

**Case Study**

# MedAssist is the One Source Solution to Streamline Your Business Office

## Aspen Valley Hospital

Aspen Valley Hospital (AVH) District is a Critical Access facility located in Aspen, Colorado. AVH offers a full range of services and has board-certified specialists in 25 different fields of medicine. On an annual basis, AVH records \$70 million in patient service revenues through 1,800 admissions, 330 births, 600 inpatient surgeries, 900 outpatient surgeries, 31,000 outpatient registrations and 9,200 ER visits.

## The Challenge

AVH Management identified staffing and ineffective processes as the cause for decreasing cash and increasing receivables and write-offs.

## The Solution

AVH partnered with FCG and MedAssist to provide a full business outsource to reduce their accounts receivable and increase cash.

## The Results

Cash Days on hand increased from 73 days to 240 days and net days and write-offs were significantly reduced.

## ► The Situation

AVH, because of its location in a resort community, faced inordinate challenges in recruiting and retaining the skilled employees required to support the complex processes associated with healthcare receivables management and processing. Therefore, Aspen Valley Hospital had an even greater challenge keeping business office performance at or above industry standards.

AVH's business office performance began to suffer. Claims processing slowed, accuracy was impacted and payer denials increased dramatically. Cash flow dropped and receivables increased, causing a dramatic change in the receivables from fiscal year end 2004 to 2005.

	Billed Receivables	AR>151 Days	Total Receivables
12/31/2004	\$18,906,633.00	\$ 9,198,684.00	\$21,447,728.00
12/31/2005	\$24,210,995.00	\$13,841,585.00	\$28,934,553.00

## ► The Challenge

While the patient revenues for the two periods were basically flat, billed receivables increased 13%, accounts aged greater than 151 days increased by 50% and total receivables increased by 35%. AVH management immediately identified staffing issues and ineffective processes as the cause. With the continuing deterioration of receivables and decrease in cash collections, reinventing the Revenue Cycle processes was identified as the highest priority by AVH leadership. In order to validate and correct the performance issues, First Consulting Group (FCG) identified the immediate need for dedicated resources to address the AVH receivables. FCG evaluated the billing and collection follow-up processes and identified opportunities to accelerate the AVH cash collections. FCG brought in MedAssist, their Receivables Management partner, to assist in redesigning the revenue cycle (billing and collections). FCG and MedAssist identified performance metrics and created reports to reflect current and historical performance. Utilizing MedAssist's Full Business Outsource service, FCG and MedAssist immediately evaluated the resources needed, organized staff and addressed the receivables.

Cash on hand days was a key indicator tracked by AVH to measure financial performance. As a result of the focused receivables initiatives, cash on hand days increased from 73 days to 240 days and net days in accounts receivable were reduced from 111 to 47. The below chart illustrates the Accounts Receivable improvements:

	Billed Receivables	AR>151 Days	Total Receivables
12/31/2005	\$24,210,995.00	\$13,841,585.00	\$28,934,553.00
12/31/2006	\$10,909,207.00	\$ 3,191,475.00	\$13,839,632.00
09/30/2007	\$ 8,418,623.00	\$ 924,064.00	\$10,242,281.00

## ► The Solution

The number of net days for AVH has dramatically reduced since contract execution. During the clean-up of accounts, we reduced AVH's number of net days while decreasing the number of write-offs. While focusing on receivables initiatives, we increased AVH's number of days for cash on hand while minimizing the number of write-offs.

### **About MedAssist**

MedAssist, a Firstsource Company, provides a comprehensive suite of innovative, technology-driven eligibility and revenue cycle management services, including Medicaid Eligibility, Receivables Solutions, Business Office Outsourcing and Collection Services. MedAssist utilizes a social service approach and a commitment to patient dignity, compassion and integrity to improve cash flow, maximize reimbursement and reduce bad debt.

1661 Lyndon Farm Court, Louisville, KY 40223 | 877.926.7370  
[www.medassist.biz](http://www.medassist.biz)

### **About Firstsource**

Firstsource (NSE: FSL.NS, Reuters: FISO.BO, Bloomberg: FSOL@IN) is among India's leading BPO (business process outsourcing) service providers. Firstsource provides customized business process management to global leaders in the Banking & Financial Services, Telecom & Media and Healthcare sectors. Its clients include "Fortune Global 500" banks, "Fortune Global 500" telecommunications companies and "Fortune 100" healthcare companies. Firstsource has a global delivery model with operations in India, US, UK & Argentina and Philippines.  
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