

## Case Study: Hendrick Medical Center



### HENDRICK MEDICAL CENTER

Hendrick Medical Center, a part of Hendrick Health System, is a 500-bed facility located in Abilene, Texas. The faith-based health system has served Abilene and the 19 surrounding counties since 1924. Hendrick has 3,000 employees and has earned numerous accreditations, awards and recognitions, including the Gallup Great Workplace Award, which it has won for 11 consecutive years.

Hendrick chose Healthfuse to help identify and reconcile inventory discrepancies, and to help develop new management strategies for improving vendor performance, compliance and ROI.

#### CHALLENGE

Hendrick had existing partnerships with 15 vendors, but lacked the visibility necessary to evaluate each vendor's performance. Hendrick believed some vendors were overstating success but lacked reliable data to validate that suspicion. While the Healthfuse inventory assessment showed that 99.8% of accounts were in balance between the hospital and the vendor, cross-vendor inventory assessments revealed only 38% compliance. Hendrick needed a way to identify the reason for the discrepancies, fix them, and ensure ongoing compliance and maximum collections.

#### SOLUTION

Hendrick engaged Healthfuse to perform inventory reconciliation across all vendors to help ensure accounts were being worked and processed appropriately. Using its AutoRecon application, Healthfuse identified several non-compliance issues: multiple vendors were working the same accounts at the same time, some accounts had an agency code but were not actually placed with a vendor, and some vendor reports reflected erroneous results.

#### IMPACT

With Healthfuse, Hendrick was able to develop a uniform, in-depth reporting cycle to deliver visibility into vendor performance both individually and in aggregate. They also implemented a standardized bi-weekly report card across all vendors. Ongoing data-mining enabled Hendrick to do competitive analysis on its vendors and require them to adopt best practices for collections. Since engaging with Healthfuse, Hendrick experienced:

**27:1**  
ROI in first year  
of engagement

Improvement in inventory  
compliance from **39%**  
to **more than 92%**  
in just 5 months

#### QUANTIFIED AND PRIORITIZED DUPLICATIVE PLACEMENT:

**7,340** with 2 bad debt agencies

**93** with Third-party liability, early-out self-pay, and Medicaid eligibility vendors **83** with early-out self-pay, Medicaid eligibility, and bad debt vendors

**32** with underpay recovery and A/R collections vendors

**11** with early-out self-pay and bad debt agencies

The beauty of the automated VMO is the ability to audit 100% of a hospital's revenue cycle business—far more than typical hospital resources can. Automating the review process not only frees a valuable manpower to the hospital but also drastically improves the quality and capability of vendor oversight.

Tave Kelly  
Director of Business Services,  
Hendrick Health System

“

With  
Healthfuse,  
our ROI is  
through  
the roof!”