

OUTSOURCING PARTNERSHIP COMBATS RISING COSTS AND DECLINING REIMBURSEMENT

Medical Center Radiologists, Inc.

Norfolk, Virginia

Medical Center Radiologists, Inc. (MCR), a 42-physician group in the Hampton Roads region of Virginia, has 55 years of experience in advanced radiology practice. Currently, MCR provides radiology services in six hospitals and two imaging centers, operates a 24/7 teleradiology service, and serves the broader community through many physicians' practices, nursing homes and correctional facilities.

In 2007 MCR faced a specific management challenge regarding billing, collections, and insurance claims processing. A large number of personnel were employed to run the group's in-house billing department. MCR was feeling the strain of reductions in Medicare reimbursement and the impact of the Deficit Reduction Act on practice revenues. Pressure was also increasing from insurance carriers to directly submit more of the group's claims electronically.

MCR was using a claims clearinghouse, but there was a growing problem with carriers not receiving claims filed through the third-party service. Rapidly evolving reimbursement guidelines had rendered the group's not so old and not so inexpensive software archaic. The increasing need for sub-specialization was making the risk of employee turnover unaffordable, especially in the case of experienced coders. It became clear that the investment in payroll, benefits and management was growing out of proportion to that of the practice.

After performing a comprehensive review of several billing service providers, MCR chose Zotec Partners to get the job done. "The combination of Zotec's service and software technology was key to our decision to outsource billing to Zotec Partners," says Jammia Shea, billing operations liaison for MCR. "Zotec's Electronic Billing Center gives us direct interaction with claims, removes manual processes and provides an overall system of checks and balances that we didn't have before."

With its proprietary Electronic Billing Center (EBC) software at the heart of its outsourcing operations, Zotec Partners brought to bear services and capabilities that previously MCR could not achieve on its own. Zotec improved the billing process with such features as integrated document imaging, enabling all insurance and patient paperwork to be scanned and linked to patient accounts for improved service. Direct electronic payer submissions and remittances mean the group receives insurance payments faster and more accurately.

The ability to electronically monitor contracted payments to identify variances has improved contractual collections through automated denials follow-up. Appealing denied claims is no longer a mostly manual and employee-intensive process of sourcing, copying, collating and mailing paper. Instead, Zotec's outsourced billing solution uses completely automated software to re-file appeals with all the appropriate paperwork needed to make payers sit up, take notice and pay the appealed claims.



Online Payment Portal

MCR
MEDICAL CENTER RADIOLOGISTS

Home Online Bill Pay Payment Inquiry Submit Insurance Info Submit a Question Login

Online Bill Pay powered by **ZOTEC**

Use this secure form to make payments on charges that you have financial responsibility for. For security reasons we cannot display your balance. Please enter the amount you would like to pay using your latest statement as an indicator of your current balance.

Your Information

E-mail Address:

Patient Account Number: - [Help me find this](#)

Invoice Number:

Amount to Pay: \$

Credit Card Information

Credit Card Type: VISA MASTERCARD AMEX DISCOVER

Credit Card Number: - - -

Expiration Date: / (mm/yy)

CVV Number: [what's this?](#)

Billing Address

Street Address:

Zip Code:

Step 1 of 2

Privacy Information

Practice collecting funds: DCL Medical Laboratories
[Click here for our privacy policy.](#)
 At this time we are not issuing refunds for online payments. We employ 128 bit encryption using an SSL certificate to ensure your information remains confidential. Customer service phone number: 317.705.6550

Zotec Partners created a patient portal to allow MCR's patients to access their accounts, keep insurance information up to date, make credit card payments, or set up time pay plans via the Internet. With the rapid growth of Health Savings Accounts and more responsibility for health care spending being given to patients, such facilities as online payment are an essential part of today's practice management environment. "Although outsourcing can sometimes mean a loss of control over the procedures and processes at hand, Zotec Partners stays very close to our physicians and management to ensure we have oversight and transparency in regard to all of its operations," says Shea. (See Online Payment Portal on previous page.)

