

SANFORDTM

HEALTH

SBO for your CBO: Charting your course to a Single Billing Office
presented by
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May 18, 2011

Agenda

- Background on Sanford
- Definitions of SBO
- Sioux Falls Billing Operations
 - Billing History
- Two offices become one
 - Org Chart
 - Billing stats
- Epic's SBO Module
- Advantages of the Single Billing Office integration
- Consolidated Billing Statement
 - Example of the statement
- Other questions

Sanford Health

Centers of Excellence

Orthopedics &
Sports Medicine

Cancer

Heart

Women's

Children's



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Sanford Children's Clinics

Pediatric primary care in communities with unmet needs



20 planned in U.S. and international communities.

- **Duncan, Oklahoma 8/09**
- **Belize City, Belize**
- **Oceanside, California**
- **Dublin, Ireland**
- **Klamath Falls, Oregon**

Sanford Research Centers



- **Cardiovascular Health**
- **Women's Health**
- **Children's Health**
- **Health Disparities**
- **Cancer Biology**
- **Sanford Project: Type I Diabetes**

Who we are

- **Sanford Health is the largest not-for-profit integrated rural healthcare delivery system in the nation, serving a significant patient volume outside of major metropolitan areas, based on revenues, patient beds and number of full time employees (verified by AHA).**
- **We are one of the top 50 integrated healthcare systems in the nation, according to The Advisory Board, bringing together hospitals, physicians, health plan, research and education.**

Who we are

- **We cover eight states (ND, SD, MN, IA, NE, OK, CA and OR) and 110 communities.**
- **Sanford Health has a global presence with Children's clinics planned in Belize and Ireland.**
- **Our system includes 35 hospitals, 111 clinic locations and more than 800 physicians in primary care and 70 specialty areas of medicine.**
- **With over 18,000 employees, we are the largest employer in North and South Dakota.**

Merger of two Health Systems

- In 2009, Meritcare of North Dakota and Sanford of South Dakota became one system called Sanford Health.
- In 2011, Sanford Health continues to operate two separate central billing offices with plans to merge in the future.
 - Fargo, ND billing operations
 - Sioux Falls, SD billing operations

SBO has two definitions

- Single Billing Office
 - One office where patients can call to discuss billing for Professional and Hospital services.
 - May include other types of billing as well
- Single Billing Office
 - Module within Epic to consider for your consolidated CBO.
- We will talk about both.

Two Billing Offices

- Fargo Billing Office

- In Process of combining clinic and hospital operations
- Still on two different billing systems
- Will be migrating to Epic and combining billing operations

- Sioux Falls Billing Office

- Have combined clinic and hospital operations
- One management team over office operations
- One combined Statement for clinic and hospital services
- HME, Hospice/Home Health, Occ Med services centralized

Sioux Falls Operations

- This presentation will focus on the Sanford Sioux Falls billing operations.
- Sanford will continue to look at ways to improve our financial relationship with our patients for Fargo and Sioux Falls operations as our system matures.

Sioux Falls Billing Office History

- **Clinic Billing**

- Clinic had Centralized Billing office
- Worked from Pace
- Separate environments for specialty services
- Primary Care was in two environment
- Separate statements for each clinic environment
- If you were a patient, with Primary care and secondary care – you could get multiple statements from Sanford.

Sioux Falls Billing Office History

- **Hospital Billing**

- Hospital had Centralized Billing office
- Worked from McKesson Series
- Separate environments for each hospital
- Patient seen in multiple locations – would get one statement.
- If you had clinic services and hospital services – you would get multiple statements.

Sioux Falls Billing History

- August 2004 we started our Epic Journey
- In May of 2005, we merged our two offices bringing together about 300 employees from the clinic and hospital operations into one office.
- Our first clinics also went live in Oct. of 2005.
 - Laid out our office in a ‘combined’ style rather than clinic and hospital in separate areas.
- First area that was integrated was our customer service and collection operations

CBO's become SBO

- Collections and Customer Service integration
 - Had three 800 numbers for patients to call
 - Patients would talk to Hospital staff and would be transferred to clinic staff for billing questions
 - Multiple systems to work with
 - Implementation of Epic added yet one more system to the mix

CBO's become SBO

- Collections and Customer Service integration
 - Eliminated two 800 numbers
 - Cross-trained staff to learn all billing systems and billing types
 - Implemented a time frame to shut down legacy environments
 - Turnover occurred because of the amount of information to train, after systems shut down – turnover dropped.

