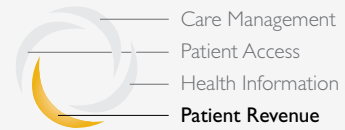


# HANNIBAL REGIONAL HOSPITAL INCREASED CASH FLOW OVER \$3 MILLION

## CASE STUDY

**Hannibal Regional Hospital**  
Hannibal, Missouri

QuadraMed Care-Based Revenue Cycle Solutions



Hannibal Regional Hospital is 105-bed rural hospital serving residents of northeast Missouri. The James E. Cary Cancer Center is a community service of Hannibal Regional Hospital and the Hannibal Clinic.

### Challenge:

Hannibal Regional Hospital's Health Information Services Department had difficulty meeting its goal of \$500,000 for charts being held for coding, a goal set by the Vice President of Finance. The problem was longstanding and particularly threatening to a small rural hospital where cash flow is paramount and plans were underway to add a new ED department and interventional radiology suite.

Hannibal was totally reliant on paper records, and coding did not occur until the chart was entirely assembled in its complete paper form. The existing paper system was so cumbersome, it did not allow for effective management of team member accountability for their portions of the coding and billing cycle. Hannibal needed to transition from paper-based to electronic records to minimize the coding bill hold days and decrease A/R days, thereby enhancing cash flow. It also needed to ensure HIPAA compliance with 837 billing and to institute a tracking mechanism HIM could utilize for release of information.

### Solution:

Hannibal selected QuadraMed solutions. The Health Information and Patient Accounts Departments were committed to high quality, timely coding and billing, and the project that would facilitate achieving these goals. In preparation, Hannibal staff devoted many hours to anticipating process changes a learning curve.

Installation began in July 2003. Hannibal brought up the QuadraMed financial components including Registration, MRC, MRA, DRG Case Mix, Health Notes, EDM, Patient Billing, Enhanced Results and Order Entry for nursing. QuadraMed Patient Registration is used when a patient enters the system, outpatient orders are scanned into

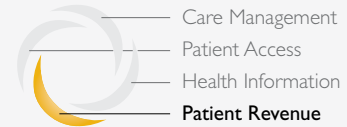
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EDM at the time of patient presentation. ED records are scanned immediately after patient discharge. All lab and radiology results are stored in Enhanced Results and come through the interface in real time. All dictation is transcribed into Health Notes. MRC is used for chart deficiency, chart tracking and correspondence log. MRA is Hannibal's abstracting system and is interfaced with 3M coding.

One year later, Hannibal brought Insight and Patient Charting online. Patient Charting is the nursing documentation used in all areas – including ED and ICU – except OB. Patient Accounting submits claims via QuadraMed's clearinghouse utilizing the compliant 837 claim form.

In 2005, Quality Management and Utilization Review went live at the hospital. In 2006, Clinical Workstation and QuadraMed enterprise scheduling were added.

### Results:

As Hannibal brought each successive piece of QuadraMed software online, its dependence on paper records decreased, and coders had the information they needed to code in real time at their fingertips.

Hannibal Regional Hospital decreased charts holding for coding from \$1,430,351 to \$27,989, and from 4.45 to 0.07 days in A/R. There was a temporary spike after installation when the bill hold for uncoded charts rose to over \$2 million. But once staff began using the online documentation in Health Notes, Enhanced Results and the scanned records from ED, as well as scanned outpatient orders to code, the problem resolved. As a result, Hannibal's reduction in uncoded records increased its cash by \$745,000.

A/R days in patient accounts initially rose to 70, but decreased to 42 days, thereby improving Hannibal's cash flow by over \$3 million. QuadraMed Scheduling helped Hannibal with collections of Co-Pays on admission, having increased them by over fifty percent to \$120,000 in 2006.

Hannibal Regional Hospital is also now HIPAA compliant with the 837 billing process, and a correspondence log allows the hospital to track all release of information.

Bringing QuadraMed live brought Hannibal the added benefit of permitting it to return all release of information in-house, generating an annual profit of \$55,000.