Case Study: Implementing Enterprise Billing

“Before you start a billing implementation project, it is essential to get the executives onboard, so that there is clear support from the top. Get your business rules, your processes, and your requirements right — and you are halfway there.”

Background

Back in 2013, Peter Mac had 5 separate billing systems, with the main system over 25 years old. The systems did not communicate effectively with each other, resulting in labour-intensive and unsustainable manual data transcriptions. Peter Mac was losing an estimated $1.4M annually due to rejected claims and uncollected payments.

Challenge

Peter Mac wanted to stop revenue leakage and improve performance. When external consultants recommended an enterprise billing system, Peter Mac decided on the PowerHealth Solutions (PHS) PowerBilling & Revenue Collection (PBRC) system, based on a similar hospital’s experience of ROI within the 1st year.

Solution

1. Assemble the project team

Peter Mac engaged an excellent Project Manager who recruited the rest of the project team for their skills in IT, finance, change control, business processes, integration, and testing. They worked closely with PHS and this contributed significantly to the project success.

2. Get executive support

Peter Mac Executives were actively involved in the project from the beginning and worked throughout to ensure cooperation from the operational areas.

3. Redesign business processes

The project team worked to create departmental organisation change and redesigned their business processes ranging from service data capture to revenue collection. It was crucial to ensure business processes were functioning correctly prior to automation.

www.petermac.org

The Peter MacCallum Cancer Centre is Australia’s only public hospital solely dedicated to cancer treatment, research and education. Peter Mac treats more cancer patients each year than any other Australian hospital.

“PowerHealth Solutions are an exceptional and responsive vendor. For example, they went well beyond the call of duty to integrate PBRC to our iPM system.”

Dennis O’Keeffe
Peter Mac Chief Finance Officer

“PBRC is an incredible product. One of the most impressive features of the product is the worklists, which helps to reduce rejections, improve business process workflow and increase revenue.”

Remona Lee
Peter Mac Project Manager

“A major contributor to the success of this project was the excellent collaboration between the Peter Mac and PHS project teams.”

Stuart Mead
PHS Project Manager
4. Define system requirements
The project team worked closely with the operational areas to understand their business rules and requirements, and put together detailed system requirements. In practice, each hospital has specific business rules that vary from the complex generic industry rules, and these need to be well documented early for the system vendor.

5. Automate billing
Peter Mac began implementing the PBRC enterprise billing system in 2014 and Phase 1 of the project went live in March 2015. Services include Accommodation, Medical Services, Outpatients, Online Claims, Radiotherapy, Receipting, Allied Health, Online Eligibility, and Simplified Billing.

Result

Prompt Billing
Peter Mac now bill for services promptly on receipt of real-time patient and service data from their source systems, reducing the inpatient submission-to-recovery period from 7 weeks to 1.

Improved Revenue Collection
Peter Mac now collect more revenue as a result of significantly fewer claim rejections and less corrective re-work required due to reduced data capture errors, automatic edit checks & smarter prior-to-billing. Peter Mac is expecting to recoup an estimated $1.4 million annually on rejected claims and uncollected payments.

Improved Cash Flow
Peter Mac have experienced improved cash flow with shortened revenue cycles resulting from submitting electronic claims to Medicare and private health funds. 84% of their claims are now submitted electronically, with an average turnaround of 3 days for outpatients.

Simplified Administration
Peter Mac can now generate accurate invoices automatically without manual analysis of data from multiple systems, as all required information resides in the enterprise billing system to provide centralised control and management.

Highly Automated
Peter Mac have now achieved significantly improved billing efficiency, by eliminating 75% of manual tasks — as a direct result of automating their billing processes and eliminating manual data transcriptions between systems.

Compliance and Integration
Peter Mac now have a system with billing and coning rules that are fully compliant with all relevant entities — 24 private health funds, federal health agency (Medicare), and State government (Victorian Department of Health). Peter Mac is a pioneer in fully integrating their billing to iPM and submitting e-claims to so many health funds.

Improved Data Analysis
As a result of capturing comprehensive service activity data, Peter Mac now have the capability to reconcile clinical activity and revenue, as well as develop strategies for improved billing outcomes.