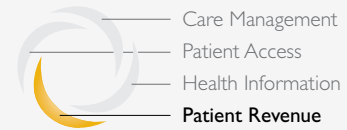


ST. VINCENT REGIONAL MEDICAL CENTER USES QUADRAMED CONTRACT MANAGEMENT TO IMPROVE COLLECTIONS

CASE STUDY

St. Vincent Regional Medical Center
Santa Fe, New Mexico

QuadraMed Care-Based Revenue Cycle Solutions



St. Vincent Regional Medical Center in Santa Fe, New Mexico is the state's oldest hospital. It is a 268-bed non-profit facility whose 250 staff physicians handled 11,711 admissions and 51,001 Emergency visits through the first nine months of 2006. St. Vincent is one of only three trauma centers in the state and the major regional medical center for a 19,000 square mile area.

Challenge:

St. Vincent Regional Medical Center had 35 payers with contracts defined representing 43 lines of business. The largest, Presbyterian Health Plan, had five business lines, each with separate pricing. St. Vincent could not model the complex payer mix and contract terms on its previous contract management system. Its inability to identify underpayments was the tip of the iceberg. The system was limited to only DRG and Percent of Charges reimbursement methodologies; thus it was capable of handling only a limited number of contracts. This resulted in St. Vincent being significantly underpaid. From top to bottom, staff was unhappy with the system.

Solution:

In 2003, St. Vincent began a relationship with QuadraMed and, one year later, went live with QuadraMed HIS. During this time, hospital staff learned the company had developed a new product,

QuadraMed Contract Management (QCM). This application offered the functionality to automate the contract management process to reduce administrative overhead and improve contract performance. It featured integrated modules for contract administration, repricing, modeling and reporting. St. Vincent took the plunge and became an "early adopter" of the client server version of QCM and later served as a beta test site for APC (Ambulatory Patient Classification) repricing.

As is the case with most new software applications, the preliminary installation was a learning experience that required extra time to complete. During this period, 12 lines of business and 10 reimbursement terms were installed.

"Contract Management not only increased hospital net revenue, it proved empowering to staff."

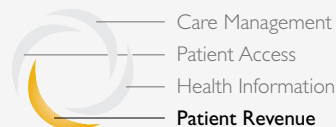
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Reimbursement and Denials Management teams mastered the system's key reporting features such as patient payments and variance reports, as well as how to use the query tool to isolate claims underpaid by specific payer by revenue code, patient type, DRG, etc. The staff also learned how to manage the system's repricing, modeling and reporting modules. St. Vincent went live with QCM in February 2004.

The hospital installed QuadraMed Contract Management on the PC workstations of all account representatives with the ability to post cash. They then used the system daily to resolve late charges, late credits, and similar errors. Staff also installed QCM as read-only on insurance follow-up collectors' computers.

But St. Vincent Regional Medical Center wasn't done yet. Since 34 percent of its patient population was Medicare, an Outpatient Prospective Payment System repricing tool was vitally important. St. Vincent went live with the QCM APC solution in May 2006.

Results:

With QCM, collectors get better results faster and with less hassle. Before phoning a payer regarding a problem claim, collectors called up accounts to determine the expected reimbursement and how it was calculated. Armed with this information up-front, the collector could articulate to the payer specific details about the payment variance, thus facilitating more accurate and timely payment on their managed care business. QCM not only increased hospital net revenue, it also proved empowering to staff.

Another benefit is that the software separates pro-fees from regular claims. For instance, at St. Vincent, hospital-based CRNAs may administer anesthesia, a service for which fees can be thousands of dollars. The old system re-priced the "whole" hospital claim without excluding the CRNA professional fee, which is billed separately. QCM eliminated this problem.

St. Vincent's utilization of QuadraMed Contract Management has proved to be so successful in identifying underpayments and net down receivables at time of final billing that the hospital's Finance Department no longer books contractual reserves for discharged patients.