CBO's become SBO

- Collections and Customer Service integration
 - As more and more clinics and hospitals went live with Epic, more information was populating in Epic.
 - Needed more information fast – the Epic environment, without SBO module, was cumbersome and time consuming for incoming calls.
 - Payment plans were separate for PB and HB and was creating confusion for patients and employees
 - Worked with Epic to identify the issues – and SBO was introduced as a solution. SBO stands for Single Billing Office.

CBO's become SBO

- Collections and Customer Service integration
 - After the implementation of SBO – the process was much smoother – and the lay-out was much easier for team to assist patients.
 - More on SBO and what it did to change the billing office work flow in later slides.

CBO's become SBO

- Billing Integration
 - Epic manages billing in two different areas of the system
 - PB – or professional billing
 - HB – or hospital/institutional billing
 - We kept our billing offices separate for now – but merged the management of our areas together.
 - Government billers HB and PB billers work together
 - Commercial billers HB and PB billers work together etc.
 - Supervisors manage both HB and PB billers

CBO's become SBO

- Billing Integration
 - The health system decided to add Home Medical Equipment billing, Occupational Medicine Billing and Hospice Home Health Billing to our combined office
 - HME billing before merging with PFS days were at 160+ days
 - After 1 year of being in the centralized office – days are now at 69.9.
 - Using Mestamed to bill
 - Occupational Medicine billing is done through Systoc
 - Days are running about 40-45 per month.
 - Hospice/Home Health billing is done through McKesson
 - Days are running mid 40s to low 50s.

CBO's become SBO

- Other changes in Billing Office Activity
 - Insurance Set up
 - Had 15 employees in clinic setting up insurance.
 - Now done in the clinic
 - Reduction in FTE's
 - Cash Posting
 - Implemented self pay lock box
 - Payments posted electronically for all clinic/hospital self pay
 - Integrated posting team

CBO's become SBO

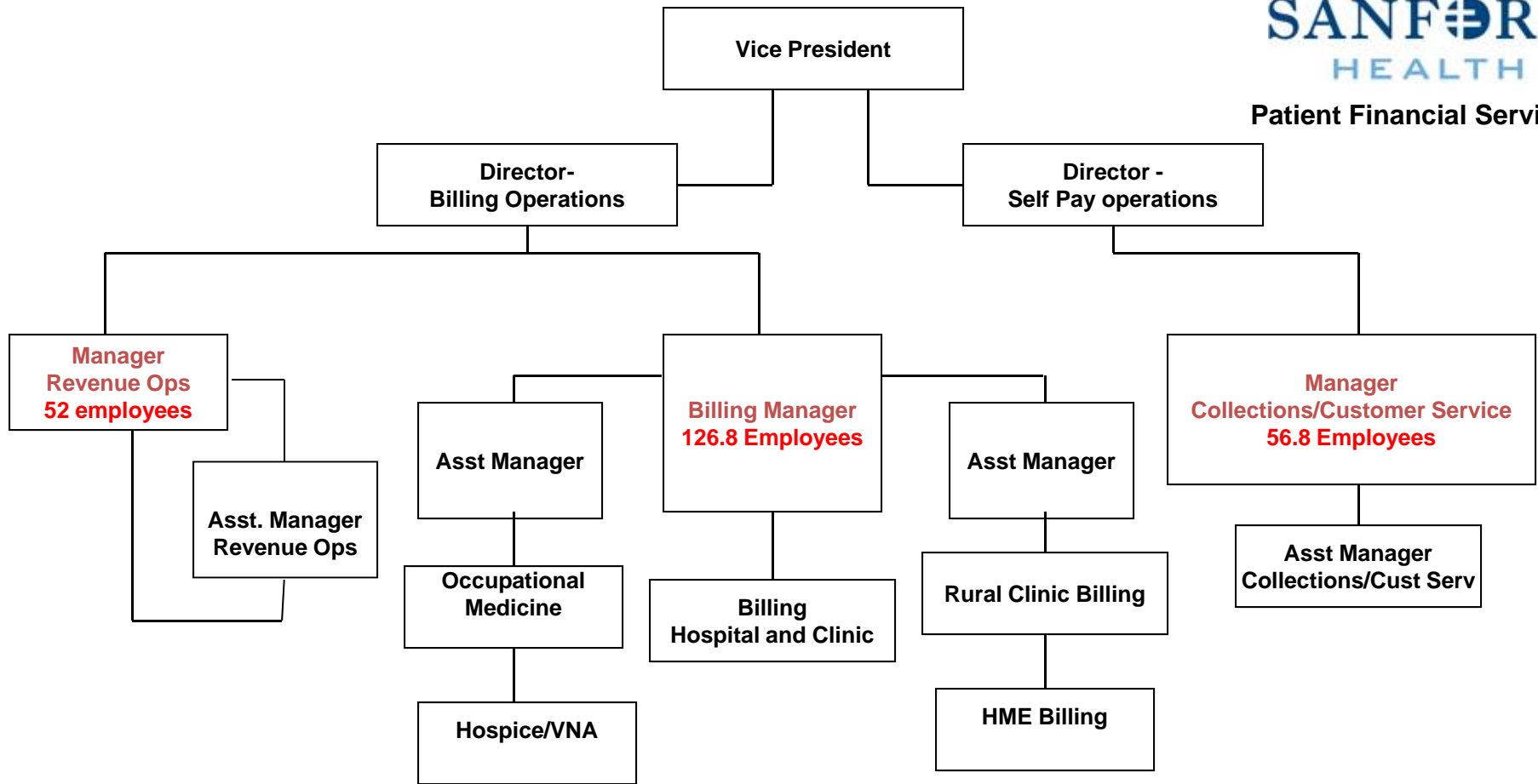
- Other changes in Billing Office Activity
 - Credit balances
 - Integrated clinic and hospital teams to review credit balances
 - If patient owes on clinic side or hospital side – refunds not sent until both are cleared.
 - Also review HME and Home Health systems
 - Charge posting
 - Scanning of charge tickets until EMR

