

The logo for CostFlex, featuring the word "Cost" in a dark blue font and "Flex" in a lighter blue font, with a large, stylized, light blue swoosh that curves around the "Flex" part. The background is a dark blue gradient with a network of white lines and dots, suggesting a digital or data-driven environment.

CostFlex

THE RECIPE FOR MAXIMUM PROFITABILITY: COMBINING PAYER CONTRACT MANAGEMENT SYSTEMS & PATIENT LEVEL COST DATA

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It is commonly understood in healthcare finance that every time a patient is discharged and final billed, the provider is expecting to receive reimbursement according to the terms of the legal contract between themselves and the patient's payer organization.

Based on the various reimbursement group terms negotiated with the payer liaison, the resulting payments will be contractually adjusted from the billed charges and a detailed explanation of these discounts will arrive with the payment for services.

It is at this point that most providers without software automation will simply accept the payment as a zero balance and move on, trusting the payer's adjudication to be fair and correct. However, proactive healthcare finance professionals will want to know more information, such as:

- Was the payment adjudicated correctly by the payer representatives?
- How profitable was the case, or how much did we lose?
- How was the financial performance of all similar patient cases over the past month or year? By payer? By physician?

For any provider with a comprehensive book of commercial payer business, answers to these basic questions are both very important information for a management team and very labor-intensive to arrive at manually without software automation.

So, what software tools do providers need?

Many find it confusing to shop for solutions on the Internet with so many search results related to payer contract automation, healthcare contract maintenance, etc. The search is even more difficult considering that the industry is divided between "Revenue Cycle Management" software for business office reporting and specific "Payer Contract Management" tools that are designed to operate at a much more granular data level of financial analysis.



Utilizing a contract automation tool alone limits your data gathering activity to loading all payer contract details, receiving alerts for contract renew dates, checking reimbursement remits for correctness according to the negotiated terms, and similar functions.

Is contract automation enough? Even with a complete contract terms management solution in place, how do you expect to determine patient-specific profitability without knowing your patient costs?

CostFlex Systems has been developing, installing, and supporting healthcare-specific decision support software tools for over three decades. Very early in our company's history, our team discovered the power of integrating our 100% payer contract automation software (Payer Contract Analyzer) with the patient-specific activity-based cost accounting data (Total Cost Accounting).

With this cost accounting and contract management data combination, our client family enjoys the ability to routinely:

- Negotiate profitable reimbursement terms by sharing historical patient cost data with payer representatives to support their position.
- Analyze and report the profitability of every final billed patient while waiting often months for actual payer reimbursement.
- Generate powerful service line analysis reporting that shows profitability with a dual view of projected versus actual reimbursement.
- Benchmark the financial performance of all payers on the same service.
- More ...

In summary, seamlessly integrating revenue cycle and cost accounting software data can deliver a heightened level of financial reporting to truly unlock the mysteries of your currently unmanaged reimbursement performances.

