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How providers can leverage software systems to increase billing efficiency and maximize cash flow.

By David Kopf

Just like what has been a very wet summer for much of the country, the HME industry's funding forecasts seem to always include more rain. Competitive bidding is already on the move once again, while providers are still grappling with the 9.5 percent cuts to multiple product categories the industry agreed to absorb last summer in order to delay the previous implementation of competitive bidding.

Add other cuts to the mix, such as the 36-month oxygen rental cap, or increased costs, such as those for accreditation or surety bonds, and providers might start wondering why there's a little black rain cloud constantly following them around.

That said, there is one ray of sunshine in the picture: HME software systems. While most HME software systems originally began as billing systems, over the years they have expanded to help automate and streamline other aspects of HME provider operations, so that they are now tools that manage entire HME businesses. And because of that expansion, the billing capabilities of HME software have likewise evolved to the point that they are almost indispensable.

Such is the case for Lafayette Mobility and Service (Lafayette, Ind.), a small provider focused on mobility products with a major portion of its funding coming from Medicare, says its owner Melony Vanhook. With only one other person beside herself to run the entire business, Vanhook says saving time and money through the enhanced billing efficiency of software is crucial. The business just implemented a software system in spring and has already seen almost overnight improvement.

"Before that, I did everything by hand," Vanhook says. "We weren't filing electronically or anything. We're a pretty small operation, so it was manageable in the beginning, but more and more it was getting harder to do everything that needed to get done. Also, the turnaround time for payments from Medicare could drag on and on. Now we're getting much faster turnaround."

Vanhook adds she's seeing a reduction in DSOs within two months of implementing the system.

Likewise, software is vital to the financial health of HME provider Street Home Medical Inc. (Warner Robins, Ga.), according to Ron Street, the company's CEO. "It's extremely critical," he says. To be viable you have to have software these days. It's not like the old days, when we sat at the kitchen table and hand wrote out the claims and then sent them to

Points to Take Away

- Software has become an indispensable way for providers to maintain cash flow in a down funding environment.
- It helps providers reduce their DSOs by speeding up the billing processes.
- Other key ways it helps providers are through electronic claims filing, verifying claims and reducing denials, automating processes.
- It also helps providers ensure they get paid, as well as follow up on copays.
- Keys to successful software implementations include ensuring solid support and training, as well as securing a system that can evolve with the industry and provider needs.

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The HME-Business.com website provides a special Solution Center on HME software solutions. There you'll find various features and how-to articles, as well as feature comparison articles on the various software offerings to the HME industry. Visit it at:

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Medicare — and that's how I started. We've come a long way since then."

Street says that in 2006, his DSOs were ranging from 119 days to 176 days, but this year, for the period of April, May and June, his DSOs were at 33 days. "That is unheard of in our industry," he says. "And in November of 2008, my DSO was down to 24 days, and denial of claims were 9 percent — and most of those were due to duplicate claims."

Fast Processing

Those reduced DSOs essentially come from one asset that software delivers: faster processing.

"One of the biggest challenges we hear is being able to get the claims out quickly," says Spencer Kay, president of HME software company Fastrack Healthcare Systems Inc. "From the time the order comes in to the time the provider submits the claim."

One of the problems is the sheer complexity of billing. The amount of minutiae, as well as the follow up required can be staggering unless a provider can automate processes. Especially if the provider has a small staff charged with trying to control the process.

"And part of the process could be out of their control," Kay says. "Even with the prodding and constant calling, there's only so much you can do to make a doctor sign off on a form. There are certain things that interfere with the process that they have no control over. And that's a frustrating piece of this. But even that can be automated in ways, too, using computer systems."

In many ways, the key impetus for providers' adoption of software systems to manage their billing comes down to paper — there is simply too much of it. "The problem is tracking all that paperwork," Kay says. "Making sure that a form that went out to a doctor came back and that people in billing have been notified so that they can go ahead and bill. That's just one example of the many things that can happen to delay this process."

For Lafayette Mobility and Service, Vanhook says that simply having a system that streamlines data entry processes carves out huge delays that would be incurred through a paper process.

"Being able to enter all our patient information to file a claim takes a third of the time it used to," Vanhook says.

Essentially, the system should guide billing staff through not only the process, but the process should be tailored to the individual billing sources, says Brian Williams, marketing manager of HME software company Computer Applications Unlimited Inc. "If the software helps you with some of those 'checks,' it will go after the correct procedure based on the product that your selecting for that order," he explains. "So you initially have edits at the intake level to get an order through that is going to be payor friendly."

Another key aspect to fast billing is speeding up the ways in which providers interface with key partners in the homecare process, such as physicians.

CMN management is key, says Dave Cormack, president and CEO of HME software provider Brightree LLC. "I talk to owners of DME companies and I ask them how long does it take from the date of services to you being able to actually send a bill," Cormack says. "Twenty five to 30 days

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