

Saint Luke's Health System Supports Physician Growth and Boosts Financial Performance, Patient Satisfaction

At a Glance

Organization

Saint Luke's Health System
Kansas City, Mo.

- Integrated health system with 11 hospitals and 27 physician practices
- 310,000 annual patient visits
- 37 specialties

Solution Spotlight

- Horizon Practice Plus™

Critical Issues

- Disparate billing solutions
- Duplicate data entry
- High A/R days
- Slow claims processing and reimbursement
- Patient satisfaction

Results

- Streamlined patient registration process across care settings
- Reduced A/R days to an average of 37
- Newfound scalability and flexibility
- Reduced billing-related fees by 39%
- Reduced denials by 45%

Saint Luke's Health System has become one of Kansas City, Mo.'s, largest healthcare providers with 310,000 annual patient visits — in part, the result of an aggressive physician alignment strategy that got a boost four years ago.

In spring 2006, Saint Luke's was grappling with growing pains caused by inefficient billing processes. Denied claims, slow reimbursements, high A/R days and duplicate data entry were some of the hurdles in the way of expansion.

Administrators opted for a new approach aimed at replacing disparate, outside billing solutions with a new centralized billing office headed up by Melissa Abernathy. "The absence of integration and continuity across the multiple billing solutions was holding back productivity and growth opportunities," says Abernathy, director of finance for Saint Luke's Physician Billing Services.

Saint Luke's now is on track to effectively manage nearly 22,000 claims per month. The first group of Saint Luke's practices went live on Horizon Practice Plus™, McKesson's practice management solution in December 2006. Today, six of Saint Luke's 11 hospitals and 27 physician practices are integrated on the Horizon Practice Plus platform. Denials are down 45%; billing-related fees are down 39%;

and productivity and patient satisfaction are up. And Saint Luke's has more than quadrupled the number of practices in its growing network.

Challenges

With the disparate, outside billing solutions, billers were forced to register the patient, load the insurance and enter the physician charges in one system, then register the patient, load the insurance and enter the hospital facility charges in another.

Duplicate entry was one of the most glaring inefficiencies. Patients were affected as well, often having to re-register every time they went to a hospital or practice within the system.

Saint Luke's needed a practice management solution capable of integrating with its existing hospital information system (HIS), scaling to future demands, and improving workflow, reporting, revenues and patient satisfaction. "We had to find a way to introduce consistency in how all of our practices collect and share patient data," explains Abernathy.

Answers

Saint Luke's was operating successfully and reliably on McKesson's STAR 2000™ HIS. The selection of a practice management solution would center on interoperability. "What tipped the

Case Study

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Melissa Abernathy
Director of Finance
Physician Billing Services
Saint Luke's Health System

scales in McKesson's favor was the open architecture of Horizon Practice Plus and the ability it provided us to integrate and innovate," says Angela Blake, IT project manager for Saint Luke's physician services team.

The integration between the hospital information and practice management systems has enabled Saint Luke's to streamline operations and customize solutions. "Once patients have registered with a hospital or practice, their demographic and insurance details are automatically available at their next physician or hospital visit anywhere in the system," Abernathy explains.

Not to mention the average six-to 12-month return on investment for most standard and customized integrations.

The automation of high-volume radiology charge entries has provided another four FTEs in savings, allowing Saint Luke's to free up staff for other duties.

Saint Luke's has just implemented Horizon Business Insight™ from McKesson, a dashboard reporting tool giving practice managers a real-time snapshot of billing and claims processes. "We have a comprehensive practice management solution in place that continues to grow in benefits as we grow," says Abernathy.

Results

"Horizon Practice Plus is the practice management solution we need to realize our aggressive growth strategy today and in the future," says Abernathy. Saint Luke's expects to at least double the number of practices over the next two years, from 27 to 60 or more.

Horizon Practice Plus has played a pivotal role in the successful expansion. Saint Luke's has managed to maintain an average A/R day count at 37 across 37 specialties. Net collections stand at 87%. FTE savings has grown to seven, and more practices plan to sign on. "The McKesson practice management system is capable of handling all the practices we want to bring into the system," explains Blake.

"Increasingly, the practices are seeing the benefits of the Horizon Practice Plus system – the remarkable A/R days standard we've set, the drastic drop in denials and the overall improvement in productivity and profitability – and they want in," Abernathy adds. "We are already closing in on our long-term goal of eliminating disparate billing solutions and facilitating a shared focus on quality."

"McKesson has Saint Luke's positioned better than ever to meet healthcare reform's regulations and our patients' needs," says Blake.

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