

## At a Glance

### Organization

University Clinical Neurologists  
Indianapolis, Ind.

- Affiliated with Indiana University Medical Center
- 44 physicians
- 15 locations
- Current fiscal year charges: \$20 million
- Current fiscal year number of procedures performed: 289,000

### Solution Spotlight

- McKesson Revenue Management Solutions

### Critical Issues

- Rising expenses
- Shrinking reimbursements
- Cutbacks in research funding
- Ineffective incumbent vendor
- Rejected claims lacking follow-up
- Unaudited charge process

### Results

- Accuracy of bills increased, resulting in higher collections
- Noncompliance rejections declined, increasing revenue
- First-year charges increased by 27%
- First-year collections were up 16%
- First-year days in A/R dropped by 26%
- Reporting tool helps track performance by individual doctor and by the entire practice, increasing physicians' accountability

## University Clinical Neurologists Increases Bottom-Line Performance with Top-Shelf Revenue Management Partner

Downward pressure on its margins was just one of several issues faced by University Clinical Neurologists (UCN), a 44-physician group affiliated with Indiana University Medical Center. The group hired McKesson as its new partner to provide revenue management solutions that would boost its income. UCN has experienced dramatic financial improvements as a result of the McKesson relationship.

### Challenges

A combination of rising expenses, shrinking reimbursements and cutbacks in research funding had pushed UCN deep into the red. In addition, the group was suffering from serious problems related to its billing vendor. "There wasn't a lot of follow-up work being done by the billing entity on rejected claims, and there wasn't much auditing of the entire charge process," explains Patrick Hurley, director of finance and administration. "The internal controls within both our group and the billing organization were not well-defined. More than anything, the previous billing vendor had simply become complacent."

### Answers

In an effort to financially revitalize the group, a new administrative team began looking for a vendor of medical billing and accounts

receivable management services that could help stabilize and secure UCN's revenue stream. McKesson, identified early as a prospective candidate, ultimately won the group's revenue management business based on its extensive experience in the academic medical center field. Additionally, McKesson was already providing billing services to two other practice groups affiliated with Indiana University Medical Center.

"Since McKesson had a successful track record with the Indiana University System, we strongly sensed it was the best company to get us back on our feet," states Hurley.

After signing the contract in July 2003, McKesson began its due diligence, assessing UCN's existing billing processes and procedures. Implementation specialists from McKesson met with physicians, registration personnel and other staff at UCN's five clinics located throughout the Indianapolis metropolitan area.

McKesson found UCN had no coherent system for ensuring that all patient encounter forms were collected daily from physicians across the organization. The group's 15 billing areas only exacerbated this situation. As a result, many bills were neither processed nor paid, causing significant revenue loss each month.

# Case Study

**“McKesson has done an excellent job of not only getting the bills out and following up on denials but also ensuring that we are compliant with Medicare regulations and the requirements of all our payors. They’ve been a great partner and have helped us get our billing back on track to increase our bottom line.”**

**Patrick Hurley**

*Director of Finance and Administration*

*University Clinical Neurologists,  
Indiana University Medical Center*

McKesson immediately identified improvements that financially strengthened UCN. It developed and implemented new policies and procedures throughout the practice that helped the administrators reconcile encounter forms with the physicians’ schedules each day. Additionally, McKesson implemented new coding protocols for clinical procedures that increased the accuracy of the bills, reduced rejections for noncompliance, and led to a significant increase in revenue.

McKesson has been highly effective at improving the efficiency of the group’s charge entry and billing software, developed by IDX, now part of GE. “Our charge entry and billing software can be a complex system to work with, and McKesson has done a good job of getting the most from it,” explains Hurley. “They really know the application.”

UCN also benefits from McKesson’s in-depth monthly reports, an important tool for tracking performance, both by individual doctors and by the organization as a whole. For example, because physicians are now accountable for their productivity, they pay closer attention to the coding process and to submitting claims on time.

In 2004, when UCN merged with another large practice group in Indianapolis, McKesson seamlessly managed the migration of the group’s eight physicians to UCN’s systems. The integration included re-enrolling doctors with insurance carriers and ensuring that all claims information flowed properly to McKesson medical billing personnel. During the transition, none of the merging doctors experienced a decline in cash flow.

## Results

After a full year of service from McKesson, Hurley reports that UCN’s charges increased by 27%. Collections were up 16% and days in A/R dropped from 77 to 56.5. Currently, days in A/R are 46.

“McKesson has done an excellent job of not only getting the bills out and following up on denials but also ensuring that we are compliant with Medicare regulations and the requirements of all our payors,” Hurley submits. “They’ve been a great partner and have helped us get our billing back on track to increase our bottom line.”

**McKesson Provider Technologies**

5995 Windward Parkway  
Alpharetta, GA 30005

<http://www.per-senowmckesson>  
1.800.981.8601

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. PRT311-10/07