlying causes so we solve problems on the front end,” David said. This capability also influenced his decision to go with Waystar Denial Avoidance, which identifies root causes of denied claims and prevents them from happening in the future. The solution uses a combination of intelligent workflows, reporting, analytics and advisory services to involve the entire revenue cycle in process improvement.

To reduce bad debt and write-offs, the hospital added Waystar Coverage Detection, which uses proprietary financial intelligence based on more than a decade of healthcare data to identify patients’ active and inactive insurance coverage when they don’t know if they have primary or secondary insurance.

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Results

Waystar Charge Integrity uncovered \$27 million for Yuma Regional Medical Center in 35 months. "These aren't charges we could potentially collect," David stressed. "This is actual new net revenue to the bottom line."

"We didn't know the full potential until we had Waystar's solutions, reporting and support."

Sheri Hanson, Director of Patient Financial Services

Yuma Regional Medical Center has achieved \$17 million in total denial improvement in 22 months with Waystar's solutions. Since implementing Waystar's Denial Avoidance solution, denial collections are up 5% and net revenue rose 4.6% in 22 months. "As good a job as we thought we were doing, we didn't know the full potential until we had Waystar's solutions, reporting and support," Sheri concluded.

Waystar Denial Avoidance also helped change the hospital's denials culture. "Our onsite Waystar team looked at our denials very systematically, then talked to each department about their specific issues so the administrators could take responsibility and eliminate problems for the long term," explained Sheri. "Waystar helped us form a Denials Committee that collaborates with all of our departments. They provide reports, assign ownership of issues and show our teams how they can positively impact the numbers. Our denial KPIs went from the backburner to being a source of pride in our organization."

Return on investment for Waystar Coverage Detection is strong, delivering a 20.4% average hit rate on insurance coverage for patients presenting as self-pay. "Coverage Detection helped tremendously on the front end," said Amada. "Much of our bad debt and write-offs came from Medicaid accounts. Now our Medicaid enrollment counselors have the tools they need to confirm coverage."

Impact

Waystar solutions are helping Yuma Regional Medical Center improve processes and bottom-line contributions throughout the revenue cycle. "With Waystar's integrated end-to-end platform, we can look at processes that span from patient access to charge integrity to denials," said David. "These solutions allow us the greatest possible impact on our bottom line. We're excited about where we can go in the future."

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