



Optimizing Cash Flow with Remote Coding

A Success Story: Hawaii Medical Center

When Hawaii Medical Center needed certified coders to ensure the accuracy of its records and enhance its billing processes affordably, it turned to Perot Systems, now part of Dell Services.

The Challenge

Due to its remote nature and limited population, Hawaii Medical Centers (HMC) faces a unique challenge in providing healthcare to its citizens. Qualified healthcare providers are at a premium and experienced administrative resources are difficult to locate. Like most healthcare facilities, HMC sought to identify and optimize revenue cycle best practices and at first looked inward to enhance its coding efforts.

However, HMC faced several challenges when it recognized the need to obtain qualified coders to ensure the accuracy of coded records and support corresponding revenue cycle activities. A nationwide shortage of experienced medical coding professionals combined with the cost to acquire or outsource this skill set caused HMC to explore remote coding options.

Project goals were to:

- Increase productivity
- Improve coding quality
- Consistently reduce unbilled totals (due to non-coded records)
- Increase accuracy with reimbursement based on the documentation and care provided
- Decrease the revenue cycle turnaround time

The Solution

Dell Services evaluated the current HIM Department and Patient Services workflow at HMC. Based on the quantifiable data gathered during the departmental workflow assessment in

July of 2008, the decision was made to implement a remote coding program. As part of the pre-hire process, Dell Services brought onsite remote coder candidates to conduct their initial interviews. The remainder of the process, including setup and training, was conducted remotely.

Dell Services remote coding team needed to be able to access patient records even though HMC does not have an electronic medical record solution. Dell Services developed a system that allows for appropriate records to be scanned into a confidential imaging system and converted into electronic documents so that the remote coding team can code records. This low-cost, high-value system can be used with paper medical records or "hybrid" medical records that contain both paper and electronic documents.

Currently, remote coders have enabled the HIM director to staff the coding area appropriately, as governed by the patient activities, on each of the campuses. The coding workflow is performed in a real-time electronic environment with the diagnosis and procedure codes entered into the HMC billing system immediately. This process reduces both turnaround time and accounts waiting to be billed, as well as the revenue cycle turnaround time by having "clean" bills processed and transmitted to third-party payers promptly.

"Remote coding has provided consistent, certified coding during staff shortages to ensure steady cash flow. Days Not Final Billed (DNFB) has been maintained well below the targets and cash has been steady".

Suanne Morikuni
CFO
Hawaii Medical Center

In addition to obtaining coding resources, HMC also had its eye on enhancing their overall coding and billing processes through the Dell engagement. Specific goals were to:

- Identify and implement business process improvements to increase collections
- Provide for quicker payment turnaround
- Reduce outstanding accounts receivable
- Address discharge not final billed (DNFB) days
- Address patient account aging

The Results

The number one advantage of hiring a remote coder at a location like HMC is savings. For HMC, the price to outsource a coder as opposed to using a remote coder is essentially double.

Three remote coders were utilized to support HMC's discharge volume, allowing the hospital to eliminate the cost of maintaining a coding staff. The remote coding program has had a major impact on the overall positive results in revenue cycle performance, including DNFB.

In 2008, prior to its relationship with Dell, HMC's DNFB averaged 10.8 – with DNFB totaling \$10.75 million. At the time, HMC had eight onsite coders, plus outsourced temporary coding support. Standards in productivity and quality were not monitored.

In 2009, after a full year of coding support by Dell's team of five coders, three of which were remote:

- DNFB was reduced by almost 50 percent from 10.8 to 5.6
- DNFB totaled \$5.18 million – less than half the total of the previous year
- Temporary outsourced coding support was eliminated
- Best practices standards were implemented

One of the key benefits of the remote coder program is that it allows the hospital to focus on its core work – providing high quality patient care. At the same time, remote coders take on the task of coding records offsite which, in turn, is a better value for the hospital. The results include elimination of staffing shortages and turnover, decreased costs, greater productivity, happier coders, facility-specific flexibility, increased ability to work, and less space needed at the hospital.

In addition to the financial rewards, remote coding has also eased the stress and concern of CMS audits by allowing the facility to know that the documentation within the medical record will provide the support it needs to justify the reimbursement it received. Coders can also be used as a vital resource to improve physician documentation and thus potentially increase reimbursement and/or reduce healthcare costs.

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About Hawaii Medical Center

Hawaii Medical Center (HMC) is a multi-campus system providing comprehensive services to the residents of East and West Oahu. Both the East and West Campus have a total of 102 licensed beds. Both facilities provide a full scope of primary, urgent, and specialty clinic services.

For Fiscal Year 2009, inpatient discharges totaled 1,666 at the West Campus, with an average 138.8 per month. Outpatient volume totaled 11,218 with an average of 934.8 discharges per month. Inpatient discharges at the East Campus totaled 1,477 with an average of 123.1 discharges per month. Outpatient discharges totaled 3,369, with an average of 280.8 discharges per month.