Centricity™ Solutions

Financial Management for Business Process Outsourcing
“Our workflows are clearly more efficient than before. We’re collecting cash more quickly, which means we’re able to realize the financial benefit of the services we rendered. We look forward to continued improvement and putting to use the knowledge that the GE Healthcare team shared with us to make it happen.”

Keith Cantrell Chief Revenue Officer, Schumacher Group Medical Billing
A complex environment.

As a business process outsourcing company that delivers revenue cycle management services for a variety of healthcare provider organizations, today's operating environment is extremely complex. Providers, many of whom would like to focus their energy on patient care, are faced with challenges such as rising costs, new alternative payment models and razor-thin margins and are choosing to outsource non-core functions such as revenue cycle management.

Revenue from patient care is down as Medicare and commercial payers work to reduce spending & utilization

$415B  Medicare total Fee-for-service payment cuts, 2013-2022

9%  The across-the-board reduction to Medicare payment, or a decrease of approximately $6.5M per hospital, per year, over the next 10 years

39%  The percentage of individual health insurance plans with a deductible over $6,000 selected on Public health exchange

Staying ahead of the curve.

The downward pressure on margins is exacerbated by lost productivity and missed opportunities to improve efficiency

Companies who provide outsourced revenue management services must stay ahead of the curve amidst a dynamic reimbursement environment to deliver outstanding financial results for their customers.

- Costs are going up and reimbursement is going down
- Changing payment models
- Increased labor cost
- Engaging technology to drive efficiency

<table>
<thead>
<tr>
<th>Source</th>
<th>Dollars wasted annually in Healthcare (billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital acquired infections</td>
<td>$3B</td>
</tr>
<tr>
<td>Unnecessary emergency room visits</td>
<td>$14B</td>
</tr>
<tr>
<td>Medical errors</td>
<td>$17B</td>
</tr>
<tr>
<td>Hospital readmissions</td>
<td>$25B</td>
</tr>
<tr>
<td>Ineffective use of technology</td>
<td>$88B</td>
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<tr>
<td>Ignoring doctor’s orders</td>
<td>$100B</td>
</tr>
<tr>
<td>Claims processing</td>
<td>$210B</td>
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<tr>
<td>Over testing</td>
<td>$210B</td>
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<tr>
<td>A/R is flat</td>
<td></td>
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<tr>
<td>Denials across the industry are up</td>
<td></td>
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<tr>
<td>Discharged Not Final Billed (DNFB) is up</td>
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</tbody>
</table>

1. The Advisory Board, Charting the Transition to Risk, June 2013
3. The Advisory Board, Health Care Industry Trends 2015, 2014
Success depends on managing growth while delivering outstanding results for customers:

As providers are looking to outsource their revenue cycle to help them stay ahead of the curve, service providers need demonstrable financial results and a variety of customer services to help capitalize on growing market demand.
BPO Executive needs.

CEO needs:
Solutions that help achieve predictable operating costs but that also empowers growth.

CFO needs: comprehensive technologies to...
Integrate with outside systems to remain flexible and to help manage the growth of their business.
Capture economies of scale with solutions that can grow seamlessly and help improve profitability across multiple geographies and specialties.
Drive demonstrable outcomes, with advanced insights, to differentiate in a competitive crowded market.

CIO needs:
Software solutions that integrate seamlessly with third party legacy systems to help manage a growing organization more effectively.
A single financial platform that includes EDI and services, to maintain connectivity to all payers.

VP RCM needs: Need powerful tools to...
Manage increasing volume more effectively with low-touch solutions that help lower cost to collect and deliver insights and interventions at the right time.
Optimize revenue cycle workflows with end-to-end technology that can help standardize best practices with analytics to measure performance.
Improve net collections to improve profitability and deliver better results for customers.

You may not know...
A single, consolidated approach to managing billing can help improve visibility and control of financial performance.

Small changes can have a big impact.

5% reduction in denials
Could save ambulatory practices $2500/month
Could save hospitals $42k

$15.1 million
Low performing organizations averaged 54 days in a/r; The Financial Leadership Counsel (The Advisory Board) shows an upside opportunity of $15.1 million for these organizations.
GE Healthcare helps executives minimize risk, maximize margin and grow their businesses. Powerful revenue cycle management solutions and advanced insights can be a strategic advantage for service providers to...

**Solutions**

1. **Manage volume:** Enterprise task manager is an exception based task management module that helps organizations work more effectively, spending time only on issues that need human attention.

2. **Maximize margin:** Comprehensive analytics help uncover hidden revenue opportunities from within claims denials, manage productivity against KPIs with customizable dashboards and benchmark performance against a national database.

3. **Automate best practices:** Software and experienced service teams can help achieve industry practices across the revenue cycle to help automate workflows and lower cost.

4. **Accelerate revenue:** Centricity business is an integrated, end-to end revenue cycle management solutions that also include Centricity EDI and advanced analytics that help uncover insights that are easily shared with practices to improve processes and manage proactively.

5. **Expand service offerings:** Working with nearly any clinical or third party system Centricity business seamlessly interoperates across geographies and surgical specialties allowing service providers to grow their portfolio of offerings.

6. **Enter new markets:** The ability to manage a variety of payment models, from typical fee for service to full capitation, enables BPOs to provide value to customers in progressive ways.

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**A summary of improvements**

Working together, GE Healthcare and Schumacher Group made significant progress within each area of the revenue cycle targeted for improvement. Specific accomplishments include:

- **Claim rejections:** A 51 percent reduction in claim rejections, with 10,000 fewer claim rejections received each month.
- **Claim denials:** A 42 percent reduction in denials, with over 10,000 fewer denials worked each month.
- **Between claim rejections and denials,** at $15 per reworked claim, the savings in rework costs are estimated at over $300,000 per month.
- **Eligibility verification denials:** Eligibility process and setup improvements resulted in eligibility-related denials dropping to 2.1 percent of billing, from a 5.0 percent pre-project average, with no associated increase in staff.
- **Paper claims:** A 32 percent reduction in paper claim rate, or 15,000 fewer paper claims each month. Based on an estimated processing cost of $2 per paper claim, this translates into over 6,000 fewer paper claims per month, or $12,000 in monthly savings.
- **Electronic payment posting:** A 53 percent improvement in EDI remittance edits, or roughly 20,000 fewer manually posted payments per month, with associated savings of over $6,000 per month.
Prior to our relationship with GE, we really had no idea what type of denials we had. Once we implemented Centricity Business, we became very exception driven and highly automated with great flexibility to add additional physicians very, very quickly into our infrastructure. That is huge as we have been developing our physician enterprise.

Keith Eggert  
Vice President Revenue Management  
Orlando Health
GE Healthcare provides transformational medical technologies and services that are shaping a new age of patient care.

Our broad expertise in medical imaging and information technologies, medical diagnostics, patient monitoring systems, drug discovery, biopharmaceutical manufacturing technologies, performance improvement and performance solutions services help our customers to deliver better care to more people around the world at a lower cost.

In addition, we partner with healthcare leaders, striving to leverage the global policy change necessary to implement a successful shift to sustainable healthcare systems.

Imagination at work