



InsidePerspective

ACHIEVE THE POWER OF MEDITECH

Electronic newsletter published every 8 weeks

West Georgia CFO Discusses Work with Dell Perot Systems for Long-term Revenue Cycle Transformation

Interview with David Hepburn of Dell Perot Systems and Paul Perrotti of West Georgia Health System

In a recently announced agreement, Dell Perot Systems is providing Revenue Cycle Transformation services to West Georgia Health System (WGHS). The agreement follows a revenue cycle project in which Dell Perot Systems successfully assisted WGHS with a system conversion to MEDITECH 6.0 with no negative impact on AR. Through the longer-term Revenue Cycle Transformation solution, WGHS will maximize the company's revenue cycle technology and its proven best practices for revenue cycle improvements. Anticipated results include lower administrative costs related to WGHS' revenue cycle and increased cash flow due to improvements in billing and reimbursement processes.

In a question and answer format, David Hepburn, Dell Perot Systems President of Business Process Solutions, Inc., speaks with WGHS Senior Vice President and CFO Paul Perrotti on the healthcare system's decision to work with Dell Perot Systems.

David Hepburn (DH): Please describe the unique challenges you faced with your revenue cycle prior to working with Dell Perot Systems.

Paul Perrotti (PP): We had talent acquisition challenges at both the manager and director levels. This caused variability in the metrics -- (collections, days in A/R, contractual allowances, and bad debt) – used to analyze our results.

DH: Why was Dell Perot Systems originally brought in for a Revenue Cycle project?

PP: Dell Perot System was brought in for a variety of AR projects.

First, we had a system conversion to MEDITECH 6.0 from McKesson, and I wanted all of the AR staff to effectively and fully convert to the new system. I believed that the AR component was too important to leave to human nature during the conversion. By working with Dell Perot Systems during the conversion I was assured that with their experience and knowledge of the system we ensure a smooth transition with no negative impact on AR.

The second project followed the conversion and was an AR cleanup project based on specific financial classes for 90 days and 120 days. Dell Perot Systems demonstrated its capabilities consistently with these projects, producing positive results and we decided to continue our relationship.

DH: Was the expertise Dell Perot Systems had with MEDITECH a determining factor?

PP: *It was absolutely a factor. I don't know if it was the chicken or the egg with Dell Perot Systems' MEDITECH and revenue cycle experience, but both areas of expertise complemented each other. This proved to be advantageous for us as we migrated to a new system and dealt with the associated AR issues at the same time.*

DH: What were the results of the project?

PP: *Extremely positive results have been experienced:*

- *AR days went from the 80s down to the 50s over the past year*
- *Cash collections went from \$8 - \$9 million per month to \$10-12 million per month over the past year.*
- *Collection percentages of net revenue went from 87.76% to 101.89%*
- *Denials have reduced by 40%*
- *\$18 million of additional net cash came into the organization (13% of net revenue).*

DH: When did you first consider engaging Dell Perot Systems for a longer-term Revenue Cycle project?

PP: *We decided to engage Dell Perot Systems approximately six months after the beginning of the AR project.*

DH: Why did you engage Dell Perot Systems for a Revenue Cycle Transformation engagement?

PP: *We knew that Dell Perot Systems could do the job, and maintain a close working relationship with the WGHS organization. These two factors made WGHS feel that we could effectively work with Dell Perot Systems. The company's performance and interactions during the conversion project confirmed this.*

DH: How do you see the Dell Perot Systems' MEDITECH Centralized Business Office (CBO) as being a value for West Georgia?

PP: *This is a future plan for us. The reason we decided to work with Dell Perot Systems for the long term was their talent and variability. We are certainly interested in the ability to lower cost through economies of scale.*

DH: Any other considerations to add?

PP: *Because of Dell Perot Systems, I have been able to more fully execute capital strategy and executive strategy. As a result of the improvement in the revenue cycle, we are implementing an electronic health record (EHR) for the organization.*

To read the press release announcing the Revenue Cycle Transformation solution for WGHS, please visit <http://www.perotsystems.com/MediaRoom/NewsReleases?s=43&item=552>,

David Hepburn is an executive for the Process Solutions group of Dell Perot Systems' healthcare division, providing leadership and strategic direction for the company's Revenue Cycle Solutions, Payer Solutions Group, and Physician Services. Email him at meditechsolutions@ps.net.