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Schneider Hospital Embarks on Effort to Collect an Additional \$1 Million Monthly Through Improvements on Billing and Collections

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Kayra Williams **October 20, 2022**

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The Schneider Regional Medical Center.

The Schneider Regional Medical Center will work on improving its billing and collections activities in order to increase revenue, a move that is part of the hospital's focus on quality and performance improvements.

That's according to SRMC CEO Tina Comissiong, who shared the plans during a hospital board meeting Wednesday.

“We are intensely focused on driving the revenue cycle and have added staff members to assist with collections,” Ms. Comissiong said. “We are engaging a company, Jindal Health, for a pilot project to clean up old accounts and bill untouched claims.”

According to Stephen Mayers, SRMC comptroller, the hospital bills more than \$12 million every month on average, but was receiving around \$4.5 million of that total. The drop in collections, which affects the hospital's income generation, is being attributed to loss of staff as well as increased denials from some insurers.

“The initial billing appears to be at the point where we want it to be, meaning that about 50-55 percent of bills actually translate into cash,” Mr. Mayers said. “We’re saying there is a \$6 million possible collection in that number.”

District Governing Board Chairman Jerry Smith sought to learn how much of the \$12 million being billed was “truly collectable” based on contractual adjustments and other factors.

“How much of that do we lose off the top because it really wasn’t collectable based on the contracts with the payer for that particular patient?” he asked. “How much did that reduce to? Once you get that reduction, how much is left back from what we’re collecting now? Is there still truly that \$1-1.5 million that is left behind?”

The premise that the hospital had the ability to collect more income, according to SRMC Director of Finance Kenisha Angol, was based on what she referred to as the “clean-claim rate.”

“We look at our claim-claim rate and see that about 70 percent of our claims are clean, which means 30 percent of these are being rejected by our clearing house system,” Ms. Angol said. “We know there’s a broken system. We know there’s work that needs to be done in order to get those claims re-submitted and work on those denials.”

She added, “It’s getting hands on those claims. That’s one of the downfalls. There’s many things that contribute to those claims being rejected... what was missing, incorrect demographics, medical records and so forth, but that initial 30 percent that’s automatically being rejected is definitely a delay in claims going out which ultimately is an automatic delay in funds coming in.”

Ms. Angol said the claims issue was a big reason why the hospital had to secure an additional billing center. Previously, they coped with “one and a half billers” which proved to be grossly insufficient.

“We anticipate that with the new collectors on board being trained, and with the new biller on board we will be able to get the business office and collections to a place where there would be an efficient change in collections,” she remarked.

Ms. Comissiong noted that with the right tools and people in place, the hospital could make an additional \$1 million every month which would help the facility meet its budget and mitigate some expenses.