



Stormont Vail Health achieves significant returns with Optum Claims Manager

Stormont Vail Health is an integrated health care system serving a multi-county region in northeast Kansas. It includes Stormont Vail Hospital, Cotton O’Neil and Cotton O’Neil Pediatrics. With 24 clinic locations including four express care locations, the organization employs more than 5,100 people, including approximately 500 providers. It offers 586 beds and the region’s only Level III neonatal intensive care and only verified trauma center.

Like many organizations, Stormont Vail Health used one of the top practice management (PM) systems, and it was performing well in many areas. But Lynda Farwell, manager of patient financial services, saw an opportunity for improvement when it came to managing claims.

“Despite having the ‘leading’ PM system, our claim rejections were too high. At the time, the system didn’t offer the ability to set up many of the edits needed to catch issues upfront – before the claims were submitted,” Farwell explained. The staff spent significant time correcting and resubmitting claims as a result.

Recognizing that a complementary solution could offer greater flexibility and improve claim acceptance rates, Farwell and the leadership team evaluated options. During that process, Optum performed a data assessment. The assessment identified clear opportunities where Optum® Claims Manager could apply the necessary claim edits prior to posting and reduce claim rejections.

The ability to deliver cleaner claims and incorporate historical data from the PM system was only part of the reason Stormont Vail chose Claims Manager. The flexibility to create custom edits to address specific payer requirements was a big part of the decision. The staff reports that edits are easier to set up and find, and Claims Manager offers more options to store and access them. The organization currently uses 11 custom edits affecting more than **\$1.4 million** in billed charges over the last six months. “We also appreciate that Optum provides and maintains all of the standard rules for its customers, which saves us time and ensures accuracy,” said Farwell. “In the PM system, that was a manual, tedious task.”

“ We consistently maintain a 5% denial rate, and attribute the majority of that to Claims Manager, because it catches things on the front end.”

- Lynda Farwell, Manager of Patient Financial Services, Stormont Vail Health

Optum Claims Manager Professional:

- Is a rules-based, front-end clinical editing tool
- Provides a robust editing database
- Applies consistent claim edits
- Identifies unbilled or incomplete charges
- Detects claims certain to deny
- Allows comprehensive customization



Claims Manager Professional reduces claim denials, rejections, underpayments and related rework. It increases efficiency while improving reimbursement rates and reducing operating costs.



13:1 ROI

Stormont Vail Health current return on investment from Optum Claims Manager.

Results not typical.

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Smart decision delivers strong results

Claims Manager integrates completely with the PM system, which is where its edits fire and where the staff continues to work. The intelligence of Claims Manager's vast KnowledgeBase delivers measurable value to the organization as it works behind the scenes.

"Previously, about 14% to 18% of our claims were denied," said Farwell. "Now, we consistently maintain a 5% denial rate, and attribute the majority of that to Claims Manager because it catches things on the front end." Stormont Vail has ranked in the top quartile with its peers over the last three years based on its denied claims metrics.

"We've put together an effective team to help keep our custom edits up to date," said Michelle Cisneros, claims analyst. "We periodically review our denials since payer rules change regularly. If a custom edit can address a denial root cause, it's a straightforward process to set it up in Claims Manager to prevent those denials going forward."

The reduction in denials has boosted administrative efficiency, and Stormont Vail has been able to move staff from working denials on the back end to making pre-claim corrections on the front end.

The organization's reporting indicates annualized administrative savings and additional revenue recognition¹ in the millions, driven by Claims Manager.

Achievements



31%
reduction in A/R days



67%
reduction in revenue outstanding denial days²



54,000
fewer denied claims in first year



Claim denials have decreased by:

81% for one of its largest commercial payers

61% for Medicare

64% for commercial payers overall

Learn more about Optum Claims Manager Professional:

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1. Claims Manager financial benefits include the value of unbilled charges identified for billing. It also reflects the estimated typical cost of \$25 to resubmit a claim, a value calculated by the Medical Group Management Association (MGMA). "Management of Information." MGMA Connection. Englewood, CO: MGMA, 2014.

The results shown reflect the customer's unique experience. Any ROI experienced by any particular Claims Manager customer will vary depending on a number of factors. Optum does not represent, and makes no promises, as to any ROI experienced by use of Claims Manager.

2. Dollar amount of claims with open denials/average daily revenue.