

How Process Optimization Helped Hunt Regional Healthcare Fulfill Its Mission

Hunt Regional Healthcare is dedicated to improving patients' health in their communities. The \$550 million community health system further demonstrated this commitment by increasing its service lines to better provide quality, comprehensive care.

Expanding service lines presented many long-term financial benefits for Hunt Regional, such as lowering the cost of preventive care, driving profitability and increasing patient loyalty, especially among high-need patients. In the short term, however, increasing service lines caused an increase in demands placed on the patient accounting department. Specifically, the department was challenged to increase its claims-processing volume without adding employees. To do so, Hunt Regional needed to address its inefficiencies, specifically reconciliation, payment postings and paper correspondence. For assistance, the patient accounting department turned to its J.P. Morgan banking team.

Optimizing Electronic Payments With a Reconciliation Manager

Hunt Regional installed a J.P. Morgan image lockbox in 2013, so it was able to post remittances from images scanned at the lockbox. "But we still had highly manual processes around cash reconciliation and managing those scanned paper transactions," said Patient Accounts Manager Linda Yeager.

Hunt Regional used multiple spreadsheets to reconcile cash received with insurance payers' remittance advices. Consequently, a designated employee spent each morning—roughly eight hours each week—gathering and populating the spreadsheets' data before the rest of the team could begin reconciliation. As a result, the rest of the team had limited data visibility, so if the designated employee was unavailable, productivity suffered.

"We were still very manual in our revenue cycle operations, especially in the way we posted and reconciled cash. To support the goal of enhancing care to our community, we knew we were going to have to lean up the processes in patient accounting."

— Janece Sims, Director of Patient Financial Services,
Hunt Regional Healthcare

To address this challenge, Hunt Regional implemented the J.P. Morgan Healthcare Link provider portal and Reconciliation Manager. With Healthcare Link, Hunt Regional could receive all electronic remittance advices on a bank-accessible secured shared drive. From there, Reconciliation Manager matched remittance advices with the funds deposited in the Hunt Regional operating account.

The move provided several important benefits. Time savings were immediate, with staff spending fewer hours gathering data and creating spreadsheets. Just as importantly, it removed the concentration risk associated with the previous data-gathering process. And with such a high percentage of automated work—Reconciliation Manager automatically matched more than 90 percent of advices—the team could focus solely on exceptions. Finally, remittance data was now easily visible within the office and across the organization. Specifically, both the closely tied accounts receivable and accounting departments could access the same data in real time.

Bringing Efficiencies to Paper Processes

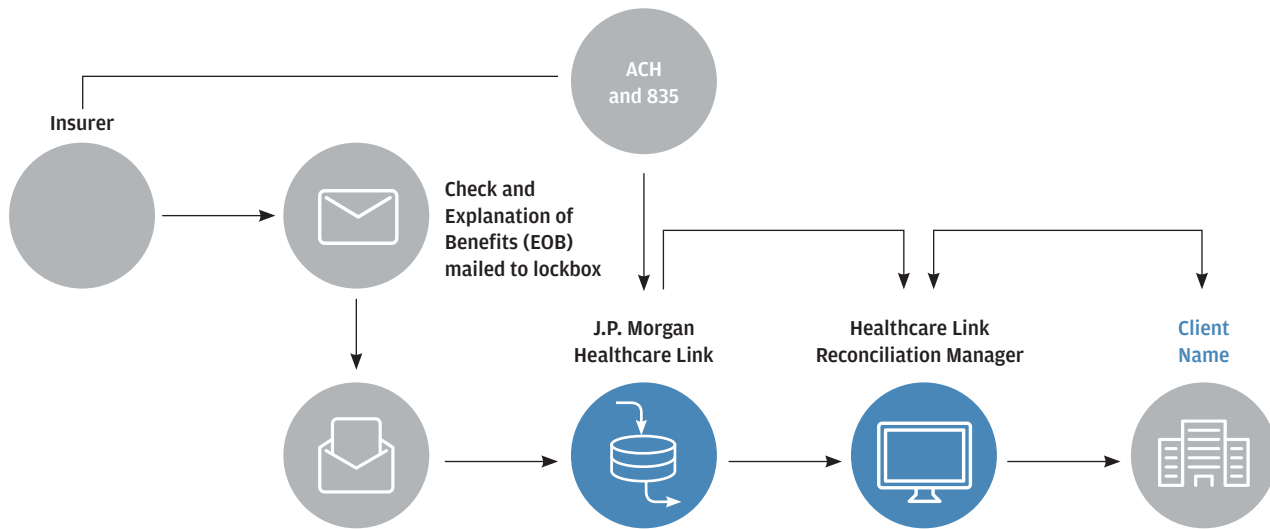
With the time it gained from implementing Reconciliation Manager, Hunt Regional sought to eliminate manual processes tied to paper transactions. The healthcare system had already used some of that time to increase enrollment in electronic funds transfer of Electronic Remittance Advices beyond Medicare, Medicaid and a few large payers—so much so, in fact, that the majority of the healthcare system's payments were electronic.

