



Stats

>1,100 bed, seven-hospital system with potential to grow

>2,500 physicians and 5,000 employees

>200,000 patients treated annually

Designated stroke center

Open heart surgery center



Value

AHMC business office identified \$7.3 million in underpayments in 16 months

AHMC Managed Care team reduced contract negotiation time from several months to less than 3 weeks

AHMC finance team shortened month end close process by 71%, from 7 to 2 days using nThrive Reserve Management



Solution

Increased performance by 5 to 10 times the return on investment*

Risk mitigation in the transition to fee-for-value with increased transparency and support for more than 110 defined episodes

Complete government coverage, including Medicare, TRICARE, Medicaid and Workers' Compensation

Contract modeling to project expected profitability

* based on clientele performance

AHMC Healthcare streamlines contract negotiations, contract and business office identifies \$7.3 million in underpayments

Business issue

Alhambra Hospital Medical Center Healthcare (AHMC Healthcare) sought to implement a consistent methodology amongst its hospitals that would efficiently analyze and predict the real financial impact of contract negotiations with payors to eliminate underpayments, improve appeal outcomes and help reduce first-time denials.

Overview

AHMC Healthcare, based in Alhambra, California, is a system comprised of more than 1,100 beds in seven acute care hospitals throughout Los Angeles and Orange County. Each AHMC Healthcare hospital offers a wide range of services from primary to tertiary care, and the health system continues to expand.

Problem

AHMC Healthcare managed care department was at a disadvantage every time payor contracts came up for renewal. It lacked an effective modeling and contracting module to capture net revenue with its centralized contracting system. Negotiations with payors were inefficient and ineffective due to challenges in securing accurate and reliable data.

Solution

AHMC Healthcare implemented nThrive Contract Management and Modeler to help forecast, calculate and capture net revenue contractually owed to them. The tool offers:

- Contract negotiations for >150 payor contracts – computes net yield per payor product
- Cause and effect of each reimbursement or issue for collaborative resolution
- Current and projected financial impact of health plans to make pre-negotiation plans
- Historical utilization patterns
- Daily, identifies current revenue and underpayments

The organization's Explanation of Benefits (EOBs) are now reviewed to compare actual versus expected payment. They produce a denial letter to appeal variances and contacts payors and use the solution's worklists to review accounts for underpayments, producing significant savings.

Value

The ability to plan early has improved AHMC Healthcare financials. For example, negotiations with one payor presented a \$1 million loss, so the team used modeled scenarios to counter propose and negotiated significantly better pricing by refuting the plan's reported data.

AHMC has used nThrive Contract Management since 2005 and nThrive Contract Modeler since 2008



I frequently use certain reports that show me at a glance what an individual contract means – in terms of volume and reimbursement, as a percent of charges and on a per-day basis – they are extremely valuable. This tool is the industry standard in my opinion – you have to have it."

RON SKISTIMAS
CORPORATE MANAGER, AHMC

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