



CASE STUDY

ALLINA HOSPITALS & CLINICS

PROVIDER PROFILE | **TYPE:** *Not-for-Profit* | **BED SIZE:** 1,658

SITUATION

In 2002, a regional network of healthcare facilities was searching for a more user friendly solution to ensure claims were paid accurately and according to the terms of its contracts. The 1,658-bed health system also sought a more intuitive alternative to its in-house contract modeling system, which required extensive programming.

The process to track contract compliance was very labor intensive for Minneapolis-based Allina Hospitals & Clinics, a not-for-profit network of eleven healthcare facilities. Furthermore, because managed care contracts represent more than half of the system's net revenue, the payor relations department needed a more intuitive tool to easily, quickly and accurately project the impact contract changes would have on the organization's bottom line.

Allina turned to Accuro, a MedAssets company, engaging its Contract Manager and Contract Modeler tools to assist in forecasting and capturing contractually owed revenue and supporting efficient and accurate fact-based contract negotiations.

RESULTS

After more than five years of using Accuro Contract Manager, Allina continues to identify an average of \$6 to \$8 million in underpayments each year.

Because Accuro's Web-based tool uses data from the system's own contracts to calculate the value of each claim before it is processed, Allina knows exactly what it should be paid before a claim is ever sent to the payor. An easy-to-use reporting feature allows the central business office to conduct a post-payment analysis that identifies incorrect payments and provides user friendly hyperlinks to the claim. Accuro Contract Manager also allows Allina to track underpayment trends, providing additional data that may be used when renegotiating contracts.

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As an added benefit, all claims data – including projected payment amounts – is stored in a comprehensive data warehouse. Managers throughout the system have access to this information, enabling accurate financial forecasting and supporting informed business decisions.

Meanwhile, Contract Modeler has provided Allina with fast, timely and accurate information at the negotiation table. Payor relations staff can now use actual patient data to quickly and accurately model various contract scenarios prior to negotiation, often drilling down to the procedure level.

Previously, Allina relied on complicated algorithms, which required significant programming time and resources. As a result, the Web-based tool has dramatically improved productivity – allowing staff to spend more time on contract analysis and interpretation and less time on programming to generate data or reports.

“Accuro’s solutions give us confidence in our ability to predict the impact of proposed rate changes,” said Janet Coenen, Allina’s director of payor relations and contracting. “In fact, we have found that we often have more timely and accurate information and projections than our payors who use Excel-based models to evaluate different scenarios.”

In addition, Contract Modeler is one of a few solutions that can calculate ambulatory payment classifications codes (APCs).

According to Coenen, Accuro’s tools have had a direct positive impact on the system’s financial performance.

“Both Accuro Contract Manager and Contract Modeler give us the knowledge we need to succeed in today’s increasingly competitive healthcare environment,” she said. “In addition to helping us claim revenue that is rightfully owed to us, the tools have greatly enhanced Allina’s ability to conduct fact-based and data driven negotiations with a highly sophisticated tool that is extremely user friendly.”

ABOUT ACCURO, A MEDASSETS COMPANY

Accuro’s revenue management solutions help providers achieve optimal financial results in an era of diminishing resources and expanding regulatory complexities. Our Web-based tools help maintain an accurate chargemaster to improve reimbursement and ensure compliance; calculate expected payment; address transparent pricing issues with rational, yet optimum prices; monitor and manage payor performance, and deliver pioneering business analytics, including denials management.