CBO's become SBO

- Other changes in Billing Office Activity
 - Reporting
 - Implemented a consolidated dashboard report for PB and HB.
 - Separate tabs for HME, Hospice/Home Health and Occ Med.
 - Managers meet weekly to go over stats
 - Epic has taken our dashboard and developed one for their enterprise/SBO billing customers.

CBO's become SBO

- Other changes in Billing Office Activity
 - Management Structure
 - See Org Chart
 - 2 Directors
 - 3 Managers
 - 4 Asst Managers
 - 250 total staff
 - Policy implementation
 - Standardization of processes
 - Standardized policies
 - Managed Care representation in contracting process



Sioux Falls, SD Billing statistics

- In Fiscal year 10 (July 1 – June 30), the following billing stats were recognized:
 - 150 Clinic locations throughout MN, IA, SD and OK
 - 1,560,832 annual clinic encounters (130,070 per month)**
 - FY11 annualized will be 1,583,956
 - Annual Clinic Revenue FY10 \$522 million**
 - FY11 annualized will be \$553.5 million

**Clinic Stats are for the Sioux Falls Region only – and does not include the Fargo, ND clinics.

Sioux Falls, SD Billing statistics

- In Fiscal year 10 (July 1 – June 30), the following billing stats were recognized:
 - 14 Hospital locations throughout MN, IA, and SD
 - 1 Urban Hospital 500 beds
 - 1 rural Hospital 100 beds
 - 12 CAH hospitals 25 beds or less
 - 34,188 IP's and 336,038 Op's were billed in FY10
 - 33,156 IP's and 341,224 Op's is annualized for FY11
 - Annual Hospital Revenue FY10 \$1.3 Billion (Gross)**
 - FY11 annualized will be \$1.4 Billion (Gross)**

**Hospital Stats are for the Sioux Falls Region only – and does not include the Fargo, ND Hospitals.

Sioux Falls, SD Billing statistics

- Results
 - Clinic Days (gross days in A/R)
 - Pre-Epic good days were running 45-48 days in A/R
 - Considered good at the time
 - Post-Epic Daily Days report showing 33-35 days.
 - Hospital Days (gross days in A/R)
 - Pre-Epic good days were at 53 (main hospital)
 - Post-Epic averaging same
 - Rural facilities are averaging 45-50 days.

