



Academic health system realizes impressive ROI through Optum A/R recovery efforts

Maintaining A/R continuity during HIS conversion

When revenue cycle leaders of an academic health system faced a lengthy health information system (HIS) conversion, they knew the effort would require full attention from their revenue cycle staff. “As we aligned to convert to the new HIS, it was clear our teams needed to be organized differently,” explains the vice chair of billing and accounts receivable. “Along with learning a new system, we shifted to a centralized structure. Because of that, for 95% of our team members, their new work was very different than their legacy work.”

And all this needed to happen while the client simultaneously maintained a healthy cash flow. “We couldn’t afford to let uncollected money turn into bad debt on our legacy systems. We were looking for a strategic partner who could collect what was due so our internal team could focus on the future.”

Choosing a strategic A/R recovery partner

The health system turned to an Optum strategic service partnership to help mitigate risk and streamline operations. “Optum has resource flexibility, size and scale to help us work denials and slow A/R on our legacy systems.”

With operations in multiple locations across the country, the client looked for a partner who understood payer rules nationwide. “Because Optum serves both payer and provider markets, they have deep expertise and insight into payer guidelines. They can foresee trends in denials and recommend strategies that support strong operations.”

The scale of Optum provided resource flexibility the client needed to meet their goals. Through A/R Recovery Service, Optum initially provided 42 full-time employees (FTEs) to collect A/R on the legacy system while the provider’s staff trained on the new HIS. However, the scope of the project was much larger than initially anticipated. Optum supplied an additional 90 FTEs plus supplemental leadership and expertise to help this provider firmly face their challenges and accomplish business objectives. “Not many organizations are capable of being that flexible – or able to nimbly scale up so quickly. That really solidified the relationship,” says the vice chair of billing and accounts receivable.



Problem:

The client needed to maintain revenue integrity and A/R continuity during a lengthy and challenging HIS conversion.



Solution:

Optum A/R Recovery Service



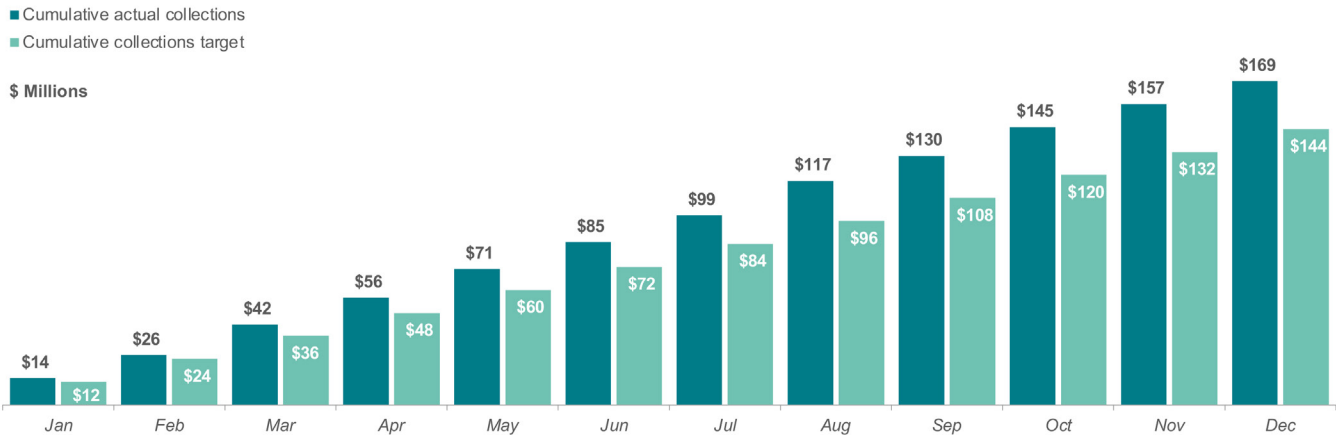
Results:

- 8:1 A/R recovery ROI (calculated by the client)
- A/R recovery and cash flow outpaced expectations for every month of the contract
- Team members successfully trained on new system, structure and work activities, with less confusion during HIS conversion

Results outpace expectations

The client tracked very specific measures of success. “We were looking at FTE productivity and aging of A/R and recovery amounts.” Through the partnership, the client realized an 8:1 ROI on \$169 million recovered in 12 months, with monthly recovery amounts consistently exceeding goal amounts.

Targets v. actual payments



A/R Recovery Service provided benefits well beyond revenue collection. “Our workforce turnover is next to nothing. Our revenue cycle team members no longer have a mountain of work they’ll never complete. They feel valued, prepared and supported.” The client was able to focus the revenue cycle team on learning the new system, performing new work and planning for the future.



Partnering for success

“Change is necessary, but the transition can be difficult,” says the manager of enterprise denials. “Optum provided critical support our team needed to ensure our transition was smooth and successful.”

Learn how A/R Recovery Service can help you achieve success.

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