



Case Study: Mississippi Baptist Medical Systems

Jackson, Mississippi



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—Patsy Hathorn, clinical resource management director,
Mississippi Baptist Medical Systems

Problem: Missing the big picture

Patsy Hathorn, clinical resource management director of Mississippi Baptist Medical Systems, knew there were problems with the way her facility handled the outpatient revenue cycle. The coding manager, compliance manager, and coding team leader came to her with issues, and she worked with the business office to resolve problems as they occurred.

But Hathorn wanted to move beyond the quick fix and prevent problems from occurring in the first place. “We were not able to address the whole picture, just individual events,” she recalls. “Our coding compliance software painted a picture of the issues affecting our revenue cycle, but it didn’t give us the tools to make improvements.”

3M products and services used at Baptist Medical Systems

- 3M™ Health Data Management System (3M HDM)
- 3M™ Ambulatory Revenue Management Software (3M ARMS)
- 3M™ Workflow Engineering Program
- 3M™ Medical Necessity Software
- 3M™ APC Editing and Compliance Software

Snapshot: Baptist Medical Systems in Jackson, Mississippi

Number of beds: 667

Inpatient admissions: 20,000 annually

Outpatient visits: 164,000 annually

Goal: Improve the revenue cycle

Like many facilities, Baptist Medical Systems was focused on inpatient coding, but with many services shifting to the outpatient arena, the organization knew it was time to focus on outpatient coding. The organization wanted a solution that would address the entire outpatient revenue cycle, from patient presentation to final reimbursement. Phone and e-mail had proven inefficient in resolving issues that arose at various points in the revenue cycle. “We wanted a communication tool we could use to get the right people involved at the right point in the process,” Hathorn says. “We also wanted a database to generate reports and support our understanding of outpatient coding and billing issues.”

Solution: 3M software and process mapping

Hathorn didn’t need to look far for a solution. The hospital was already in the process of implementing the 3M Health Data Management (HDM) System, a suite of quality and performance management products used for data collection and reporting. During implementation, the project team learned about another 3M HDM module, the 3M Ambulatory Revenue Management Software (ARMS) that could help correct edits, provide communication and education in clinical areas, and help identify potential process improvements.



Mississippi Baptist Medical Systems

Part 1: Implementation

The hospital first implemented 3M™ ARMS as a retrospective tool, and the software's reports soon identified areas of concern. For example, Hathorn and her team discovered and resolved a potential compliance issue where certain modifier codes were originating in both the 3M™ HDM database and the chargemaster. Hathorn recalls, "That was our 'A-ha!' moment. We realized that to take full advantage of the 3M ARMS solution, we needed to implement the software as a concurrent tool, the way it was intended to be used."

In a full 3M ARMS installation, Hathorn saw a tool that could help:

- Measure and monitor changes in revenue cycle processes
- Validate audits of HIM, chargemaster, claim, and remittance advice codes
- Initiate workflow changes to achieve clean claims the first time
- Reduce payment denials and adjustments
- Decrease back-end correction times, write-offs, and A/R days

Part 2: Map current processes

To realize these goals, Hathorn knew her team needed help. They turned to 3M Consulting Services and the 3M™ Workflow Engineering Program for assistance with process mapping. The first step was to create the "is" map—a map of the hospital's current process for releasing a claim. Hathorn recalls, "As each person described his or her piece of the revenue cycle, it became apparent how much rework there was, and how many edits and denials there were. It was a real eye-opener for everyone in the room." She continues, "With the 'is' process mapping presentation, we were able to engage our CFO, controller, business office, and ancillary departments. Our CFO and controller became champions for full ARMS implementation."

The next step was to create a "should" map—a map of what the revenue cycle should look like after problem areas were corrected. After reviewing the "should" map, hospital management organized a steering committee made up of the CFO, the controller, Hathorn, and other key personnel. The steering committee appointed work groups and assigned each group a major issue or opportunity to address that could reduce rework and redundancy and capture useful information. One immediate change was to send pre-registered patients directly to the departments where their procedures were scheduled, reducing wait time and preventing re-registration that could lead to duplicate accounts.



Health Information Systems

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Published 09/08
70-2009-8550-8

Result: Streamlined workflow

As workgroups complete their assignments, new groups are formed to facilitate continued improvements. Describing one successful resolution, Hathorn explains, "We wanted to reduce the number of back-end modifier corrections. We had an issue involving modifier edits that were identified by our HIM system, but driven by the chargemaster. We realized we needed someone with ownership of the chargemaster to address this situation." The work group assigned to this issue was able to justify hiring an APC coordinator in a joint position shared by the HIM department and the business office. The APC coordinator is responsible for maintaining the chargemaster, overseeing 3M ARMS functions, reconciling OCE edits, and researching edits or processes that seem out of line. Creating this new position supported the steering committee's goals of ensuring that "big picture" issues were addressed. Now, 3M ARMS reports such as the Missing Modifier report provide the tools needed to identify and correct issues throughout the revenue cycle.

Result: Better communication

This restructuring has also led to improved communications through the use of the 3M ARMS referral form for chargemaster corrections. This online form helps get the right information to the right people to make corrections before a bill is dropped. In 2008, the hospital added the 3M™ Medical Necessity Software, which works in conjunction with the 3M™ APC Editing and Compliance Software, and Hathorn believes these 3M ARMS modules will also have a very positive impact.

Partnering with 3M

Looking back at implementing 3M ARMS and the resulting workflow changes, Hathorn has nothing but good to say about working with 3M: "Training was very thorough. On completion, we had four staff members who were superusers and could write customized reports." She notes they were able to "go live" with the software ahead of schedule, even after adding to the original scope of the project. Ongoing support has also been good. Hathorn concludes, "We feel we have permission and opportunity to call 3M personnel directly, whether we just have a question or need to resolve an issue. Our relationship with 3M has been excellent."

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