

Case Study: Cape Fear Valley Health



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 issues pertained to EOSP vendors that had been contracted for compensation as a percentage of payments instead of a finder's fee for insurance discovery. They also found these vendors were compensated for all payments, not just patient payments.

SOLUTION

Cape Fear Valley Health engaged Healthfuse to perform invoice certification and inventory reconciliation across all vendors to help ensure accounts were being worked appropriately and to avoid erroneous and duplicate charges. Healthfuse also evaluated and updated service level agreements for existing vendors and negotiated terms to drive maximum return on investment.

IMPACT

With Healthfuse, Cape Fear Valley Health was able to archive vendor invoices at the transaction level and compare invoices to transactions in the patient account system, to contract terms, to historical invoices, and across vendors. They conducted a 12-month retrospective audit to identify duplicative invoicing and non-compliance with contract terms. Furthermore, contracts were revised to avoid erroneous fees go-forward. With Healthfuse, Cape Fear was able to:

Identify more than
\$334,000 in over-
invoicing in first 4 months

Improve vendor
collections by **\$3M** in
the first 11 months

Renegotiate vendor contracts
resulting in cost savings to Cape Fear
of more than **\$700,000** annually

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 and Managed Care
Cape Fear Valley Health

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Healthfuse helped Cape
Fear Valley Health uncover
more than **\$334,000**
in over-invoicing
in just 4 months.