But even with that enrollment increase, Hunt Regional, like most providers, still received a significant volume of paper transactions. About 30 percent of their remittances were via Explanation of Benefits (EOB), and manually posting those documents was time consuming.

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Healthcare Link—Workflow tools for all of your commercial revenue cycle needs

Save time, increase efficiency and reduce risk with a single integrated platform for all of your receivables



Step 1

Insurer sends payment and remittance advice

Step 2

- Wholesale Lockbox**
- Extract mail
 - Prepare batches
 - Image checks and EOBs
 - Deposit checks

Step 3

- File customization for auto-posting
- Visibility to checks and Electronic Funds Transfers
- Workflow management & reporting

Step 4

- We facilitate enrollment & payer migration to Electronic Remittance Advice (ERA)
- Reconciliation of ERA and EOB to payment

Step 5

- Healthcare Link content management**
- Post fully funded 835 and patient payment files
 - Use 10-year archive
 - Manage exceptions online

A key to addressing these challenges was automating the EOB posting process. The Enhanced Healthcare Lockbox was already imaging EOBs and making them available through the Healthcare Link browser, so activating the EOB conversion process was straightforward.

Now, the lockbox converts the paper EOBs, including zero-pay ones, into bank-manufactured 835 files, mimicking 100 percent electronic remittance advice enrollment. These 835 files are then posted directly into Hunt Regional’s Meditech patient accounting system. As a result, the time necessary to post remittance documents was dramatically reduced, and the team could dedicate fewer employees to the task.

“Prior to J.P. Morgan converting our EOBs, we would get a 400-page remittance document that would take six hours or more to post manually. Now that same converted transaction is completed in less than 15 minutes. Despite our increase in volume, my dedicated cash-posting resources have been reduced by a third, allowing me to reallocate resources to focus on active and aging account receivables. It truly is doing more with less.”

— **Linda Yeager, Patient Accounts Manager, Hunt Regional Healthcare**

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Streamlining Correspondence with Enhanced Healthcare Lockbox

Next, the team focused on improving the true letter correspondence process. It was important to address this inefficiency, as this correspondence can significantly impact account receivables and add up to millions of dollars in lost revenue.

Enhanced Healthcare Lockbox automated the process. During scanning, the lockbox classifies the letter type and extracts encounter-specific data, such as claim numbers. These images and transaction-specific data can then be accessed through Hunt Regional's bank portal, with all documentation stored in a HIPAA-secure archive for 10 years.

Now, the Hunt Regional team could create work queues specific to transaction type directly out of the lockbox's browser. Furthermore, the healthcare system's in-house document-management platform had fewer images to store and manage, so it eliminated those associated financial and time costs.

"We already had a relationship with J.P. Morgan, so it made sense to look at their integrated solutions. Their solutions allowed us to achieve our business automation goals and performed as well or better than any product we could find from other vendors."

– **Janece Sims, Director of Patient Financial Services,
Hunt Regional Healthcare**

Faced with the challenge of increasing its claims-processing volume, but not head count, Hunt Regional needed to increase the efficiency of its processes. So the healthcare system turned to its J.P. Morgan team. Together, they methodically tackled reconciliation, payment postings and paper correspondence, utilizing the Healthcare Link provider portal, Reconciliation Manager and Enhanced Healthcare Lockbox to streamline these processes.

By utilizing its existing relationship with J.P. Morgan, Hunt Regional was able to achieve its business automation goals and reduce its claims-posting resources by a third.

For more information, please contact your J.P. Morgan representative or visit: jpmorgan.com/cb

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