

OCR Solution Cures Clinic's Paper Plague

Medimation's ABBYY-Based Solution Mends Red Tape Headache

Client: Lexington Clinic

Program

ABBYY FineReader Engine SDK

Results

Eliminated three cash-posting positions and avoided hiring a fourth; saved 3.5 days a month on A/R efficiencies

Synopsis

Lexington Clinic was suffering from a plague of insurance-related paperwork, a labor- and space-intensive headache that cost the Kentucky healthcare facility thousands of dollars and hours of time. Using a system based on ABBYY FineReader Engine, the clinic's IT advisor – Medimation (www.medimation.com) – developed an optical character recognition (OCR) solution that helped Lexington Clinic save at least \$100,000 in salary per year.

Lexington Clinic was sick: Sick, that is, of being inundated each month by thousands of pages of insurance forms, explanations of benefits (EOBs), data sheets, referrals and patient permission forms.

The healthcare provider, with headquarters in Lexington, Ky., realized it needed a cure. And so the company turned to longtime IT partner Medimation LLC to help stop the plague of paperwork threatening to turn its waiting rooms into a ward of filing cabinets.

"Because some of our areas were small, space was a very big issue," said Kim Newland, director of Lexington Clinic's Central Billing Office.

The facility also faced escalating employment costs to hire people to work with and manage the cascades of insurance forms, patient identification and other paperwork.

Paper Overload

Data storage and retrieval also were major concerns, she said. After all, the 1,000-employee clinic receives about 23,000 visits each month at its 17 primary clinic locations and 10 outreach clinics, said Newland. Lexington Clinic works with 208 providers, most of which use their own forms to track patients' health, coverage and payment. In hopes of stemming the flow, the clinic's administrators turned to its long-time solutions partner Medimation for the right panacea.

Medimation, which specializes in workflow process automation solutions for healthcare organizations, recommended using optical character recognition (OCR) to manage the deluge of paperwork required by insurance companies such as Medicaid, United Teachers and Blue Cross/Blue Shield. However, the Hinesburg, Vt.-based solution provider did not yet have an OCR component to its document-management suite, so the company began researching engines it could use as the core of its new product, said Martin Quatt, CEO.

Having investigated available products, Medimation selected ABBYY's FineReader Engine SDK to drive its OCR component, said Quatt. "We were looking for a technology that had the strength and capability to not only meet our current needs, but would grow with us," he said. "We wanted something we knew was going to have a full life. ABBYY had an incredible amount of intellectual property built into its system. They had the in-house expertise we knew we could use. ABBYY FineReader Engine became the core of our OCR product."

Electronic Healing

In addition to tapping ABBYY's wealth of technical resources while developing its OCR solutions, Medimation partnered with ABBYY at the Association for Information and Image Management's (AIIM) annual tradeshow and hopes to participate in joint Webinars and seminars in the future, Quatt said.

"They truly are a partner," he said. "I trust ABBYY would, in confidence, work with us and any of our customers."

Medimation and Lexington Clinic also enjoy a long, trusting relationship.

"Martin and his staff are great at thinking out-of-the-box to find efficient solutions – while still keeping cost, user-friendliness and standardized, easy workflow uppermost in their minds as they develop," Newland said. "We love working with Martin and his staff."

Lexington Clinic purchased monitor-mounted cameras to scan photo identification, insurance cards and other documentation to do with HIPAA compliance and billing notification. Medimation integrated the cameras with the clinic's existing set-up of two Fujitsu scanners, which utilized the ABBYY-based OCR solution. Data is stored in a separate server, Newland said. Today, receptionists scan patients' identifications and insurance cards into Medimation's Cardshot program, part of the developer's overall workflow suite. Staff no longer have to rummage through paper files; instead, they can view and change patient information with the click of a mouse, which improves efficiency and reduces errors.

"Medimation developed a way to get many of the waivers that our patients must sign stored along with the patient's electronic signature," said Newland. "Medimation also designed a way to scan EOBs, in order to convert them to an electronic file that can then be posted to our system automatically. It works wonderfully for those carriers who do not have electronic remittances available. In fact, it works so well that, although our local Blue Cross/Blue Shield has an electronic file available, theirs does not post as timely or accurately as when we scan an insurance form and then post it."

Since electronic signatures are storable and searchable, they are easier for businesses to use. In fact, one reason the E-FACT law went into effect on June 30, 2000, was to help paper-intensive industries – notably insurance and finance – achieve cost savings and performance enhancements.

By posting insurance forms electronically, Lexington Clinic eliminated its dependence on often illegible faxes or more time-consuming mailings. Insurance firms do not pay on secondary claims until they have received a copy of the primary carrier's EOB. The automated workflow solution allows these EOBs to be more efficiently retrieved, and because the claim can be filed sooner it results in faster payments. And, if there are any questions about a given document, the clinic can more easily and speedily resolve an issue that could otherwise have held up its reimbursement.

Patient Point of View

“Our billing staff was immediately able to get 7 percent more of their rejected claims out the door. Due to easy storage and retrieval, they gained very valuable time. This equates to more dollars paid quicker from the insurance companies,” said Newland. “Our front desk was significantly more efficient since they didn’t have to make copies on a copy machine of patients’ records and insurance information.”

Since secondary insurance payers require a copy of the first payer’s EOB, being able to quickly retrieve these forms means Lexington can get claims out faster, she said. This, in turn, results in quicker payment. “I was able to attribute 1.5 days decrease in accounts receivable directly to these efficiencies and another two days to the resultant efficiencies gained, which allowed more work to be done much more quickly,” said Newland. “Before, the average time to get an EOB located, copied, refilled and the copy attached to the claim and mailed was 3 to 15 minutes, depending upon the location of the files. With ABBYY, we were able to retrieve the images faster, print, attach and mail without getting up from the desk to dig up files. The process today takes less than 1 minute.”

In addition, the solution allowed Lexington Clinic to quickly resubmit previously denied claims – once again, hastening the payment process, she said. “The number we rebilled increased,” said Newland, “so we were able to get our denials out-the-door faster, which results in quicker payment.”

Previously, patients’ paperwork was housed in a cardboard folder, which in turn was housed in one of a growing number of filing cabinets. Not surprisingly, folders were sometimes misplaced, papers ended up in the wrong folder or another medical professional was reviewing the physical chart at the same time that a receptionist required the information in order to schedule a follow-up appointment or contact a pharmacy. The problems were only exacerbated by the clinic’s centralized billing structure, said Newland.

“With so many locations providing services – yet only one business office doing the billing – locating these forms was difficult at best,” she said.

While some savings are difficult to determine, Lexington Clinic also realized extremely dramatic cost cutting. Prior to the integration of the ABBYY-based OCR solution, the clinic was considering hiring an employee for a cash-posting position. With the system in place, the clinic not only avoided hiring another person; it eliminated three cash-posting positions for savings of at least \$100,000 per year, said Newland.

Healing Hands

The combination of ABBYY’s powerful OCR engine and Medimation’s expertise in the healthcare industry’s workflow and document storage challenges promise to further expand the duo’s reach into this vast market. Medimation expects to further leverage ABBYY’s technical and marketing prowess to better serve its small and midsize clients, allowing the healthcare facilities to more efficiently and most cost-effectively meet the needs of their patients.