

Case Study

American HomePatient

Doug Gouy knows the challenges of growing revenue in the tightly regulated healthcare market. As American HomePatient’s senior vice president of revenue management, Gouy wrestles with reimbursement cuts and issues with the third-party payer system in healthcare every day. “Margins can disappear overnight in our industry,” says Gouy. “You always have to be looking for opportunities to reduce costs.”

Opportunity knocked for American HomePatient (AHOM) in 2003 through their content management solutions provider, Acculmage, LLC. In meetings over the Christmas holidays at AHOM’s headquarters in Brentwood, Tenn., Gouy and some of his trusted technology advisors devised an ambitious plan to increase employee productivity, cut costs and raise revenue by automating the company’s sales order and billing processes.

“I remember leaving those meetings shaking with excitement,” says C. Roy Payne, president of Acculmage, a systems integrator that works closely with AHOM on strategic technology projects. “We were about to embark upon something that had never been tried before in the home medical equipment industry.”

AHOM replaced its most time-consuming, labor-intensive and error-prone business processes with a workflow software solution powered by Cardiff LiquidOffice. This case study illustrates how Acculmage used LiquidOffice to help one of the largest home healthcare providers in the United States achieve its business goals with 22% fewer staff in branch offices on LiquidOffice.

The Challenge

At AHOM’s 286 branch offices, customer service representatives (CSRs) respond to hundreds of sales orders every day. The process is inherently complex.



CSRs collect patient demographic information, medically qualify patients, verify insurance eligibility, gather signatures, and bill the patients and/or third-party payers. Errors—even one—lead to processing delays, claim denials, rebilling, and in some cases, revenue that simply has to be written off.

“We are in probably the most complicated rules-based industry that you will ever run across,” Gouy says. “We have about 2,000 different third-party payers, all of which have their own set of unique requirements.”

With a high staff turnover rate of 40%, AHOM found it challenging to equip customer service personnel with the training and expertise they needed to stay on top of all of the third-party payer requirements.

“Too many of our claims were being denied because we weren’t qualifying revenue correctly,” Gouy says. “The work that needed to get done on our end wasn’t getting done at the level of detail required. We left a lot of money on the table.”

AHOM’s extensive reliance on paper also drove up costs. The company handled more than 400,000 pages of sales order paperwork every month, incurring the expense of overnight deliveries to AHOM’s regional billing centers for inspection and processing.

The Solution

AHOM worked with its longtime information management systems integrator, Acculmage of Nashville, Tenn., to select Cardiff LiquidOffice for its high-volume

Customer at a Glance

American HomePatient

Industry: Healthcare

Application: Sales order and billing processes

Challenge: Faced with reimbursement cuts, AHOM targeted cost-cutting opportunities at the branch level.

Solution: Cardiff LiquidOffice

Results: AHOM replaced its most time-consuming, labor-intensive and error-prone business processes with a workflow software solution powered by Cardiff LiquidOffice. LiquidOffice helped AHOM pad its bottom line by more than \$2½ million.

“Since implementing Cardiff LiquidOffice, American HomePatient has reduced office payroll expenses by as much as 22 percent. We have almost 100 fewer employees in the branches on LiquidOffice, processing a higher volume of business.”

—Doug Gouy, American HomePatient

sales orders and billing automation project. LiquidOffice is an enterprise-class business process management software solution.

"We recommended LiquidOffice to American HomePatient because the technology is sound, Cardiff engineers were approachable and willing to help, and we felt we would be able to roll this project out on time and on budget," says Payne of Acculmage. "Another software alternative that we considered would have cost 2½ to 3 times more, and added another several months to the rollout."

In a matter of months, LiquidOffice was up and running at 115 AHOM branches—effectively reengineering the company's processes so there is less reliance on CSRs at the branch level.

As soon as a sales inquiry is placed at an AHOM branch, a CSR kick-starts the order process by opening a LiquidOffice-designed electronic form to capture all of the patient demographic information. Depending on the data entered and the insurance company involved, LiquidOffice may launch as many as nine additional forms during the sales order process. LiquidOffice automatically guides the CSR through each form before the sales order is electronically transmitted to one of 15 regional billing centers for revenue qualification.

"Our customer care personnel no longer have to worry about learning the rules from 2,000 different third-party payers," Gouy says. "CSRs have to know the product that AHOM delivers and how to fill out the forms. Everything else is taken care of by the business rules that were built into LiquidOffice. This means CSRs now have more time to service the referral and the customer."

LiquidOffice, with logic programmed by Acculmage and AHOM's IT development

staff, also raises red flags during the revenue qualification phase that saves AHOM money and keeps the company in compliance with U.S. government regulations.

"Medicare, for instance, has very specific medical coverage criteria," Gouy says. "For many services, patients must have a confirmed diagnosis to qualify for coverage. We developed rules that say, 'If the patient doesn't meet the Medical Necessity criteria, then the product isn't covered.' In the past, we may have delivered our product, without a high level of confidence that we would get paid."

The Benefits of Cardiff

The value of Cardiff LiquidOffice has been quantified in many ways at AHOM—from reduced headcount and higher employee productivity to accelerated revenue collections and better regulatory compliance.

"Since implementing Cardiff LiquidOffice, American HomePatient has reduced office payroll expenses by as much as 22 percent," Gouy says. "We have almost 100 fewer employees in our branches on Liquid Office, processing a higher volume of business."

LiquidOffice also raised productivity at the company's regional billing centers by eliminating the need to handle and inspect the mountain of paperwork from the branches. Quality assurance personnel previously assigned to pore over the hard copies of sales orders have since been transitioned to more strategic revenue qualification roles within the company.

The quality of revenue qualification has also improved since LiquidOffice has been deployed. Company statistics show the number of AHOM invoices denied by insurance companies has fallen by 17% in the past year. And year-to-date bad debt has dropped to 3%, from 3.8% a year earlier.

The results have been so impressive that AHOM branches that have not yet deployed LiquidOffice can't wait to get their hands on the software.

"As soon as they lose an employee, the first thing they do is call headquarters and say, 'Can we get on LiquidOffice?' And, we'll gladly schedule them in so we can shift that workload to a central location," Gouy says.

About our VAR

Acculmage, LLC

Acculmage, LLC, a value-added Cardiff reseller, was the system integrator for the automation of AHOM's high-volume order intake and revenue qualification system. After recommending Cardiff LiquidOffice, Acculmage, LLC designed and implemented the workflow software across AHOM in a matter of months.

Acculmage has been solving complex business problems and streamlining laborious paper-based processes for organizations like AHOM since 1996. Acculmage specializes in designing, installing and maintaining complete information management solutions: document and data capture, indexing, archival and retrieval, and distribution on portable media; automated forms processing for medical EOBs, HCFAs, UB92s, among others; enterprise report management; automated workflow; enterprise storage; and invoice processing.

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