

BEACON LIGHT BEHAVIORAL HEALTH SYSTEMS

OVERVIEW

Beacon Light Behavioral Health Systems faced challenges common among multi-service agencies that lack an integrated financial information system. Their three separate billing systems, each used by different agency programs, could not speak to each other and did not match their clinical records. This meant they often had to search through numerous records and balance their books by hand – a time-consuming process. In addition, Beacon Light's financial information system generated a large number of denied claims, many of which had to be written off due to the inordinate amount of time required to research and correct them.

Beacon Light recognized the need for a fundamental change in the way it conducted its financial operations. They chose Defran's integrated case, clinical & financial management software to solve their billing challenges. This case study will discuss how Beacon Light collaborated with Defran to implement an electronic system that improved cash flow, reduced data-entry and administrative man-hours and ultimately increased overall revenue.

CLIENT PROFILE

Beacon Light Behavioral Health Systems is a private, not-for-profit social service agency that provides quality professional, educational and behavioral health services to over 800 young people and adults with mental retardation and developmental disabilities each year. Offering a wide continuum of care, Beacon Light serves individuals across Northern Pennsylvania through its many programs, including Emergency Shelter Placement, Residential Treatment, Alternative Education, Community Based Wraparound, Outpatient Services and long-term residence.

THE CHALLENGE

Beacon Light's different billing systems did not communicate with each other. Their billing and remittance posting was a manual, time consuming process. Remittances were often five-hundred pages or more, which necessitated forty hours of work to post. As a result, financial activities usually occurred months after the service was delivered, which made it difficult to track down financial inconsistencies. It often took weeks to discover the reason behind a denied claim.

The already overburdened billing staff often did not have the time to investigate denied claims, so Beacon Light was forced to write off a significant number of them – money that could have been better used to serve more clients. A.J. Lucas, Data Specialist/Evolv-CS Project Manager, recalls, "One person would spend two days looking for a fifty-eight dollar mistake in a seven-hundred page remittance, a mistake often caused by human error or overbilled services to begin with. We were spending much more time on issues like this than we should have."

SOLUTION

Defran Systems provided a solution that resolved Beacon Light's problems resulting from working with several non-integrated financial information systems. Defran's integrated solution links and stores all clinical and financial data in the same database. The software automatically creates and codes claims based on service data entered by clinical staff. This streamlined process eliminated duplicate data entry, better utilized staff resources, and minimized human error.

Defran's enterprise-wide integration ensures that billing staff can easily track down denied claim errors. Rather than making phone calls and investigating months-old records to find the source of the problem, Defran's electronic tracking capability makes it easy to see where a mistake was made and to hold the responsible staff member accountable. Defran's billing authorization functionality also ensures the staff does not provide services in excess of those the client has been authorized to receive,

"The number of denied claims has dropped with Defran. We can determine the reason for denial in thirty minutes. It used to take weeks and months to research."

A.J. Lucas
Data Specialist/Evolv-CS Project Manager



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RESULTS

Beacon Light has shown strong overall and financial performance improvements since they began billing with Defran in September 2010. The number of denied claims has dropped significantly. They can now determine the reason for a claim's denial much faster, spending an average of thirty minutes per claim instead of weeks or months.

"Posting a remittance used to take two days with three people working on it," Mary Copeland, Purchasing Manager/Evolv CS Financial Manager, says. "Now it takes thirty seconds. From a cash flow perspective, this quick turn-around time is absolutely amazing."

And since Beacon Light's billing staff is spending less time on administrative work, they have reallocated that time to correcting and rebilling their denied claims to capture revenue that otherwise would have been lost.

Lucas adds, "We have definitely felt this in our revenue numbers."

Beacon Light's increased revenue is a direct result of the efficiencies Defran's system has brought to their financial operations.

"I will admit, I was a little nervous the first time we submitted an electronic bill. But we successfully received our remittance within a week. Sometimes it's hard to believe we did this any other way."

A.J. Lucas
Data Specialist/Evolv-CS Project Manager