

Case Study: Cape Fear Valley Health

ABOUT THE CLIENT

Cape Fear Valley Health, located in Fayetteville, North Carolina, serves more than one million people each year. Since its opening in 1956, Cape Fear Valley Health has grown into North Carolina's eight largest health system. Cape Fear Valley Health specializes in cardiac care, cancer treatment and surgical services as well as neuroscience, pediatrics, rehabilitation, orthopedics and more. Cape Fear Valley Health also offers a full-service Family Birth Center and a Level-III Neonatal Intensive Care Unit.



Healthfuse is the partner we didn't know we needed—honest, transparent, and extremely skilled in their strategic approach towards our vendor arrangements. The percentage of expenses saved versus revenue gained is shocking. I would recommend them to anyone!

Bart Fiser, Vice President of Revenue Cycle



CHALLENGE

Cape Fear Valley Health partnered with numerous vendors to help manage collections, including Medicaid Eligibility, Early Out Self Pay (EOSP), Underpay Recovery and Bad Debt. Cape Fear Valley Health believed these relationships were underdelivering expected return on investment, and were possibly non-compliant with their contracted terms. An initial vendor contract assessment revealed several ambiguities around vendor compensation. The primary issue was the EOSP vendor contract cited a percentage of all payments, plus a finders fee for found insurance discovery. The vendor was taking a fee on insurance, self-pay, and a finder's fee. Through a 12-month historical review of every single vendor invoice, over \$500k in inappropriate fees was discovered.

SOLUTION

Cape Fear Valley Health engaged Healthfuse to scrub and certify invoices, and reconcile inventories across all vendors to avoid inappropriate and duplicate charges. Healthfuse also evaluated and updated service-level agreements, renegotiated fees, and performed account-level audits on placed accounts to help ensure accounts were being worked appropriately and ultimately drive maximum return on investment.

RESULTS

Healthfuse identified a recurring P&L opportunity for Cape Fear Valley Health of \$7 million for a total three-year impact of nearly \$16.6 million.

Recurring P&L opportunity of **\$7M**

three-year impact of **\$16.6M**

To date, Healthfuse has delivered:



Recovered **\$334,000** in over-invoicing in the first 4 months via 100% 12-month retro review of historical vendor invoices



Increased vendor collections by an additional **\$7M** in the first 11 months through 100% account-level auditing, coaching, and remediation



Renegotiated bolt-on tech and collections outsourcer vendor contracts and strengthened service-level agreements, resulting in **\$945,000** in annual contract savings

FOR MORE INFO, CONTACT:

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