

# Revenue Cycle Solutions, LLC Case Study

## Liquidation of Receivables for St. Francis Health System



### St. Francis Health System

**At A Glance:**

**Market Segment:** Healthcare

**Headquarters:** Pittsburgh, PA

**Locations:** Three Hospitals located in Western Pennsylvania

*St. Francis Health System (SFHS) was a well respected healthcare system that had served the Pittsburgh area for over 135 years. Sadly, the Board of SFHS decided to cease operations and in October 2002, all of the SFHS facilities were sold. Several months after the sales, the not-for-profit healthcare system chose Revenue Cycle Solutions, LLC (RCS) to supervise the remaining SFHS staff in the liquidation of the SFHS accounts receivable. Chief Financial Officer, Joe Weber, and the receivership attorney's from Eckert, Seamans, Cherin & Mellott (ESCM) understood the need for RCS' patient accounting expertise to maximize collections as quickly as possible.*

### **Analysis**

RCS immediately reviewed key SFHS financial reports and a Receivable Analysis report completed a short-time prior to the RCS engagement by a national consulting firm. RCS also conducted interviews to evaluate staff competency, identify current staff functions, assess the current volume of work and determine those SFHS personnel who would be retained to carry out the project goals.

### **Review and Recommendations**

After a week of on-site reviews and interviews, RCS met with senior management and presented recommendations for improving operations and encouraging selected staff to collect the remaining \$13.5 million of patient accounts receivable as thoroughly and quickly as possible. The plan called for staff reorganization and incentives and the establishment of clear cash goals and targets. These targets were considerably higher than the "high" estimates projected by the independent consultant that had prepared the Receivable Analysis.

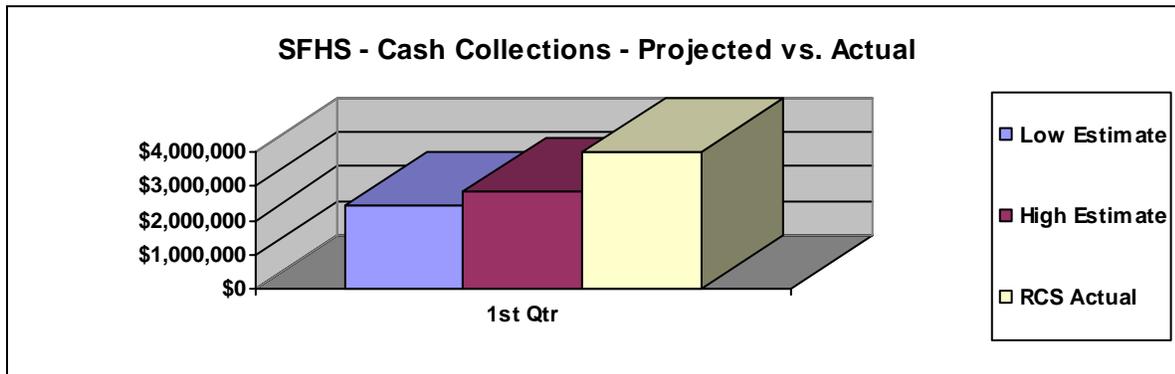
### Education and Management

After the RCS recommendations were approved, RCS managers established goals for, educated and closely supervised SFHS staff in all aspects of patient accounting including prompt resolution of unbilled claims, claims submissions, follow-up, payment postings, applicable adjustments and the handling of all insurance and patient inquiries. RCS carefully monitored collection progress utilizing custom management tools and reports and initiated special strategies to deal with high dollar areas.

At weekly meetings RCS managers reported to SFHS administrators, attorneys and consultants on all aspects of the collection operations and analyzed the progress being made toward established goals.

### Project Goals

*SFHS cash collections exceeded the national consultant's cash collection high estimate amount by \$1.18 million or 42%.*



### Shut-down and Archiving

When SFHS and RCS determined that it was no longer cost-effective for SFHS staff to continue the collection efforts, RCS coordinated the closing of the patient account department in accordance with the SFHS plan for cessation of operations. RCS arranged for the sale and transfer of the remaining patient accounts receivable through competitive bids. RCS coordinated the bid process by working with SFHS to determine possible vendors, solicit bids, analyze the bids received, and make a recommendation for the vendor of choice. RCS helped to coordinate the facility's final closing, including the release of staff and the deletion, transfer, electronic and manual archiving and/or storage of all computer software, patient accounting data and other records.