



REVENUE CYCLE . CHC EXPERTISE
PEACE OF MIND

CASE STUDY:

Billing is Not Revenue Cycle Management

Blended
encounter rate
has increased
over 50%



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- Joseph W. Ferguson, MHA, FACHE
Executive Director, Advantage Health Centers
(now retired).

Advantage Health Centers/Detroit Health Care for the Homeless is a nonprofit agency committed to improving the health of the individuals and communities it serves. Its four healthcare centers provide medical, dental and social-work services to over 22,000 patients annually regardless of their ability to pay.

The Problem: When Joseph Ferguson joined Advantage Health Centers (AHC) in 2008, there was definite instability in its revenue stream. While many Federally Qualified Health Centers (FQHC) are satisfied to have any revenue, Ferguson wanted to ensure AHC's cash flow was truly optimized, especially in the face of the Affordable Care Act and payment reform.

At the time, AHC had no in-house billing department. In an effort to create steady cash flow, it first tried to outsource to a local billing company. Ferguson and his team quickly discovered that the billing company's skills didn't include any FQHC-specific knowledge. So Ferguson began to look for new options to help AHC's revenue stream.

Since outsourcing had not provided the needed results, Ferguson decided to build an internal billing department at AHC. He found a highly qualified billing manager who understood the nuances of FQHC billing and was able to train the new billing team members.

But then staff retention became a problem. It seemed that every time an employee became fully trained, a larger organization lured him or her away with promises of a pay raise. The high turnover rate created strain on the new billing department, and it was not able to provide the stable cash flow that AHC needed.

The Solution: When Ferguson saw a PMG executive speak at an industry event, he was immediately struck by PMG's extensive FQHC experience. Also intriguing to Ferguson was PMG's philosophy of managing a center's entire revenue-cycle process, not just processing billing. Ferguson and AHC's board of directors were reluctant to try yet another solution, but eventually chose to give PMG a try.
(continued)

Find out what the PMG Experts can do for your FQHC: 401.616.2041

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Days in accounts
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17 days



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The Solution (continued): "PMG didn't offer us a quick fix," says Ferguson. "They took time to learn about our center, our contracts and other important nuances. They began to build us a true revenue-cycle system and not just a set of billing processes. There was a gradual resolution of issues over a period of months until we got to a place of stable cash flow."

PMG believes revenue-cycle management is about much more than just billing. Anyone can send out claims and simply mark them denied if they come back. Our approach is to identify and correct the reasons for the denials so we can stop them at the source.

In addition, we worked with AHC to improve the integrity of its data, providing easy-to-decipher reports that it could use to enhance performance. PMG's set of CHC-specific data also allows us to benchmark clients like AHC against peers. This kind of information is invaluable to centers like AHC.

The Results: Within the first two years, AHC's blended encounter rate increased over 50 percent while days in accounts receivable dropped by 17 days. "The greatest benefit is the continuity of the cash flow," says Ferguson. "PMG has allowed us to see the 'big picture' of revenue cycle and to project incoming revenue with a much higher degree of reliability. That is what PMG brings to the table."

UPDATE: Since this case study was released Joseph Ferguson retired as Executive Director at Advantage Health Centers. PMG and Advantage still enjoy a successful revenue cycle management relationship.

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