

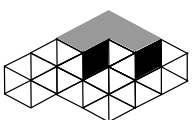
Evaluating TruBridge's Accounts Receivable Management Services in Community Hospitals

Contributors to Success

Sponsored by TruBridge

Reported by Porter Research

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Methodology and Executive Summary:

TruBridge wanted to objectively assess the performance of their Revenue Cycle Management Services group with primary research based on their Accounts Receivable (A/R) Management Service. They selected Porter Research, an Atlanta-based market research firm specializing in healthcare information technology/services, to conduct in-depth interviews with their established customer base from December 2011 through February 2012. During that time, Porter detailed the customer experience at 14 unique facilities to understand:

- Why these organizations considered outsourcing;
- The goals they established for the program;
- Barriers and obstacles they faced;
- The implementation experience and ability of TruBridge to deliver on their goals;
- Benefits experienced to date and TruBridge's overall performance in the outsourcing relationship.

TruBridge provides their A/R Management Services customers with services that include Insurance Processing, Cash Receipts Management, and Private Pay Collections, as well daily revenue cycle auditing and management. Organizations evaluating these services indicated the key factors leading to their evaluation were the relationship with TruBridge as a systems provider and staffing issues related to recruiting and volume of work. The most important goals identified were "Increasing Cash Collections" and "Improving Process Efficiency". Overall, there appeared to be low resistance to implementation of an outsourced service.

Over three-quarters of respondents indicated they were satisfied with the implementation and roll-out of TruBridge's A/R Management Service, driven by a number of factors:

- 84.6% believe they have already met their goals;
- For those organizations able to provide metrics, TruBridge's services contributed to a reduction in overall A/R days by 29.33 days;
- TruBridge's ability to perform all service activities directly on the hospital's system in real-time was viewed as the most important contributor to success;
- More than 75% of participating clients reported moderate to significant improvement in their revenue cycle performance as a result of their relationship with TruBridge for Private Pay Service.

Hospital Trigger Events and Goals for Outsourcing

Upfront, the research worked to understand each hospital's reasons and goals for entering into an outsourcing relationship. Two items received the most mentions – resource issues related to recruiting



qualified staff (50.0% of respondents) and the organizations' relationship with TruBridge as a systems provider (35.7% of respondents). "The manpower here was not sufficient to do follow-up insurance claims," said one business office manager.

When asked to identify their hospital's goals for outsourcing, study participants put both "Increasing Process Efficiency" and "Increasing Cash Collections" as top objectives, each with a 92.9% response rate. Once identified, participants were asked to rank their goals in order of overall importance. On average, "Increasing Cash Collections" was ranked as the most important implementation goal, with 58.3% indicating this as their hospital's top priority.

Hospital Goals for Receivables Management

% of Respondents Identifying Goal

| | |
|--------------------------------|-------|
| Increasing Process Efficiency | 92.9% |
| Increasing Cash Collections | 92.9% |
| Protection from Staff Turnover | 64.3% |
| Reducing Costs | 64.3% |
| Securing Qualified Staff | 64.3% |
| Community Satisfaction | 42.9% |

Barriers/Obstacles to Outsourcing

Overall, there was relatively low resistance to TruBridge's A/R Management Service when compared to traditional outsourcing services. Customers were asked to rate their hospital's internal resistance on a scale of 1 (very adverse) to 5 (no resistance), with the average rating coming in at 3.83. However, the top barriers to implementation were "Aversion to Elimination/Re-tasking of FTEs" and "Time".

Perceived Internal Barriers to Receivables Management Implementation

% of Respondents Identifying Obstacle

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|--|-------|
| Aversion to Elimination/Re-tasking of FTEs | 46.2% |
| Time | 46.2% |
| Perception of Community Response | 38.5% |



Despite concerns related to how the community would respond to outsourcing, no hospital interviewed discussed their plans to outsource with any community groups, and current community acceptance of the service appears to be somewhat positive. When asked to rate current community acceptance on a scale of “1” (very averse) to “5” (complete acceptance), the mean rating was a very high 4.17 and no respondents provided a rating of “1” or “2” which would indicate some resistance.

“We’re from a region where we have a high elderly population...and we have a very high Medicaid population. There is some resistance in our culture to call and talk to people who aren’t from here. A lot of our patients want to talk to someone face-to-face. I guess that’s just the culture we deal with. We have worked very closely together with the folks at TruBridge to make processes better so patients have a better outcome when they call our customer service department at TruBridge,” said one business office manager.

Nearly 85% of respondents believed their hospital’s size did not create any barriers in the outsourcing decision, and nearly one-third actually thought it was an advantage. “We have a small group here that works with the team there, and because TruBridge is geared towards smaller organizations, I think that was a positive,” indicated one business office manager.

Outsourcing Rollout and Implementation

Over three-quarters of participants responded “yes” when directly asked if they were satisfied with the implementation and rollout of the A/R Management Services at their facility. A CFO at a new orthopedic facility said the implementation process was key to his hospital’s successful launch: “It allowed us to get started with no skill level available...We could not have gotten up and running as fast as we did without them.” When asked if they had met their organizations’ goals with the implementation, 84.6% of study participants responded positively.

Based on these findings, TruBridge’s performance in the transition of taking over their clients’ revenue cycle management functions scored well and has led to the realization of hospital goals and other benefits.

