

# CASE STUDY

## TOMBALL REGIONAL HOSPITAL

**PROVIDER PROFILE** | **TYPE:** *Not-for-Profit* | **BED SIZE:** 327

### SITUATION

A Texas hospital using a time-consuming spreadsheet method to analyze contracts upgraded to a Web-based system that is faster and more precise, giving the hospital more data – and more leverage – when negotiating managed care contracts with payors.

In 2005, Tomball Regional Hospital near Houston engaged Accuro, a MedAssets company, to provide contract analysis and modeling technology and services. Few providers analyze 100 percent of their contracts 100 percent of the time. But Accuro Contact Manager's Contract Modeler does, enabling providers to accurately identify, understand and evaluate the effect of contract terms and provisions before they sign a contract. With Contract Modeler, providers can accurately and quickly:

- Evaluate new or existing contracts online;
- Understand and determine the impact of new reimbursement methodologies;
- Model multiple scenarios for side-by-side comparison;
- Cross-model between payors;
- Model scenarios against a static patient population; and
- Weigh the financial impact of proposed agreements.

Accuro's Contract Modeler also produces specialized modeling reports to analyze the impact of various factors that contribute to overall profitability. The result is a more level playing field with payors, according to Chip Sitton, Tomball Regional Hospital's director of managed care. "Managed care plans had data that we didn't. Now we have accurate, actionable information."

### OBJECTIVES AND OUTCOMES

Most providers find using Accuro typically decreases contract loading time by 50 percent. Tomball Regional Hospital has seen significantly improved operational and financial results since using Accuro Contact Manager and its online Contract Modeler tool. The hospital is better positioned to:

## CASE STUDY

- Reply faster to managed care proposals;
- Analyze “apples-to-apples” data in comparing current contracts with proposed changes;
- More precisely and efficiently capture data at patient registration, resulting in more accurate coding and payment;
- Identify adverse payor trends and quickly bring them to the payor’s attention, resulting in fewer claims appeals and adjustments;
- Enhance data integrity; and
- Increase confidence in financial data and reporting.

Without Contract Modeler, providers have to analyze a payor based on data the payor submits. However, providers using Contract Modeler access current data from their own institution to evaluate a payor. The added precision – and confidence – has helped Tomball be more aggressive when negotiating with payors.

Accuro’s Contract Modeler analyzes changes in a contract’s structure, while its Rate Calculator identifies the impact of rate changes on revenue. These tools capture and analyze data by service type, giving hospitals the same information payors use when they attempt to negotiate rates for a particular service. Depending on utilization, an offer that looks good may not be.

“Contract Modeler is especially helpful in comparing different methodologies in negotiations – for example, changing from per diem to DRG,” Sitton said. “We couldn’t do this before. We were limited to what we could do in Excel. We couldn’t capture data down to a

specific revenue code. Contract Modeler gives us apples-to-apples data at last.”

And the data is provided quickly. Contract Modeler turns analyses around in as little as 20 minutes. “There’s no comparison to the time it took to do this in Excel,” Sitton said. “The prep time alone was very intensive. Contract Modeler is light years ahead of our previous modeling capability. We now have more confidence in the integrity of our financial reporting regarding managed care contractual adjustments,” Sitton said.

In addition, the tools have helped the hospital identify potential enhancements in its business operations, resulting in a better picture of true reimbursement.

“Accuro Contract Manager and Contract Modeler have more than paid for themselves,” Sitton said, “and we’re just scratching the surface.”

### 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.