

# Energy Development-Perspectives from the Healthcare Industry

September 3, 2015

North Dakota Legislative Management

Daniel Kelly, CEO



# Our Need To Thrive

- Population to triple in the next 15 years
- Healthcare is critical to a growing community
- Residents want and need healthcare closer to home



# Operational Issues

1. Wage pressures
2. Lack of affordable housing
3. Lack of affordable daycare
4. Astronomical increases in Emergency Room Visits
5. Increased use of locum providers and traveler staff
6. Increased Trauma and overall emergency room acuity
7. High turnover in business office and similar positions
8. Lack of properly trained business office staff
9. Mounting Bad Debt

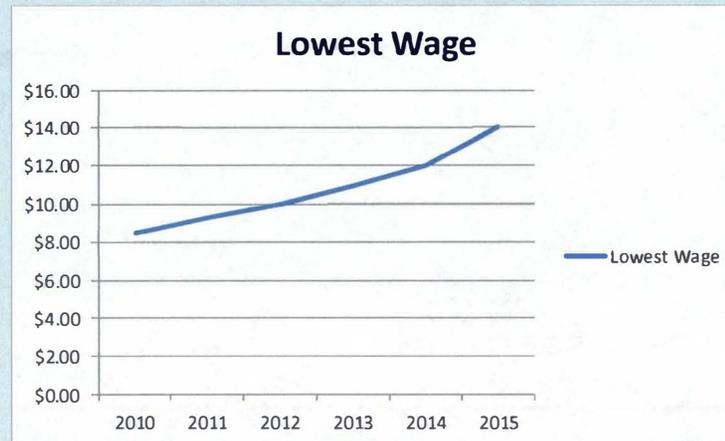
# Wage Pressures

## Issues:

1. High staff turnover
2. Heavy reliance on agency staff
3. Limited pool of candidates

## Address:

1. Added Benefits, i.e. wellness center, and umbrella plan
2. Pay 80% of health insurance regardless of single or family plan
3. Increased wages.



# Lack of Affordable Housing

## Issues:

1. Two bedroom apartments rent for \$2,200.00 per month
2. Demand outstrips supply

## Our Address:

1. Secured \$1.83 million in Housing Incentive Fund dollars
2. Built a 24 unit employee apartment building
3. Also own:

- a. Five townhomes
- b. An Eleven Unit Apartment Building
- c. Five mobile homes
- d. A Six unit apartment
- e. Home rented by a medical provider
- f. Three other single family homes



# High turnover in business office and similar positions

## Issues:

1. Could not hire or retain business office personnel
2. In 2007 we were billing limited insurance plans. We now have Individuals presenting from all over the United States and several foreign countries

