Case Study

Cincinnati Fire Department

McKesson helps department boost collections by 40%

The Cincinnati Fire Department (CFD) serves Ohio's third-largest city and responds to more than 56,000 emergency medical service (EMS) calls annually. Formed in 1853, CFD is the oldest fully paid professional fire department in the nation. Because of their size, they have significant billing requirements.

In 2011, growing dissatisfaction with existing billing services, including a belief that a significant amount of revenue was not being collected, led CFD to seek a new strategic billing partner. Bids were sought, and MED3OOO, a division of McKesson was selected.

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Alan Sedam
EMS commander
Cincinnati Fire Department

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Organization at a Glance

- Serving a population of 296,200
- 56,000 emergency medical service runs annually
- 50 first responding companies

Solution Spotlight

- McKesson-SafetyPAD billing and ePCR solution

Critical Issues

- Poor collections
- Obsolete electronic patient care reporting platform
- Outdated service model
- Inadequate business reporting

Results

- 40% revenue gain
- Stronger business reporting
- Improved collection processes
- Optimized service model

McKesson established billing and collection capabilities and also worked closely with CFD to both upgrade the department's electronic EMS reporting infrastructure and to modify its service model. As part of this effort, McKesson provided CFD with new electronic patient care reporting (ePCR) notebooks to document patient encounters.

By the end of the partnership's first year, EMS revenues at CFD had climbed by 40%. The department also gained access to a wide range of previously unavailable operational and financial reports. A new mobile documentation system improved data collection from the field, and the deployment of paramedics to all ambulance and truck companies strengthened both first-response capabilities and reimbursements.

Challenges

Alan Sedam, EMS commander for CFD, explains that the department's decision to seek out a new, strategic billing partner was driven by a belief that the then-existing vendor was "leaving a lot of money on the table."

"I didn't feel they were aggressive enough about collections, and I also didn't think they were responsive to our questions and concerns," says Sedam. "We wanted to overhaul our entire service model. To do that, we needed a partner we could have confidence in."

Because electronic reporting from the field is used to populate the billing system with essential encounter and demographic information, revamping existing reporting capabilities was a critical aspect of the reorganization. The existing patient care platform had been developed in-house and no longer adequately met the department's needs, says Sedam.

"I wanted the Cincinnati Fire Department to get out of that business—lock, stock and barrel, because we weren't experts in patient care reporting systems and we never would be," he adds.

Answers

Sedam selected McKesson to provide billing and related services to CFD on the strength of the company's reputation in the EMS community, its ability to integrate billing with best-of-breed portable electronic patient encounter notebooks (or tough books), and a willingness to dedicate a full-time employee to CFD headquarters. The on-site representative would be responsible for producing management reports, training CFD staff on the new tough books and serving as a direct liaison to McKesson, explains Sedam.

"None of the other vendors proposed putting anyone here," says Sadem. "That was important to me, because we really wanted responsiveness."

The tough book ePCR platform included in the McKesson contract—SafetyPAD, which is manufactured by Minneapolis-based Open Inc.—represents a best-of-breed application capable of recording essential encounter and demographic information to populate the billing system. Significantly, McKesson is the only billing company with access to the SafetyPAD database server. This access allows for tighter integration of the ePCR software into the billing process.

In addition to overseeing the deployment of a new ePCR solution, McKesson experts

assisted the department in a reorganization of the EMS service model. They noted that CFD's long-standing, two-tier staffing model ran counter to the approach used by most major fire departments nationwide.

Under the two-tiered approach, 70% of fire and ambulance companies were staffed with Basic Life Support (BLS) trained first-responders, while 30% contained Advanced Life Support (ALS) paramedics, the highest level of first-responder training. Because ALS paramedics were absent on the majority of CFD's runs, the transports were coded and reimbursed at the lowest level. CFD consequently eliminated two-tier staffing and deployed paramedics to every truck and ambulance company. This change resulted in improved care capabilities as well as higher reimbursement.

Results

With McKesson taking responsibility for billing, ePCR training and maintenance, and collections, CFD reports that EMS revenues have improved by 40% over the first 12 months of the partnership. The gain was fueled by a number of factors, including improved rates due to the conversion to an all-ALS system, more accurate data feeding the billing application, new electronic interfaces between McKesson and transport-destination hospitals, and improved collections.

"This is a business, and McKesson has approached it as a business in terms of their collections policy," says Sedam. "They're identifying

insurance coverage, billing self-pay patients and following up on denied claims. They're doing a phenomenal job," says Sedam of the McKesson team.

Another major benefit to the department beyond the revenue increase has been the business intelligence that McKesson's on-site technologist generates from the billing data. Reports are customized for the department's specific needs and cover a range of information, from the origin, destination and volume of run types to the locations of specific types of narcotics calls. The data provides managers with unprecedented operational insight.

"Data should drive decisions, and this gives me a level of information we've never had before," says Sedam, adding that the information is important to help ensure operational efficiency as well to support department proposals made to the city council. CFD's revenue gains come at an opportune time for the city of Cincinnati, which has struggled through a protracted financial crisis and faced a budget shortfall of $34 million in 2013.

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McKesson Business Performance Services (BPS)

1145 Sanctuary Parkway
Alpharetta, GA 30009

http://www.med3000.com/ems
emergencymedinfo@mckesson.com
866.217.4184

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