

ELIGIBILITY ENROLLMENT SERVICE

Case in Point: The Annual \$6,000,000 Cash Infusion

Problem Definition

The 1,000-bed, for-profit, urban teaching center is the amalgam of several previously independent hospitals. Over 800 physicians and 3,500 other employees handle 30,000 admissions annually, 90,000 emergency visits and almost 375,000 outpatient visits. Expertise is diversified, with centers of excellence maintained in cardiology, diabetes, emergency services, behavioral health, orthopedics, women's health, oncology, renal services and seniors' health. By the latter 1980s, the center's management had become quite concerned about falling behind in Medicaid enrollment in an aging urban environment that was rapidly losing its traditional industrial base and economic viability. Its admitting, patient accounting and social service staffs were unprepared to handle a large-scale initiative in the growing uninsured and underinsured population. Management knew the center was not equipped to quickly capitalize on both demographic shifts and market opportunities. Thus, *cash flow was seriously sub-optimized at a time when DRGs were already putting increasing pressure on reimbursement.*

Actions Taken

Human Arc's Eligibility Enrollment Service (EES) was contracted by the center in 1989—and thereafter—to assist hands-on with effective Medicaid eligibility determination, enrollment and account follow-up on a no-risk, fee-contingent basis. Because Human Arc is a recognized leader in Medicaid enrollment, the center enjoyed *immediate resource effectiveness without expensive in-house learning curves.*

Results

Since 1989, Medicaid patients enrolled by EES (over 80 percent of those initially determined to be viable candidates) resulted in **\$66,000,000 in incremental cash flow** to the center, over **\$30,000,000 of that in the last five years**. In addition, EES **shortened Medicaid patients' AR cycle time by almost a third in only four years**.

Difficult accounts that historically were written off now produced cash. In one case involving billings in excess of \$250,000, EES specialists persisted over seven months to surmount a patient's inability to communicate, his family members' fear and resistance, missing personal documents, family moves, language issues, changes in case workers and a host of other complexities. The result was retroactive Medicaid coverage for this patient that yielded over \$118,000 to the center.

As "agents" for the center, EES also increased patient satisfaction and community good will by helping to provide **social and economic outreach assistance to 25 percent of the Medicaid patients it enrolled for this client—at no additional cost to them or the center**. Assistance included food, clothing, housing, utilities, transportation, counseling, infant needs, etc.

Upshot:

This large, for-profit hospital used Human Arc's Eligibility Enrollment Service to turn adverse economic and demographic shifts into an **incremental \$6,000,000 cash flow each year**, and, in the process, actually broadened access to health care in its surrounding communities.

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