3M Health Information Systems

Case study:
Rycan
Marshall, Minnesota

"We needed to get to market quickly. We chose to tie 3M medical necessity content with our software."

– Nick Widboom, Chief Operating Officer, Rycan

3M products used by Rycan

3M medical necessity and CMS outpatient edits delivered through the **3M™ Grouper Plus Content Services (3M GPCS).**

Snapshot of Rycan

For over 25 years, Rycan has provided revenue cycle software to hospitals and health systems, including software to estimate patient liability, verify eligibility and manage remittances, denials and contracts.

During that time, Rycan has built a solid reputation for providing its clients with tools to maximize revenue while enhancing productivity. Rycan's customer-driven approach means the company responds to its clients' continually changing needs. As a result, healthcare organizations have come to depend upon Rycan's solutions.

The challenge

A claims submission module is a logical fit for Rycan's product portfolio, but until 2010, Rycan didn't offer a solution for claims submission. The company had shied away from the expense and overhead of developing its own **medical necessity checking content**. Nick Widboom, Chief Operating Officer, understood the significant work and expertise required to maintain data tables for the ever-changing **national coverage determinations (NCDs)** and **local coverage determinations (LCDs)** that apply to each of Rycan's clients.

Rather than develop its own medical necessity content, Rycan looked for another way to fill the validation gap. "We chose to tie 3M medical necessity content with our software," says Widboom. A 3M partnership allowed Rycan to get a product to market quickly. It was also the perfect fit for the IT and operating needs of Rycan clients, because the 3M/Rycan combination provides:

- A cloud-based solution for easy, transparent updates
- Monthly 3M medical necessity content maintenance
- Seamless integration with the software workflow
- Reliable performance; no down time

A faster way to market

For Rycan clients, revenue cycle management is essential: Maintaining a steady revenue stream means submitting clean, compliant claims.

Rycan wanted to add claims processing to its existing revenue cycle portfolio, but delivering medical necessity validation at the point of building claims was a stumbling block. By adding 3M's reliable, ready-to-integrate medical necessity content, Rycan was able to:

- **Get to market quickly**
- **Provide a customer- and workflow-friendly solution**
- **Deliver a fully-featured revenue cycle solution**

How it works

Rycan's web-based software receives insurance claims from hospitals and runs them through Rycan's logic to validate the billing information and file structure. The same information is now sent through the **3M GPCS**, which identifies invalid diagnosis-procedure code pairs and other errors such as wrong gender.

3M GPCS returns warnings and error messages back to Rycan's system, which flags the errors and routes problematic claims to a work queue. Users review the edits and error messages, using a URL link to view the policy in question, if needed. After users correct a claim, the Rycan software sends the information to 3M GPCS for another check to make sure it will pass validation. All of these steps happen seamlessly within Rycan's user interface, although the content and links are maintained by 3M and delivered through the 3M GPCS.

At first, some clients noted the extra work to resolve all the claims errors in their work queue. Then they realized that errors are best found and corrected as quickly and as early as possible. "If they can catch errors before they bill out a claim, they don't have to rebill it again," says Widboom. "They get payment from the insurance company, instead of a denial if they don't get it right."

According to Widboom, nearly every hospital licenses the 3M medical necessity content. The exceptions tend to be facilities that bill a limited number of services and don't have many complex policies to follow. However, Widboom recalls one client who indicated they didn't want the medical necessity checking feature, so Rycan turned it off. "They came back later and said they really needed it," says Widboom. "They realized they would lose the edits. That is the value of what they are getting out of it."

The results

Low maintenance. Because 3M GPCS is a cloud-based service, content is automatically refreshed. Rycan doesn't have to download and install new data tables each time a policy changes. Once a year, interfaces are updated, which requires new code. This can be accommodated within Rycan's existing release cycle, so there is no down time for users.

Seamless integration. 3M medical necessity edits and error messages are delivered entirely within the Rycan user interface. The checking features can be used in a concurrent, claim-by-claim process or in a batch process of several claims at a time.

Speed. According to Widboom, "Speed is good." Concurrent processing takes only "a couple of seconds to process." Batch processing is even faster per claim, typically less than 10 seconds for a batch of 10 or 20 claims.

Reliability. The system has had very stable performance since the initial implementation and testing period. As long as end users have strong internet connectivity, there are no performance issues.

Ease of doing business. Widboom says the partnership with 3M has worked out well for Rycan. He appreciates that 3M was willing to negotiate transactional pricing in its contract. This approach was a better fit with Rycan's business model, which is based on per-visit billing, rather than per-hospital, per-year.

Call today

For more information on how 3M products and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **www.3m.com/his**.

3M

3M is a trademark of 3M Company.