

> Growth and New Business Opportunities in a Declining Economic Market

Radiology Alliance, PC | Nashville, TN

Practice boosts productivity with technology.



+ CUSTOMER PROFILE

Radiology Alliance, PC, located in Nashville, TN, which reads approximately 750,000 studies each year, provides services for four imaging centers and performs professional reads for six local hospitals.

CUSTOMER CHALLENGE

To grow revenue in a competitive marketplace during a challenging economic time period

SUCCESS WITH MERGE

2009 revenue growth of 1.3 percent and improved metrics – despite a 2.3 percent drop in total charges

BENEFITS

Reduction of six FTEs – including four in billing, one in administrative support, and one in accounting

Reallocation of one FTE from billing to customer service

Reduction in Accounts Receivable days from 56 to 43

Reduction in overall Accounts

Receivable from \$12 to \$8.8 million because of system efficiencies

Reduction in billing cost per CPT code from \$3.75 to \$2.65

Elimination of more than 20 hours of CEO's time that had been spent on running reports

Radiology Alliance, PC, wanted to maximize their productivity in order to seek out new business opportunities. In 2009, this group's radiologist owners were concerned about its ability to grow revenue during a difficult economic time period. Also on their minds was the fact that Radiology Alliance had recently spun off their radiology therapy service – and, therefore, the revenue that had once been generated from that area of their practice.

Challenge

Radiology Alliance had already determined that their legacy billing system was difficult for new staff to learn, didn't provide automation features required to maximize billing productivity, and had a technical limitation that prohibited the practice from additional growth.

It didn't help that their legacy billing system had cumbersome reporting capabilities, which meant that Keith Radecic, chief executive officer at Radiology Alliance, was spending 40 hours a month creating the necessary financial measurement reports that he needed to make sound business decisions.

The key to Radiology Alliance's sustained revenue growth was a state-of-the-art billing system that would allow them to improve their key performance metrics while decreasing their billing cost per CPT code. Radecic and others at Radiology Alliance also realized that they needed a robust business intelligence system that would eliminate the many hours it took to generate reports.

Success would mean that Radiology Alliance could seek new business opportunities, conduct detailed research to identify and resolve existing problems, and improve physician quality of life.

Solution

Radiology Alliance chose to partner with Merge for the following solutions: Merge Financials™ for their billing platform, Merge Dashboards™ for its robust reporting capabilities, Merge RIS™ for optimizing workflow at their four imaging centers, and Merge Documents™ for ensuring a paperless workflow throughout their practice.

With these solutions in place, Radiology Alliance has realized a reduction in FTEs, reduced Accounts Receivable days, increased gross and net collection percentages, and overall revenue growth.

Benefits

"As a result of Merge's suite of solutions, our group has been able to control our cash flow on a month-to-month basis," said Radecic. "In fact, we were able to grow our revenues in 2009 – despite a drop in overall charges.

"For example, the billing cost per CPT code dropped to \$2.65 from \$3.75, which represents a 30 percent decrease in cost – and this has a direct impact on our bottom line," continued Radecic.



+ *“As a result of Merge’s suite of solutions, our group has been able to control our cash flow on a month-to-month basis,” said Radecic. “In fact, we were able to grow our revenues in 2009 – despite a drop in overall charges.”*

Keith Radecic,
Chief Executive Officer
at Radiology Alliance

During this time, Radiology Alliance was able to reduce FTEs by 15 percent – or six people – and reallocate a former billing FTE to a much-needed customer service role. The group was able to reallocate resources because they were maximizing the use of automation features such as charge capture, automated payment posting, denial management, and streamlined Accounts Receivable follow up.

Given that their group had a top-notch billing staff, this improved workflow allowed them to decrease billing costs to \$2.65 from \$3.75 per CPT code, reduce days in Accounts Receivable from 56 to 43 days, and increase their gross collection percentage by 3 percent.

With the level of insight provided by Merge Dashboards’ canned and ad hoc reports, Radecic has been able to reduce the time he had once spent generating the reports that he uses to drive continuous improvement throughout the group.

In a tough economic environment, Radiology Alliance has refocused its efforts on factors within its control. For example, the practice quantified and leveraged claim denial data out of Merge Dashboards to improve data quality received from their hospital contracts, which resulted in decreased denial rates and faster cash flows for both parties.

“Finally, I now save more than 20 hours each month on reporting, which allows me to study the areas that impact the profitability of the practice – physician productivity, reimbursement, and medical necessity denials,” said Radecic.

Innovation

With Merge’s imaging IT solutions, outpatient imaging centers and radiology groups can realize savings and efficiencies from scheduling through billing. The tight integration between Merge RIS, Merge PACS, Merge Documents, Merge Reach, Merge Financials, and Merge Dashboards can deliver positive results to the bottom line of virtually any ambulatory practice.

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