OPTUM360°®

Optum360 helps Truman Medical Centers solve coding challenges, support ICD-10 efficiency and improve financial performance.

Truman Medical Centers (TMC) provides accessible, state-of-the-art quality health care to the Kansas City community. Anchored by two acute care academic hospitals, TMC Hospital Hill and TMC Lakewood, Truman provides a full range of services and includes 547 beds, 51 clinics, 577 medical staff members and 4,000 employees. TMC Hospital Hill, located in downtown Kansas City, is one of the busiest Level One Trauma Centers in the city.

Background

TMC serves as Kansas City's essential hospital, providing more than $134 million in uncompensated care annually, which makes it extremely important that coding and revenue cycle processes are accurate and efficient. With the specter of ICD-10 looming, the organization needed a solution for both a successful transition and efficient operations into the future. TMC initiated an effort to add computer-assisted coding (CAC) to enhance its coding productivity and lower the number of days in accounts receivable. To maximize its investment, the CAC needed to interface seamlessly with TMC's existing electronic medical record (EMR) and billing systems.

Highlights

Optum360® delivered an innovative solution combining computer-assisted coding and coding services that resulted in:

- Cost savings of $7 million over the course of the agreement

- Turnaround time improvement: 30 percent for Medicare accounts and 20 percent for Medicaid

- Reduced coding backlog, improving average monthly cash flow by $3 million

- Increased coding productivity

- Reduced number of days cash outstanding

Challenges

TMC's initial search for a CAC system was eye-opening. The cost of CAC solutions and lengthy implementation cycles due to market demand meant that TMC might not be able to have a solution in place before the ICD-10 deadline.

At the same time, the organization was facing a major challenge in hiring, training and retaining experienced coders, despite offering bonuses, flexible schedules and the option of working from anywhere in the country. For example, a recent open coding position had taken 344 days to fill. As TMC leaders evaluated coding retention and staffing strategies, they realized that continuing to expand their efforts in-house might not be the best course of action for the organization.

"We realized that we needed to think a little differently and come up with a more far-reaching plan than just trying to acquire some software," said Seth Katz, TMC assistant administrator of information management and program execution. After consulting with an outside firm, TMC began considering outsourced coding and other options to control costs, free up resources and help protect the hospitals' revenue cycle.

As a result, TMC made a strategic decision to overhaul its coding department and consider outsourcing as a potential solution. The organization was also hoping to partner with a single vendor that could offer integrated solutions to the host of coding and revenue cycle challenges it was facing. "We were not looking for 10 solutions to solve one problem," said Mitzi Cardenas, senior vice president of strategy business development and technology. "We were looking for one solution to solve 10 problems."

Solutions

After careful consideration, TMC selected Optum360. "Optum360 understood exactly what we needed," said Katz. "They proposed a robust solution that included providing coding service and computer-assisted coding, and included a long-term agreement that would help protect Truman not just for ICD-10, but into the future to ensure that our revenue cycle keeps moving forward."

As part of its agreement, Optum360 is providing:

- Optum® Coding Service
- Optum Enterprise Computer-Assisted Coding
- ICD-10 physician training
- Optum CDI 3D to support clinical documentation improvement
- Ongoing support services

While outsourcing coding was the best avenue for the future, it was also important to TMC that its existing coders not lose their jobs after outsourcing commenced. Optum360 hired all but two of TMC's coders, offering them competitive pay and a professional growth path, and they now work as part of the Optum360 U.S.-based coding team. "We felt we had a good partner in Optum360," Katz said. "They made a substantial effort to help our coding staff transition to their new workflow."

When the Optum Coding Service went live at TMC, the plan was to initially code all cases onshore and then gradually shift to global coding to take advantage of lower costs and the expertise of coders outside the U.S. who already operate in accordance with ICD-10. Within nine months, 90 percent of the coding was taking place overseas. TMC's coding managers remained with the organization after the switch and are now responsible for quality, audits and training support.

"This is not a vendor-client relationship. This is truly a partnership between Truman and Optum360."

— **Seth Katz**
Assistant Administrator of Information Management and Program Execution Truman Medical Centers

One year after the transition to outsourced coding, the Optum Enterprise Computer-Assisted Coding Platform went live at TMC. The Optum360 partnership with TMC's EHR vendor gave the systems integration a head start and led to a smooth technical implementation.

Optum Enterprise Computer-Assisted Coding (CAC) helps hospitals improve coding quality, specificity and productivity. It is powered by the Optum patented LifeCode® Natural Language Processing (NLP) engine, which leverages more than 10 million medical facts to read physician documentation, recognizing sentence structure and context to suggest codes for coder review.

