

Independent Case Study of AeroFlow Healthcare, Inc.

Imaging Solution as a Management Tool

Overview

Similar to most other organizations implementing imaging solutions, AeroFlow Healthcare last year decided to seek operational efficiencies by converting its ever-growing number of paper charts to electronic files.

The advantages of using electronic images of critical records are well established, including labor savings from fewer hours spent on filing documents, quick access to information, less frustration and time wasted on searches for misfiled documents and cost savings resulting from the reduction of space needed for mandated storage and archiving of patients' files.

AeroFlow Healthcare, a North Carolina provider of respiratory services and DME, has found after installing the MedFORCE 5 imaging solution that, in addition to realizing the anticipated efficiencies, it also has gained strategic advantages, above and beyond those anticipated when launching the organizational campaign to create a paperless environment.

The MedFORCE 5 system provided AeroFlow Healthcare management with the ability to track up-to-date information and consistently enhance processes by better monitoring of employee productivity, identifying problems requiring attention and acting upon them at the earliest time possible. Among many other parameters, time from intake to received CMN is now being tracked, and traditional problems,

such as incorrect information on CMN forms, are addressed instantaneously. Within six months following the installation of the imaging system, the management team at AeroFlow Healthcare has recognized the following critical outcomes:

Higher patient satisfaction.

In-house customer service staff, sales force and management can now respond faster, using a shared and unified information platform, to customers' orders, ensuring that all information supporting claim submission is gathered up front.

Revitalized and proactive organizational workflow.

Instead of responding to charts pushed to their desks, with limited ability to prioritize their work load, billing personnel now proactively handle files listed in "action" reports, easily sorted by any of their fields, on a priority basis and in a consistent and rationale manner, rather than simply dealing with 'first in / first out' piles of charts. These reports and the derived structured workflow also help identify misplaced documents and charts, saving expensive search time or even worse, omitted files.

Significant reduction in DSO.

Cash flow has improved considerably as a result of improved accounts receivables, as demonstrated by a dramatic reduction in average DSO from 71 days to 41 days.

Background

AeroFlow Healthcare of North

Carolina is recognized as a premiere provider of home respiratory and mobility equipment, and related services. The company provides home oxygen service, diagnostic sleep testing, CPAP equipment and supplies, nebulizers, aerosol medications, power wheelchairs and scooters. AeroFlow is an accredited Medicare and Medicaid provider and accepts most commercial insurances. Its well-trained staff of professionals includes respiratory therapists, occupational therapists and nurses, providing 24-hour on-call service.

Once the company decided to transition billing support and other operational functions from paper charts to electronic files using scanned images, AeroFlow reviewed several technologies offering paperless office solutions. Products that were evaluated included generic systems (some from large electronic image reproduction powerhouses), as well as products designed specifically for the DME and home healthcare industry. After careful and methodic consideration, AeroFlow opted for a system designed with a DME focus. Members of the AeroFlow team participating in the evaluation believed that the familiarity and commitment of the respective vendors to their industry would not only maximize performance, but also would lead to better service and a better organizational fit. Following a review of products targeting the DME industry sector, and after obtaining a number of strong references from current users,

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AeroFlow selected the MedFORCE 5 system offered by MedFORCE Technologies (Chestnut Ridge, NY), which has the largest installed base within the DME/HME industry.

Early Challenges

The process of selecting the vendor took approximately 3 months, but once the decision was made, the MedFORCE system was installed on AeroFlow computers right away. The installation itself did not require external IT support, and the system was ready for use immediately.

Leveraging their in-depth familiarity with third-party and legacy DME billing systems, MedFORCE Technologies' programmers were able to develop an invisible data interface between the MS-Windows based MedFORCE 5 system and the billing system at AeroFlow, a third-party product using the DOS operating system.

While the technical installation of the imaging system was painless, AeroFlow management quickly encountered the real challenge: changing the old work habits of its staff required a user-friendly paperless system and a supportive vendor, backed by persistent and committed management. Believing that the change was key to future growth and continuing success, the management team of AeroFlow, led by company Vice President Casey Hite, immersed itself in the transition from the tedious, but familiar, practice of manual handling of paper charts to electronic files and on-screen images.

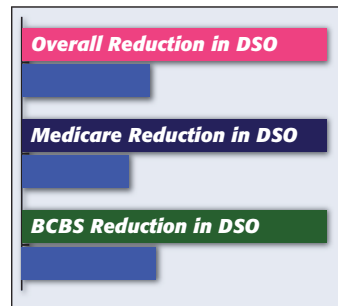
As it trained its customer support and billing staff on the new system, management had to eradicate work practices established over many years, during which staff members

were accustomed to processing paper charts pushed to them by a supervisor or a co-worker. To fully exploit the MedFORCE system, the organization was required to transition workflow from the reactive 'push mode' to the proactive 'pull mode,' using reports listing open files generated by the MedFORCE system. Instead of charts acted upon on a random basis, delayed by waits for missing information, or staying idle and waiting to be processed once completed, now any missing information is immediately identified and acted upon. All work is prioritized, with completed files and satisfied orders contributing to faster revenue generation. Prior to the installation of MedFORCE, management was in the dark, not exposed to the actual status of intakes and orders. The only tool available for supervisors to review work-in-progress was to physically pick up charts and check them. Inevitably, at times, completed orders sat on staff desks for days and even weeks until randomly picked up and acted upon. Now, all steps of the order entry and fulfillment are audited daily, finally providing management with the tools to quickly affect AeroFlow performance.

Big Payoffs

Once customer service and billing staff gained confidence in the new system, they started to proactively act on obtaining CMNs and any other information required to process an order and submit a claim. Tangible results did not take long to materialize.

Streamlining the processes, acting in a timely manner and working smarter have contributed to considerable shrinkage of DSO. An analysis of AR for the period of July through November 2005, just prior to installation of MedFORCE 5, revealed an average DSO of 71 days. Similar analysis conducted for the subsequent five months, following the installation of the MedFORCE 5 scanning solution, showed an average DSO of 41 days, a reduction of 42%. For Medicare claims, which represent more than half of AeroFlow's business, the change in DSO is even more dramatic – a reduction of 65%. Blue Cross Blue Shield of NC had a reduction of 56%.



Cultural Change

The implications of improved AR on the fiscal health of a DME provider are significant. Yet, Casey Hite believes that the most significant benefit derived from the MedFORCE system is the sense of accountability among all members of the organization. Each employee is now empowered to process the required transactions in the most efficient manner, while management can easily audit and track each employee's performance and offer assistance when needed. Looking into the foreseeable future, Casey noted that the new organizational culture enables AeroFlow to further expand its operations, add new services and improve its competitiveness, knowing that its current operations are on solid ground. ☺