

A Healthy Recovery Case Study

Nationwide, hospitals continue to face relentless financial pressures and many are unable to operate on the patient-care revenue they receive. Office of Statewide Health Planning and Developments (OSHPD) data indicates patient revenues to hospitals for services rendered have declined for two decades. This means hospitals must rely on other revenue sources to offset the losses incurred through reimbursement for patient care. Despite the unique business environment in which hospitals operate, the measure of a viable business is not unique to health care. Revenues must offset expenditures for hospitals to remain solvent.

How One Customer Improved Their Cash Flow By 74%

Overview

A large medical center and not-for-profit hospital had increasing challenges with undeliverable mail due to bad addresses. Customers underestimated the impact of correcting this challenge on cash flow and their internal procedures.

Previous System:

Once a statement was returned due to a bad address, the admitting department received the returned piece for further research and corrections. Due to limited resources, little or nothing was being done with the undelivered statements. The MIS department was outsourced, with the process print and mailing under the umbrella of the outsourcer. Limited resources were being used to eliminate and/or correct bad addresses from the front end. This created a larger challenge for the back office.

Proposal:

The PLD Group proposed to go through all undelivered statements to determine if their 'undeliverables' service would benefit the customer. A trial test was conducted. The test concluded that over 90% of the bad addresses could be corrected and updated.

Benefits of Program:

After 9 months into the 'undeliverables' program:

- Success in finding updated/correct addresses remained at the estimated 90%
- Updated addresses were found for over \$5,000,000 in invoices marked as 'undeliverable'
- Compared to the previous system, customer cut cost by \$875,000
- Follow-up with receivables department illustrated:
 - When updated address was found
 - 74% of patients paid invoice
 - When updated address was not found
 - 73% of balances were written off to bad debt
- Identified error-originating departments for slotted future training
- Presented semi-annual business review with successes, challenges, and bench marks for internal and external corrections and solutions

Summary:

Our services are not for everyone. Only healthcare associates who are serious about improving their bottom line. **If you are serious call us today!**

