

Case Study



Platte Valley Medical Center

Platte Valley Medical Center Improves Accuracy and Timeliness of Revenue Capture on \$1.2 Million in Reimbursable Supply Items Through Master Data Management Strategy

Overview

Platte Valley Medical Center (PVMC) in Brighton, Colorado, is one of the nation's top performing hospitals with a mission to foster optimal health for all. As one of only four hospitals in Colorado implementing the Planetree philosophy of patient-center care, PVMC incorporates Pillars of Healing, such as nutrition, a home-like environment, integrative therapies, and social support to help patients recover. This intuitive approach to care has garnered worldwide attention from Planetree International.

PVMC is also the only community-owned hospital in the Denver metro service area, has over 120 physicians representing 45 specialties, and is the only primary certified stroke center within its service area.

Challenges

Within PVMC's charge master, some medical-surgical items either lacked HCPCS codes, or the HCPCS codes that had been assigned to items were inaccurate or outdated. "With new product introductions, it was becoming increasingly difficult to manually determine if a supply or device was billable to CMS or private insurances, or if the item would simply be a cost to the hospital. There was also the inefficiency of making multiple calls to vendors and clinical departments to research accurate and timely HCPCS coding. Turnaround time on new CDM set up requests was impacted due to manually intensive and time consuming steps," said Dawn Hester, Revenue Integrity Analyst, PVMC. Also, with the recent implementation of a new Materials Management Information System (MMIS), the need for synchronizing the MMIS and the charge master system with accurate, up to date HCPCS coding was necessary to ensure accurate information was submitted for medical-surgical products used in patient procedures.

"The changing of roles and responsibilities within our organization left us without the expertise and resources necessary to research HCPCS coding on

Organization:

Platte Valley Medical Center
Brighton, CO
Total licensed beds: 78

GHX Products & Services:

- GHX Exchange
- NuViaSM

Highlights:

Implemented automated content management solution to cleanse item master data, enrich it with Healthcare Common Procedure Coding System (HCPCS) codes and United Nations Standard Products and Services Codes (UNSPSC), and maintain data integrity over time, driving greater accuracy and efficiency in the patient billing process with improved revenue capture on \$1.2 million in reimbursable medical-surgical supply items.



“Master data management is critical because, in the end, if you have accurate data and a really good handle on your item master, then you can use that knowledge to drive out defects in process and redundancies in products. This also assists with vendor negotiation for better pricing and greater standardization — all of which drives down costs in the supply chain.”

—Tracey Reichart,
Director of Supply Chain
Management, Platte
Valley Medical Center

an on-going basis,” said Tracey Reichart, Director of Supply Chain Management, PVMC. “We believed there had to be a more efficient way to perform this research, determine the correct HCPCS codes for the products we procure, and maintain the integrity of the information. Our leadership understood the financial implications of this issue and supported our team’s efforts to find a solution to address it.”

Solution

Reichart notes that her quest to accurately assign HCPCS codes led her to the GHX NuViaSM content management solution, and upon further evaluation, she determined NuVia could provide PVMC with the AllSource Prime research solution, and so much more.

NuVia virtually eliminates manual item master maintenance by synchronizing, cleansing and enriching an organization’s item master data with product information derived directly from medical-surgical manufacturers and group purchasing organizations (GPOs). NuVia serves as a cloud-based virtual item master, continually monitoring an organization’s item master for changes and updates, and then correcting product data inaccuracies (i.e., removing duplicates and infilling missing information, such as HCPCS and UNSPSC codes, manufacturer names and numbers, and standardized product descriptions). These corrections, in turn, help to improve transaction accuracy that can result in enhanced revenue capture.

More Accurate Transactions

Prior to implementing the NuVia solution, PVMC had never populated its MMIS with UNSPSC or HCPCS codes for its suppliers’ products. It was using its own internal item master numbers, searching and analyzing product classifications by non-standardized methods, which was time-consuming and often incomplete.

Using NuVia, GHX cleansed and enriched PVMC’s item master data, correcting product data inaccuracies. In collaboration with PVMC’s MMIS vendor, the systematic methodology to populate missing information was established, including manufacturer name and number, manufacturer product numbers, HCPCS and UNSPSC codes, and product descriptions for the 7,000 products within PVMC’s item master.

“There are fields created within our MMIS for UNSPSC and HCPCS but they have never been utilized previously,” noted Reichart. “Assigning UNSPSC through NuVia enabled us to clean up all of the product data inaccuracies that have occurred from supplier mergers and acquisitions over the years. HCPCS codes were cross referenced with our charge master for greater visibility and future MMIS reporting capability.”

Moving forward, Reichart plans to leverage UNSPSC to analyze PVMC’s spend by product type, class or category so that the organization can better assess which vendors it is purchasing from within each category.

“We are a smaller, yet advanced hospital, and we have a pretty good sense of our purchasing activities. However, there are definitely some redundancies and situations where we are using multiple vendors for the same product,” said Reichart. “We are adding more and more medical specialties, expanding our cardiovascular service line, and bringing in more surgeons. As we grow these practices and purchase more products, our next great opportunity will be to obtain greater visibility of our products through UNSPSC, and all of the benefits these codes can yield for us.”

More Accurate Reimbursements

Using NuVia, GHX assigned HCPCS codes to the products within PVMC’s MMIS, enabling the organization to be reimbursed appropriately for medical products used in procedures. By integrating its MMIS with its charge master, PVMC is streamlining data flows, and driving greater internal visibility, accuracy and timeliness in the billing process. This, in turn, is ensuring the hospital receives adequate reimbursement from government and private payers.

“Our MMIS and charge master are now in sync at any given point in time,” said Reichart. “We’ve implemented an internal process and not only have our Materials Management staff reviewing updates from NuVia, but also have a dedicated resource from Patient Financial Services accepting these changes into the charge master. The teamwork between our groups has improved immensely, and overall satisfaction with the established process is extremely high. We are seeing positive results daily, weekly, and monthly that lead to our improved reimbursement!”

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Analyst, Platte Valley
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Reichart conducted an analysis that determined HCPCS codes for over 900 items within its charge master were corrected upon the initial NuVia data cleanse. These items represented \$1.2 million in product spend and \$2.1 million in related charges over a 12 month period. Through PVMC’s use of NuVia it was able to improve reimbursement on these items by 20%, improving collections by \$425,000 on \$2.1 million in charges.

“Collecting PVMC’s \$425,000 in reimbursements, using the previous inaccurate codes, was likely more inefficient and cumbersome. The difference now, with NuVia, is that we know our product billings are coded correctly. Therefore, they can more easily be assessed for validity in terms of reimbursement by payers. Furthermore, our

processes are much more efficient because there is no longer guesswork in trying to manually identify the HCPCS codes, and any rework to correct product coding errors has been virtually eliminated. GHX’s recommendation of NuVia as the right tool for this business challenge has been extraordinary, and has provided direct and positive impact to our financial bottom line,” said Reichart.

Results

Working with GHX, PVMC has achieved the following over the past 12 months:

- Improved by 20% (\$425,000) the net reimbursement on \$2.1 million of supply charges in the first year
- Streamlined internal processes between multiple departments within the supply chain
- Driven greater efficiency in the procure-to-pay process through automation and more accurate business transactions with suppliers
- Developed tools and methods to analyze and standardize products within the organization, resulting in reduced product spend