



POWERstation Solution

Revenue Cycle Value Analysis

Optimize the patient registration process, by adding technology to the check-in desk, to reduce insurance claim denials. A unique solution to accurately capture patient demographic and insurance information, plus immediate insurance eligibility and benefits verification, including a detail report regarding policy coverage.

Drs. (#)	Claims per yr. (#)	Denials per yr. (from reg. errors) (#)	Writeoffs per yr. (\$)	Cost of Claim Rework per yr. (\$)	Increased Revenue per yr. (\$)	Annual Cost of H/W, S/W & Transactions (\$)	Claim Management Benefit (\$)
10	25,000	2,100	105,000	26,250	128,625	25,725	102,900
20	50,000	4,200	210,000	52,500	257,250	51,450	205,800
40	100,000	8,400	420,000	105,000	514,500	102,900	411,600

Assumptions for Revenue Cycle Value Analysis:

- MGMA study found that the average insurance claim denial rate among its members was 14%.
- 60%¹ of denials result from patient registration errors (demographic and insurance information).
- 50%² of denied claims are not followed up (written off). 50% of denied claims are refilled (rework).
- Labor cost is \$25³ to rework (identify, research, correct and resubmit) a denied claim.
- Registration function error reduction as a result of POWERstation implementation – 98%³.
- A provider generates an average of 10 claims per day, at an average contractual claim value of \$100.

References

- 1 – Sara Larch, FACMPE, Chief Operating Officer, University Physicians, Inc., University of Maryland, presentation at AAP annual conference, 2003
 2 – Robert Jenkins, CEO, Managed Care Information Center, Press Release of Survey Results, August 19,2004
 3 – Walker, Larch & Woodcock, "The Physician Billing Process", Medical Group Management Association (MGMA), 2004

» Additional Labor Saving by Including Self-Service Kiosks in the Waiting Room «

Drs. (#)	Total Reg. Stations (w/ Kiosks)	Kiosks Included (#)	Registrar Labor Saving (\$)	Total Benefit of POWERstation Solution* (\$)
10	4	1	25,000	127,900
20	8	2	50,000	255,800
40	16	4	100,000	511,600

* Total of Claim Management Benefit plus front-end labor saving by adding kiosks.