## Address:

1. Outsourced billing
2. Outsourced collections
3. Outsourced coding

## Our choice of vendor:

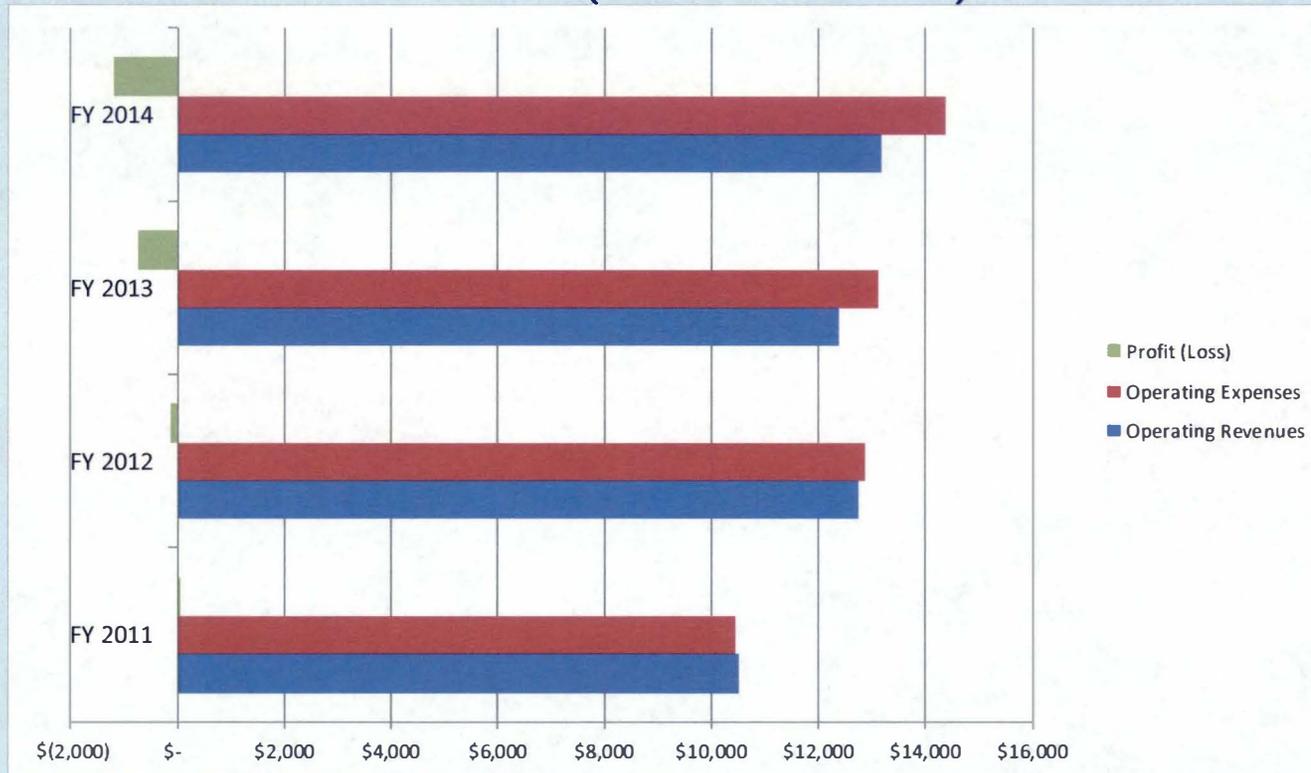
**HRG-Healthcare Resource Group**



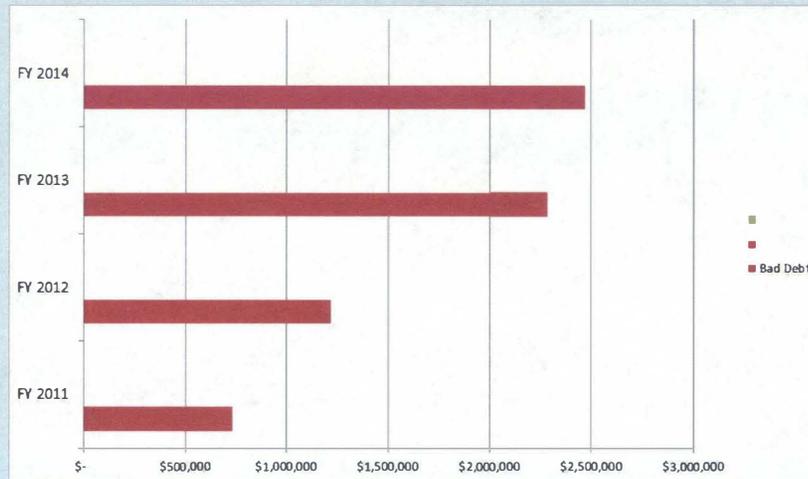
# Mounting Bad Debt



# Profit and Loss- FY 2011-FY 2014 (thousand)



# Bad Debt- FY 2011-FY 2014 (thousand)





## Trend is non-Sustainable

- Vast majority of bad debt was associated with emergency room care.
  - EMTALA
  - Changing community demographic

# Our Address of the Issue

- Utilized Legislative Funding to Implement Emdeon- allows registration staff to verify last known address and insurance information.
- Implemented up front collections at the clinic and ancillary departments
- Emergency Room collection once patient is assessed and stabilized