Epic SBO module – why you should consider it

- If your planning on consolidating your billing offices in Epic – Enterprise billing within Epic is not enough for you.
- Sanford went live on SBO after it went live on Epic. I suggest you consider doing this during your go-live.
 - The SBO solution was still being developed when Sanford was planning its initial go-live.
- Understand, RESEARCH, and consider the SBO module. It will make sense if you consider for your Customer Service teams.
- SBO has many advantages – and those advantages are mainly for your consolidated customer service and/or collection area.

Epic SBO module – why you should consider it

- SBO Advantages (just a few here)
 - Allows for access to information – quickly - on hospital and clinic encounters
 - Payment summary screens
 - Integrated payment plans
 - Enterprise billing has separate payment plans for PB and HB
 - SBO has integrated payment plans for PB and HB
 - Integrated self pay collections –

Epic SBO module – why you should consider it

- SBO initially was designed to bill your pro-fees on the same bill as your hospital charges
 - Based on Sanford’s work, this is NO LONGER AN OPTION.
- Sanford worked with Epic to develop a newer version of SBO that assigns a HAR to all clinic encounters – and keeps those separate from hospital billings
 - Previously offered two options
 - Now only one option the combined option is no longer available to customers.

Benefits from SBO integration

- Improved Automation and efficiency
 - Integrated our collection notices into our statements
 - Automated follow up process – so manual intervention was minimized
 - Make the system work for us – not making us making system work
 - Reduced two FTE's because of this automation
 - Customer Service area more efficient with incoming calls
- Improved Self Pay collections
 - This was recognized – during our SBO go-live but may have been a by-product of our Late fees as well

Benefits from SBO integration

- Reduced mailings to patients
 - Through designing of our statements and our collection notice implementation
- Improved financial relationship with our patients
- Improved staff satisfaction with the system
- One payment plan – no longer two
 - PB and HB payment plans as one

Advantages to integrating your CBO operations

- Consistency in billing practices
- Policy integration
 - One policy vs. multiple
 - Consistent policies for all billing
- Improving your financial relationship with your patients
 - Do they call multiple offices now for billing questions?
 - They see you as one system, not as two.
 - Improved patient satisfaction with your billing process

Advantages to integrating your CBO operations

- Efficiencies
 - Automation
 - Scanning
- Cost Savings
 - Integrated management teams
 - Integrated posting teams
 - Integrated Collections and Customer Service teams
 - Space
 - Staffing reduced from efficiencies

Advantages to integrating your CBO operations

- One Statement to your patients

The Consolidated Billing Statement

- Your patients are expecting this, the industry is providing it
- Is it too much for the patient?
 - If done right – it works great.
- Know what your patients believe is important
 - not what you believe is important
 - Patient input is key to success.

The Consolidated Billing Statement

- Do not take your statement lightly – research it, plan for it, investigate it – and design it.
 - This is key to your cash flow. If your patients can not read their statement, they are going to delay payment to you.
- Make it clear.
- Two types of statement needs for patients:
 - I want detail!
 - Just tell me what I owe you!

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Sanford Health
PO Box 5374
Sioux Falls, SD 57117-5074



This is a Summarized Account Statement

Important Messages

Thank you for selecting Sanford Health for your healthcare needs. This bill is a summarized statement of your account at Sanford Health for the following individuals:

2401 E 12TH ST
SIOUX FALLS, SD 57103

2-1894

Customer Service

If you have questions or need financial assistance call 877-629-2999 or 605-328-6585 to reach Customer Service during our business hours: Monday-Thursday 8am-6pm; Friday 8am-5pm

All patient payments will be applied to the oldest self pay balance first. If you prefer a different distribution method, please indicate on your remittance statement below when sending in payment.

ALL PATIENT DUE BALANCES AFTER 30 DAYS WILL BE ASSESSED A LATE FEE OF 0.3% (6% APR).

Account Summary

	Last Statement Balance	New Charges	Patient Adjustments/ Payments	Insurance Adjustments/ Payments	Insurance Due	Patient Due
Account Totals	516.66	2139.37	0.00	0.00	418.03	2238.00

(Please see following pages for details)

SA IC	Statement Date	Responsible Party	Invoice Number
	01/20/2011		131053170
Account Number	Date Due	Amount Due	Amount Enclosed
60155466	02/17/2011	2238.00	\$

To pay by credit card:

Sanford Health accepts: Visa, Mastercard, Discover and American Express.*

For your convenience and protection, you may pay by credit card as follows:

- Call our office at 877-629-2999 or 605-328-6585
- Visit us online at www.sanfordhealth.org/onlinepayment or <http://www.sanfordhealth.org/onlinepayment>

* To protect your credit card information, we no longer suggest sending credit card payments via mail.