Zotec achieves this by providing a high-level account manager who meets with the group to provide proactive advice and reporting that helps MCR manage its business operations. Clear and concise monthly reports on the data elements key to the group's cash flow and operational management are presented. And Zotec's Decision Support data mining and analysis software allows MCR's physicians and management to drill down into any data deemed important to the practice. MCR bills an average of 55,000 procedure codes consisting of approximately 46,600 procedures each month. Since outsourcing to Zotec Partners, MCR has reduced the number of billing employees to just one billing liaison position.

"Zotec allows us to keep our focus where it belongs – on the patient and not on collections," says Shea. "Its Decision Support reporting module generates detailed monthly reports that provide us with really meaningful practice data that tells the story in full color." Armed with information generated from Decision Support, MCR recently met with its largest payer and successfully renegotiated its contract to include increased rates. This was a major achievement for the group in an environment of declining reimbursement. (See Sample A/R Trending Report at left.)

In addition to savings from billing operations of approximately three percent of gross receipts, MCR's collections have increased year-over-year – meaning a significant net improvement in revenues. MCR has also been able to drastically reduce the number of extraneous duties performed among all employees. "Our team is now free to attend to the important issues at hand," said Shea. "We have streamlined the tasks that do not pertain to patient care and it has made us substantially more competitive as a practice."

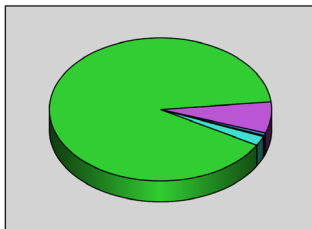
Sample A/R Trending Report



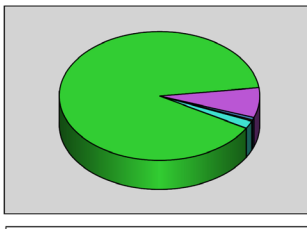
SAMPLE RADIOLOGY ASSOCIATES Accounts Receivable Trending February 2009

By Location Group: ENTIRE PRACTICE						
Location Group	Current Month		Last 3 Months		Last 12 Months	
	AR Balance	% of Total	AR Balance	% of Total	AR Balance	% of Total
INTEGRIS BREAST CARE CENTER	\$62	0.00 %	\$1,049	0.05 %	\$2,749	0.11 %
INTEGRIS SOUTHWEST MEDICAL CENTER	\$1,723,963	90.19 %	\$1,808,223	90.00 %	\$2,252,135	88.39 %
MEDICAL PLAZA	\$134,579	7.04 %	\$151,335	7.53 %	\$229,719	9.02 %
NONE	(\$4,740)	-0.25 %	(\$9,940)	-0.49 %	(\$2,892)	-0.11 %
OUTSIDE READINGS	\$12,211	0.64 %	\$13,306	0.66 %	\$15,641	0.61 %
PHYSICIANS AND SURGEONS LAB	\$4,833	0.25 %	\$6,372	0.32 %	\$16,233	0.64 %
VEIN CLINIC	\$40,506	2.12 %	\$38,696	1.93 %	\$34,338	1.35 %
Totals	\$1,911,414	100.00 %	\$2,009,042	100.00 %	\$2,547,924	100.00 %

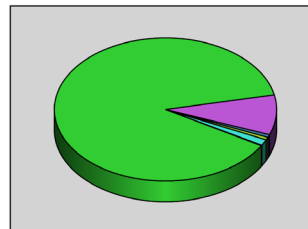
Current Month A/R Analysis



Avg Last 3 Months A/R Analysis



Avg Last 12 Months A/R Analysis



- INTEGRIS BREAST CARE CENTER
- INTEGRIS SOUTHWEST MEDICAL CENTER
- MEDICAL PLAZA
- NONE
- OUTSIDE READINGS
- PHYSICIANS AND SURGEONS LAB
- VEIN CLINIC



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