# Updated Emdeon

The screenshot shows the Emdeon Assistant web application interface. The browser address bar displays <https://assistant.emdeon.com/Center>. The page title is "Adhoc Eligibility". The interface includes a navigation menu with "Adhoc" and "Transactions" tabs, and a dropdown menu for "Adhoc" containing "Address Verification", "Eligibility", and "Payment Predictor". The "Payment Predictor" option is selected, and a sub-menu shows "PRE" and "Emdeon Payment Predictor". The main form area is divided into sections: "Subscriber" with fields for Patient Last Name, Patient First Name, and Patient DOB; "Encounter" with fields for Guarantor LN, Guarantor FN, Guarantor MN, Guarantor Addr, Guarantor City, Guarantor State, Guarantor Zip, Guarantor SSN, Guarantor Phone, Guarantor DOB, Patient MRN, and Pat Acct #; and a bottom section with fields for Pet Type, Svc, Diag Code, Payer ID, Plan, Pat Resp Amt, Copay Amt, Copay Pct, Deduct Amt, Ins Type, User Name (skelly@mcchond.org), and Addt Info 1. A "Get Current Patient" button is visible on the right side of the form.



# Outsourced

- Outsourced billing
- Outsourced collections
- Outsourced coding
  
- Our choice of vendor:
- **HRG-Healthcare Resource Group**



# Up front clinic and ancillary collections

Started up front collections in the clinic

Approximately two months later we implemented up front collections for outpatient non-emergent services

Now also, collecting for emergency room visits once the patient is assessed and stabilized.



# Emergency Room collection once patient is assessed and stabilized

## Healthcare Happenings

An update from Dan Kelly, CEO of the McKenzie County Healthcare Systems, Inc.

The McKenzie County Healthcare System has incurred slightly more than \$1,000,000.00 in bad debt write offs for services provided in our emergency room for the past nine months. This circumstance forces us to implement collection of payment from those persons using our emergency room. Once an individual has been assessed and stabilized the McKenzie County Healthcare Systems, Inc. will collect insurance copays and deductibles, as well as an initial deposit from self-pay patients.

To comply with federal and state regulations you will be assessed and stabilized by our emergency room provider. Once assessed and stabilized, our staff will request payment for your insurance copay or deductible. If you do not have verified insurance coverage an initial deposit of \$500 will be charged prior to our provider proceeding to write prescriptions or provide additional services.

The McKenzie County Healthcare Systems, Inc. has received the following guidance from the Centers for Medicare & Medicaid.

*The CMS EMTALA (Emergency Medical Treatment and Labor Act) Lead states:*

If an individual presents to the ED and an MSE (Medical Screening Examination) is performed to determine either: 1) there is no EMC (Emergency Medical Condition) or 2) there is an EMC and stabilizing treatment has been provided, the CAH's [Critical Access Hospital] EMTALA obligation will have ended. The ED can then inquire about payment status, request payment, or direct the individual to another source for additional care...There are no obligations under the CAH CoPs (Conditions of Participation) after the EMTALA obligation has been fulfilled to continue providing services to outpatients.

We regret having to implement this policy but the significant increase in non-payment of services threatens the future of this healthcare system.



# Emergency Room collection once patient is assessed and stabilized

## EMERGENCY ROOM PAYMENT PROCESS



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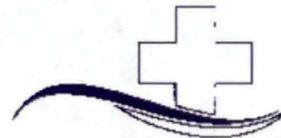
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**McKenzie County**  
Healthcare Systems, Inc.

03-14



**McKenzie County**  
Healthcare Systems, Inc.

# Coming in 2017!



# It takes a village

- ❖ We are appreciative of the financial assistance we have received from:
  - ❖ North Dakota State Legislature
  - ❖ Watford City
  - ❖ McKenzie County
  - ❖ Citizens of McKenzie County
  
- ❖ We could not have undertaken these projects without this financial assistance!
- ❖ McKenzie County Definitely has “skin in the game.”



# Watford City a great place to call home!

Questions?