132-11370-003a rev. 6/10

Please provide updated insurance or address changes below:

Please return this portion with your payment in the envelope provided. The address on the back of this stub should show through the window.

300601554660000000000002238005

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		Patient Services Provided			Account Number	
Statement Date					60155466	
01/23/2011						
Date	Description	Current Charges	Ins. Billed	Payment/Adj.	Insurance Balance	Patient Balance
CLINIC SERVICES						
17096194	ROYLE, JEFFREY C					
07/27/2010	INSURANCE BALANCE FORWARD	244.00				
07/27/2010	PATIENT BALANCE FORWARD	0.00				
	BALANCE DUE				244.00	0.00
13042422	WEINACHT, BONNA J					
01/19/2011	PREVENT. EXAM EST PT	136.00	MEDICAID			
01/19/2011	DTAP - HR - 1PK VACCINE, IN	0.01	MEDICAID			
01/19/2011	ROTAVIRUS VACCINE	0.01	MEDICAID			
01/19/2011	PNEUMOCOCCUS TRIVALENT, IN	0.01	MEDICAID			
01/19/2011	IMMUNIZATION ADMIN	15.00	MEDICAID			
01/19/2011	IMMUNIZATION ADMIN	10.00	MEDICAID			
01/19/2011	IMMUNIZATION ADMINISTRATION	12.00	MEDICAID			
	BALANCE DUE				174.03	0.00
Total Clinic Services					418.03	0.00
HOSPITAL SERVICES						
12606178	SANFORD USD MEDICAL CENTER					
09/16/2010	INSURANCE BALANCE FORWARD	0.00				
09/16/2010	PATIENT BALANCE FORWARD	272.66				
01/20/2011	LATE PAYMENT FEE	272.66				
	BALANCE DUE				0.00	0.00
13084775	SANFORD USD MEDICAL CENTER					
12/28/2010	SUPPLIED PHARMACEUTICALS	1752.00				
12/28/2010	EMERGENCY ROOM - GENERAL	104.00				
12/28/2010	PROFESSIONAL FEES - EMERGENC	287.00				
	BALANCE DUE				0.00	2238.00
The current balance for this service is now considered your responsibility. Please make payment in full by the statement due date to avoid any late payment fees. (40)						
Total Hospital Services					0.00	2238.00
TOTAL SERVICES						
Total Combined Services					418.03	2238.00
TOTAL PATIENT AMOUNT DUE					0.00	2238.00

Other questions

- Do you have to be on SBO to have a combined HB and PB office?
 - NO, but I highly recommend it based on previous slides.

Other questions

- How do you distribute payments for PB and HB on a consolidated payment from a patient?
 - We worked with our CFO's (clinic, medical center and network) and came up with the method.
 - Always apply payments to active payment plans.
 - Oldest balances first in payment plan
 - Always apply payments to oldest accounts
 - Use programming points within Epic to distribute payments based on shared dates of service with PB and HB.
 - Use a lock box service for our Self Pay payments – and the programming is all built into the system for distribution.

Other Questions

- Do patients receive other ‘related’ billings outside of your system – that may be confusing to the patient?
ie: Radiology?
 - Yes, we have CRNA services that we bill for – and the Anesthesiologist bills separate
 - Yes, we have radiology services, and the Radiologist will bill separate (not part of Sanford)
 - Yes, we have pathology that is separate
 - Patients question from time to time – but most understand they are separate.

Other Questions

- What is the skill set of your Customer Service Staff as it relates to understanding PB and HB?
 - Our Customer Service staff are required to know both PB and HB billing.
 - We have one team: Collections – outgoing, Customer Service – incoming.
 - The team is trained in full collection activity and are paid as one team.
 - Only their duties day to day vary based on incoming calls vs. outgoing calls.

Closing

- As reimbursement continues to decline – efficiencies are expected by you, your patient and the healthcare industry
- There is a lot of work that goes into consolidating your offices – its worth it in the end.
- Does your patient see you as ‘Sanford’ or do they see you as two different entities? (PB vs. HB)

SBO for your CBO – its definitely the thing to do for your organization and for your patients.