"Acquiring CAC by itself was not in our budget, but we found with Optum360 we could roll outsourcing and CAC into a solution that was financially feasible and fulfilled our ICD-10 plans," said Katz.

For TMC, Enterprise CAC provides a number of benefits:
• Facilitates remote coding by Optum360 employees
• Enables increased production, which benefits TMC's revenue cycle
• Allows resources throughout TMC to benefit from the CAC technology for reporting, CDI and compliance
• Supports TMC's strategy to stay on the forefront of health care technologies
• Provides future flexibility

To further build on its success, TMC will implement Optum CDI 3D, a fully integrated solution that uses the same platform as Enterprise CAC to enable visibility, communication and workflow between coders and CDI specialists. Using the LifeCode NLP engine and clinically based algorithms, CDI 3D provides 100 percent record review to identify specific cases with opportunities for documentation improvement. As a result, CDI specialists are able to focus their attention where it is needed, provide valid queries, and support appropriate revenue capture.

Results

TMC's partnership with Optum360 has yielded significant operational and financial gains for the organization. These include:

ICD-10 readiness: Optum360 helped TMC smoothly transition to ICD-10. The combination of the Optum Coding Service, Optum Enterprise CAC and the Optum-led physician training program mitigated the risk of transitioning to the new coding standard. The coding team, with its previous international ICD-10 experience, was able to easily absorb the impact of the switchover on October 1, 2015, and can maintain productivity moving forward.

Cost savings: TMC is saving $7 million in overhead and equipment expense for remote coders over the course of the agreement.

Improved coding speed and accuracy: Accounts coded within four days have gone from 69 percent to 84 percent. The Optum360 ability to code emergency department volumes and ancillary volumes is also a big plus. "A lot of our patients have complex diseases, and the Optum360 ability to capture well over 9 or 10 diagnoses is a great result," said Sheila Hammonds, corporate coding education manager.

> "Optum360 has so many different levels, and because of that, we were able to grow the relationship, instead of just working with a coding company."
>
> — **Seth Katz**
> Assistant Administrator of Information Management and Program Execution Truman Medical Centers

Positive revenue impact: The Optum360 partnership has had a positive revenue impact for TMC. Case mix index (CMI) has gone up at both campuses, resulting in a $700,000 increase in reimbursement. In addition, turnaround time for reimbursement has improved by 30 percent for Medicare accounts and 20 percent for Medicaid accounts.

Improved cash flow: "We have been able to reduce backlog, which really drives our cash flow," said Allen Johnson, TMC's chief financial officer. "The average increase in cash coming in is roughly $3 million per month." In addition, "days of cash outstanding" has decreased at both hospitals. At TMC Hospital Hill, it has gone from 5.1 days to 2.4 days. The results are even better at the Lakewood campus, where days of cash outstanding dropped from 5.2 days to 1.3 days.

More strategic focus: No longer obligated to staff the coding department and risk unsuccessful coder retention strategies, TMC's management was able to shift its focus from day-to-day coding operations to data quality and integrity. "Prior to outsourcing with Optum360, I was focusing a lot of my time on training, retaining and other human resource issues with the coders," said Hammonds. "Now I am able to look at documentation issues and focus on reimbursement edits as well as work with ICD-10."

The partnership between Optum360 and TMC continues to pay big dividends. The two organizations work together to track and monitor quality and output, and are dedicated to continuous improvement as they move forward. Furthermore, the long-term agreement will help TMC more easily adapt to ongoing changes in health care and take advantage of future-facing health information technology as it emerges.

The road to global coding

Truman Medical Centers leaders were hesitant when they first considered the possibility of using global coders as part of their outsourced coding strategy. The initial concerns included potential language barriers, HIPAA violations, system controls and a time lag in communications.

Support for global coding grew within the organization when TMC leadership considered:

- Additional cost savings that would be realized
- ICD-10 familiarity in global coders
- Providing support to coders with Enterprise CAC
- Positive response from other facilities with global coding experience

The Optum360 solution helped further minimize concerns:

- Service level agreements were put in place to minimize risk and ensure quality
- Optum360 would use only AHIMA- or AAPC-certified coders
- All coders, whether in the U.S. or other countries, are Optum360 employees
- All Optum360 global coders work from the company's offices using the same tools, training and security as their domestic counterparts

TMC and Optum360 worked together to minimize risk and ensure the success of the endeavor. When TMC's outsourced coding contract began, all coding was done in the U.S. Within three months, the transition to global coding began and, six months later, 90 percent of the coding was done in other countries. Today, nearly all of TMC's records are successfully coded through its global operations.

OPTUM360°®

optum360.com