Outsourcing Benefits

TruBridge’s A/R Management Service customers were asked to identify top-of-mind benefits realized through the relationship. Their responses validate goals earlier identified as having been impacted through the relationship. One key benefit identified was a reduction in personnel issues, a response provided by over 30% of interviewees. “It has freed up the time of the medical staff to not have to deal



with those issues,” said one respondent, and another added, “We were in a dire way because we had no employees to perform the task, so it was a great relief to get the bills out the door.”

Reporting and receivables management expertise were also top mentions, with respondents praising TruBridge’s ability to ensure details of insurance processing, audit functions, etc. are handled appropriately:

“It has really provided our coding and revenue cycle management staff a good understanding of a lot of the edits and insurance requirements. It’s been a great experience for us,” said one business office manager.

To further understand the impact of the service on specific metrics within the revenue cycle, participants were asked to use a scale from “1” (totally disagree) to “5” (totally agree) to rate how much they agree that the service has impacted a number of key revenue cycle performance metrics.

Outsourcing Impact on Revenue Cycle Metrics

(Mean on a 5-point scale where “1” equals “strongly disagree” and “5” equals “strongly agree”)

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|-------------------------------------|------|
| Improved Business Office Efficiency | 3.92 |
| Increased Cash Collections | 3.67 |
| Reduced Accounts Receivable Days | 3.58 |
| Reduced Bad Debt Write Offs | 3.33 |

Although respondents agreed that they had seen “Increased Cash Collections,” “Reduced Accounts Receivable Days” and “Reduced Bad Debt Write-Offs,” the most significant benefit realized was “Improved Business Office Efficiency,” with a mean of 3.92.

To substantiate the reduction in Days in Accounts Receivable, organizations were asked to provide details on their A/R days before and after TruBridge took over their revenue cycle management functions. For those hospitals able to provide metrics, TruBridge’s services contributed to a reduction in overall days by 29.33, with current average A/R days reported as 59.42.

Contributors to Success

Three items unique to TruBridge’s A/R Management Service were identified and tested to better understand how important they are in maintaining a high level of service and return. Respondents were asked to rate how important each item is using a scale from “1” (not at all important) to “5” (very



important). The ability to perform all A/R management activities in real time within the hospital's health information system, ranked at 4.92, was the metric of most importance to respondents, followed by weekly conference calls with the TruBridge staff, with a rating of 4.58.

Importance of TruBridge Service Attributes

(Mean on a 5-point scale where "1" equals "strongly disagree" and "5" equals "strongly agree")

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|--|------|
| All activities are performed directly on the hospital's system in real time. | 4.92 |
| TruBridge's weekly conference calls with the hospital contribute to the success of the service. | 4.58 |
| The monitoring tools included in the service facilitate constant and reliable communications with TruBridge. | 4.31 |

When asked to rate TruBridge's outsourcing staff in regards to professionalism and community relations on a scale from 1 (not at all professional) to 5 (very professional), the staff scored very high at 4.69. When one COO was asked what he liked best about his hospital's A/R Management Service, he responded by saying, "The professionalism of the staff. The interaction and the availability of resources. The way they interact, the reporting, and the tools. Everything is top notch."

Conclusions:

Respondents were asked to rate their overall satisfaction with TruBridge's A/R Management Service using a scale from "1" (not at all satisfied) to "5" (very satisfied). The average rating was 4.15, demonstrating extremely high levels of overall satisfaction. "The people on the ARMS side are outstanding. They are willing to go the extra mile, willing to research problems and actually find solutions. I can't say enough about how impressed I am by that," said one hospital CFO. Similarly, when asked to describe the overall impact the outsourcing relationship had on their hospital's revenue cycle performance, over three-quarters of the sample described it as "moderate" to "significant". According to another CFO, "It has increased our cash flow; we have another reliable source to go to if we have questions; and they've cleaned up our billing."

Certainly, the findings of the research indicate TruBridge's A/R Management Service has a pronounced impact on their customers. From reductions in A/R days and increased cash collections to improvements in business office efficiency, TruBridge has delivered on the goals of their customers and improved their overall revenue cycle performance.

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Sponsor / Research Team

About TruBridge

TruBridge brings years of expertise in delivering effective business, consulting and managed IT services created for the unique challenges faced by rural and community healthcare providers.

TruBridge offers a broad range of services, from consulting and managed IT to full business process outsourcing that spans the revenue cycle from end to end. Our professionals have been helping hospitals and other healthcare institutions become more efficient at serving their communities for over 30 years. Today, more than 450 dedicated, trained experts stand ready to do the same for other organizations, enabling them to overcome the unique challenges they face every day.

www.trubridge.net

About Porter Research

Porter Research helps its clients become high-performance businesses within their industries by delivering actionable market intelligence and research insight. Porter diligently works to understand and assess each client's unique needs and build a customized business-to-business research program to achieve the desired goals. Combining unparalleled experience, proven methodologies and knowledge-based analysis, Porter provides the unbiased results that clients need to make informed strategic business decisions. Over the past 20 years, Porter's research team has conducted over 150,000 interviews with executives in the healthcare space. With extensive experience working with Fortune 500 healthcare companies, the Porter executive team has built a significant practice in the healthcare technology, provider, payer and life sciences sectors. The core service lines include Market Needs and Opportunity Analysis, Account Profiling and Lead Generation, Competitive Intelligence, and Customer Experience Research. For more information, go to www.porterresearch.com.