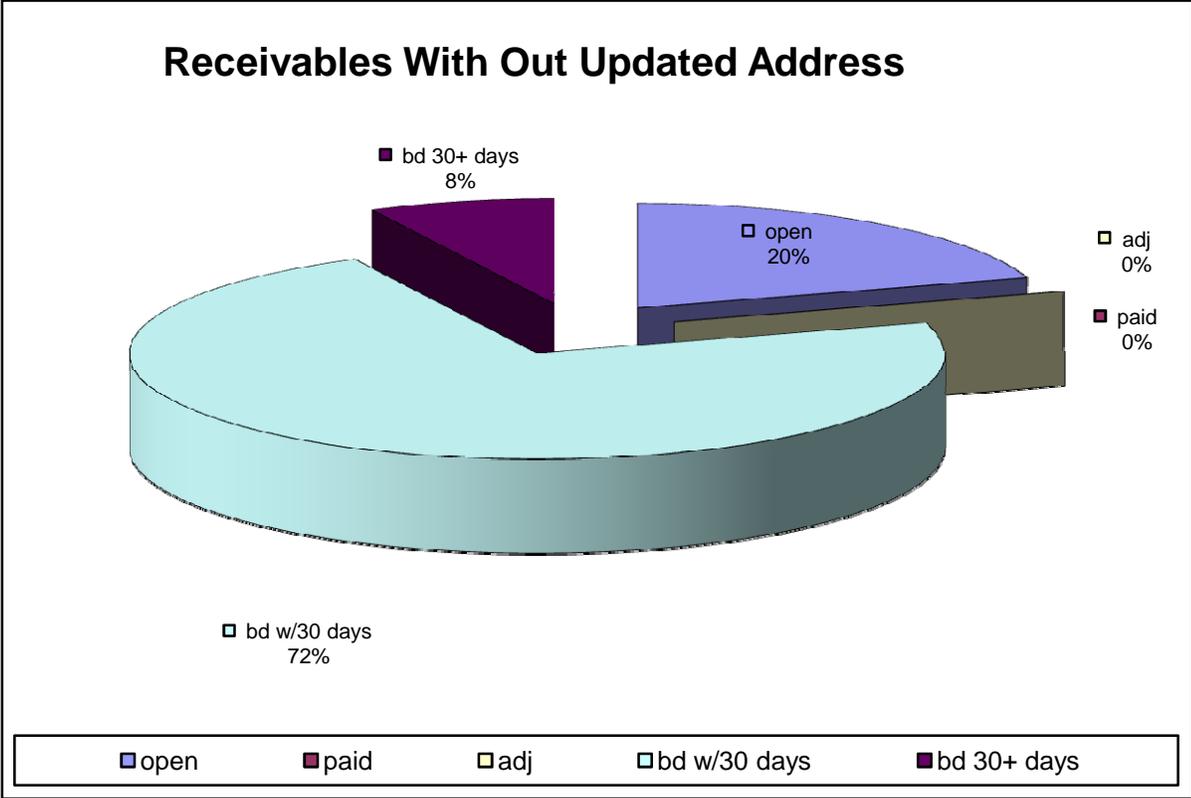
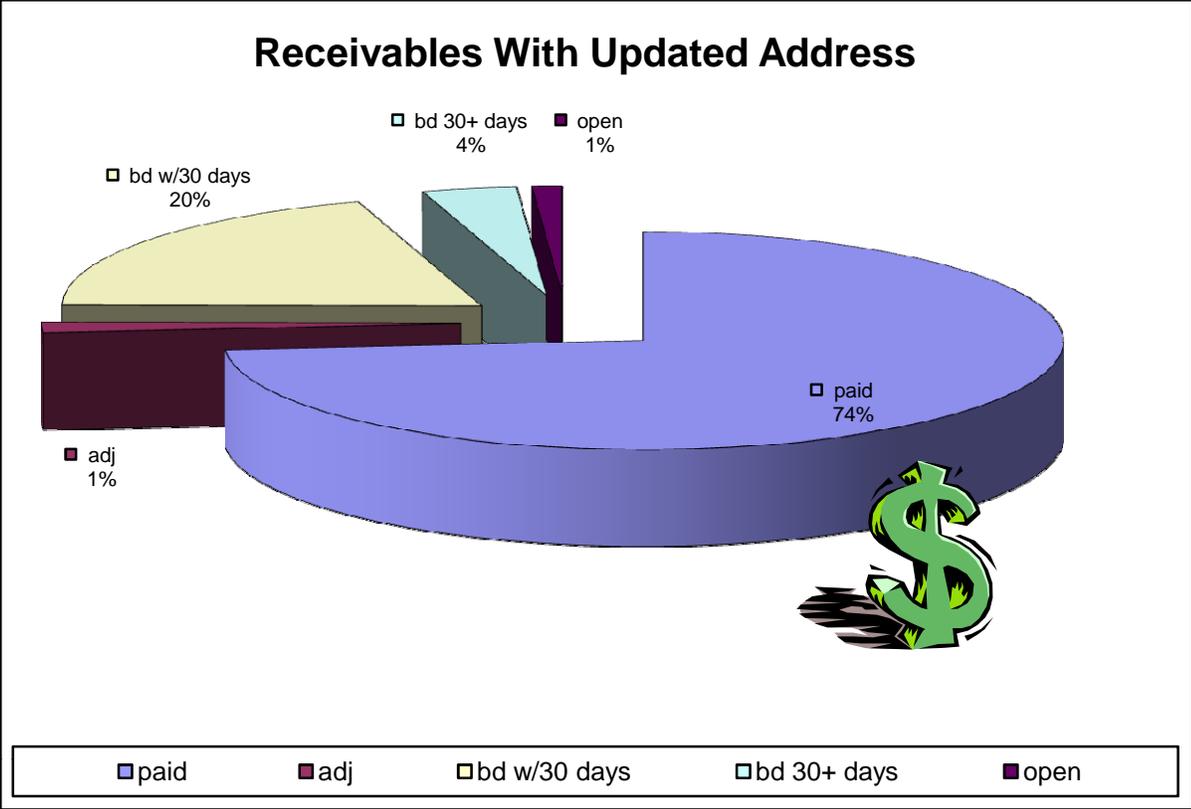


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How To Turn Your Bad Addresses Into Positive Cash Flow



charts represent actual client using The PLD Group Inc. "undeliverables" services