

Allegheny Radiology Associates Strengthens Financial Performance with McKesson Billing Solutions

At a Glance

Organization

Allegheny Radiology Associates
Pittsburgh, Pa.

- 15 physicians
- 2 hospitals
- 4 satellite offices
- 1 imaging center

Solution Spotlight

- McKesson Revenue Management Solutions
- McKesson Practice Consulting Solutions

Critical Issues

- Inaccurate coding
- Ineffective denial management
- Deficient information technology capabilities

Results

- Automated processes
- Improved managed care contract terms
- 40% revenue increase
- 15% reduction in billing send-backs
- 17% reduction in A/R days

With financial performance lagging, Allegheny Radiology Associates had to delay expansion initiatives to focus on an array of billing problems. The practice, however, gained the power to pursue its growth plans when it hired McKesson to replace its medical billing service provider. With McKesson Revenue Management Solutions and McKesson Practice Consulting Solutions, Allegheny improved coding accuracy, reduced denials and send backs, strategically renegotiated managed care contracts and increased revenue by 40%.

Challenges

Allegheny's incumbent medical billing service provider was underperforming and creating a range of persistent problems, including inaccurate coding, frequent denials and deficient information technology capabilities. These problems were having a significant impact on the group's business and ultimately drove Allegheny to seek a new medical billing service.

Answers

Allegheny chose McKesson's revenue cycle management and healthcare consulting services because of the company's strong national presence, solid reputation and broad portfolio of services, including financial practice management, credentialing and contract negotiation assistance.

At the outset of the relationship, McKesson used a number of tools, including coding audits, to identify possible shortcomings in Allegheny's business processes. A review of patient demographics revealed a growing number of self-pay clients, a fact that raised concerns about effective data capture and timely payment. To address the issue, McKesson helped Allegheny General Hospital, one of the hospitals the practice serves, pinpoint deficiencies in its registration process.

In addition to identifying shortcomings, McKesson's analysis revealed opportunities to increase income. In one instance, McKesson led managed care contract negotiation efforts on behalf of the practice.

Drawing on its ability to help a practice minimize compliance-related risks, McKesson worked with Allegheny to establish monthly meetings and regular training sessions for Allegheny principals and physicians in order to strengthen existing coding and billing procedures. McKesson also helped implement a send-back process that ensures physicians receive timely feedback aimed at improving documentation.

McKesson also assisted Allegheny in upgrading its demographic interface. Now, updates are processed electronically. In addition, McKesson is able to verify patient classifications.

Case Study

“McKesson possesses a great deal of strategic knowledge drawn from best practices in place with clients nationwide. It is able to provide practical insight into our business and identify issues all while revenues are being captured. This insight has proven invaluable in helping us grow our business.”

Paul M. Kiproff, M.D.
President
Allegheny Radiology
Associates

“Over the years that we’ve worked with McKesson, we’ve always maintained a solid relationship,” says Paul M. Kiproff, M.D, president. “Its team is always accessible and can really appreciate the complexities of our business.”

Results

Thanks to McKesson’s efforts, Allegheny’s claims are now submitted with accurate information, self-pay clients are promptly identified and collection problems have been greatly reduced.

Revenue gains resulting from McKesson’s work included achieving contract rate increases in the range of 7% to 10%. In another case, McKesson worked with the hospital and payor to adjust a capitated contract that had locked the practice in below-market rates. Ultimately, the group was able to secure a 13% rate increase.

McKesson has positively addressed risk and revenue through monthly meetings with Allegheny. Training has resulted in substantial gains in physician coding accuracy. McKesson can track and deliver reports to Allegheny that show all procedures that must be returned to physicians for additional information. Through improved documentation and implementation of the send-back

process, the group has experienced fewer down-codes and write-offs. Over time, the number of send backs has been reduced by 75%.

“McKesson’s advanced reporting capabilities have given us a much better handle on the complexities and ever-changing dynamics of our business,” Kiproff relays. “With Allegheny’s revenue cycle now performing at maximum efficiency, we’ve been able to focus on developing our new imaging center and bringing on additional staff to extend services in specialized areas, such as Positron Emission Tomography imaging.”

All told, Allegheny’s revenues have increased by about 40% since the practice engaged McKesson’s revenue cycle management and healthcare consulting services, or almost 7% per year. Additionally, the number of days in accounts receivable averages 47 days, a 17% reduction over the life of the agreement. “McKesson possesses a great deal of strategic knowledge drawn from best practices in place with clients nationwide,” Kiproff says. “It is able to provide practical insight into our business and identify issues, all while revenues are being captured. This insight has proven invaluable in helping us grow our business.”

McKesson Provider Technologies

5995 Windward Parkway
Alpharetta, GA 30005

<http://www.mckesson.com>
866-217-4184

Copyright © 2007 McKesson Corporation and/or one of its subsidiaries. All rights reserved. All product or company names mentioned may be trademarks, service marks or registered trademarks of their respective companies. PRT322-12/07