

White Paper

AR Work Down

A New Legacy: Efficiently Managing Your System Conversion A/R Data Costs

Hospitals and other healthcare organizations should consider an innovative, cost-effective new method when addressing the need and challenge to replace legacy systems: A/R Work Down combined with Data Archiving. This two-pronged strategy combines highly trained staff specializing in A/R liquidation and an active data archiving solution that:

- Ensures cash collection remain at or exceed current performance
- Allows revenue cycle leadership to focus on successful implementation and training
- Expedites early retirement of the old legacy system

The System Conversion Challenge:

The need to replace aging legacy or “interface engines” with a less expensive, more integrated health information system (HIS) to meet new requirements and improve productivity is an issue affecting hospitals and healthcare organizations all across the country.

Legacy system conversion affects all health-care organizations large and small, from hospitals to physician groups, and commercial laboratories to public health agencies.

Why will hospitals put themselves through time-consuming, often complicated conversions to implement new computer platforms? The old legacy processes simply do not support process improvement and automation, and will not meet the organization’s future business requirements.

Advances in technology, the mandate for Electronic Medical Record adoption and the demands of the ever-changing healthcare environment have created these needs.

Healthcare providers today require adaptive systems that can meet new government regulations and regulatory compliance requirements, sync with modern technologies such as electronic data interchanges, and consolidate data as a result of business mergers, acquisitions and affiliations.

In fact, hospitals must update their computer systems every 10 years on average to remain current with industry trends or meet new federal guidelines such as ICD-10.

A modern HIS solution allows hospitals to achieve competitive advantages, increase flexibility and reduced costs, improve patient experiences, enable process efficiencies across the business, and enhance patient care.

Retaining Maintaining Legacy System Costly:

Yet, many hospitals are resistant to change. They often prefer to maintain the unique properties and applications in their legacy systems developed prior to the introduction of shared national standards. These systems were often designed for the particular needs or tasks of a hospital or other healthcare facility, yet offered limited interoperability capabilities, and were not intended for use in industry-wide applications.

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When healthcare organizations implement a new HIS, decision-makers often find it difficult to part ways with the legacy application.

Additionally, there are valid reasons to retain these legacy systems in some form and for a period of time to maintain access to vital data for billing purposes and retention laws.

It can cost millions of dollars for hospitals to support obsolete or old legacy systems

Federal and state regulations require the storage of patient health information for at least five years and often longer. HR staff must keep records for at least a decade, and hospital accounting staff require access to long-term accounts for A/R purposes. However, maintaining legacy data is costly as the facility evolves, requiring constant system upgrades and improvements. These old platforms impede growth and take vital resources away from new ones.

Even legacy systems that can be maintained today will become increasingly more difficult to support, afford, and keep compliant in the future. As legacy applications are replaced, an already busy IT staff is now tasked with managing a complex blend of several legacy platforms. In fact, some reports show that on average as much as 60 to 80 percent of IT budgets are spent on maintaining legacy applications and their mainframe components.

With regard to revenue cycle, only some of the legacy system functions are necessary to manage the old accounts. However, the time needed to keep old information platforms in operation is better spent on the new HIS. It can cost millions of dollars for hospitals to support obsolete or old legacy systems and data loss can lead to noncompliance exposure and cash flow issues.

Hospitals can significantly cut maintenance and administrative costs by retiring legacy hardware. An A/R Work Down and an active Data Archiving solution can eliminate the need for this legacy application, making conversion easier and more cost-effective.

An Innovative Approach:

Once the decision is made to implement a new computer system, the to-do list can be overwhelming. Tasks include managing cash flow during pre and post conversion, determining available resources to work current A/R, properly planning for the implementation, training staff on the new platform, and managing and housing old A/R.

A major challenge during conversion is managing the HIS implementation and the A/R simultaneously, and ensuring that both tasks are performed successfully. It's a difficult project because the new A/R system relies on the older legacy data host during transition.

To address these issues, many hospital executives are turning to experienced vendors to provide an A/R Work Down and Data Archiving Solution to save support costs, and ensure record retention and compliance for years to come – without having to maintain the old system.

It can cost millions of dollars for hospitals to support obsolete or old legacy systems. This process combines highly trained staff specializing in A/R liquidation and cash acceleration with an active data archiving solution that:

- Provides a cost effective alternative to working post conversion A/R internally with limited disruption to staff, users or patients
- Assures that pre and post conversion cash collections stay at or exceed current performance
- Allows revenue cycle leadership and key personnel to focus on successful implementation and training
- Offers an active data archiving solution that allows for early retirement of the old legacy platform to reduce high maintenance costs

Hospital staff who attempt to handle A/R themselves often regret it

Hospital staff who attempt to handle A/R themselves often regret it. Using an experienced partner ensures hospitals receive A/R work down before system conversion happens so that old receivables are removed from the old host. It speeds the process of moving from legacy systems into a data archiving solution. The A/R Work Down vendor also will conduct data validation to ensure everything maps accordingly.

Rather than being converted, as is common with traditional data warehousing applications, information is migrated from the legacy system into an active data archiving solution. The Pyramid data archive is an advanced, centralized software framework for accessing legacy records from disparate platforms. Once operational, personnel use the data archive in the same manner as the legacy system to review all vital hospital data such as patient records, accounting records, clinical detail and more.

The old legacy HIS runs for several months for use in patient accounting data sets after the new HIS is operational. By using a partner, IT staff are trained and prepared as the new HIS is installed. Then, after all of the A/R is worked down, the active and non-active accounts are migrated into the Pyramid data archive. Any remaining active accounts are worked by the hospital staff and the legacy platform is shut down.

Pyramid Healthcare Solutions, a division of Anthelio Healthcare Solutions, offers an A/R Work Down and Data Archiving Solution that provides up to an 80 percent reduction in legacy maintenance costs by retiring the old application earlier. This approach also results in consistent cash flow during and immediately after system conversion, and increases the likelihood of successful system implementation.

Our Success Story

Hospitals nationwide are choosing an A/R Work Down and Data Archiving solution to maintain information records, and make legacy system conversion easier and more cost-effective.

To illustrate, Catholic Health Partners (CHP), one of the largest non-profit health groups in the U.S., utilized the strategy effectively after the sale of six of the group's hospitals in Tennessee. CHP elected to maintain the receivables from the sale, and sought a solution to store the data from its legacy platform and continue working its A/R. Shawn M. Pitré, Corporate Director, Revenue Cycle Operations for CHP, partnered with Pyramid Healthcare Solutions, a division of Anthelio Healthcare Solutions. "We needed to minimize cost post-sale of our previous data host systems, and selected Pyramid to handle the A/R work down, migration from the active host product to an active data archival solution," said Pitré.

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Pyramid personnel provided troubleshooting, identified mapping, and ensured data validation while working either in the host platform or post migration to the data archive. Pyramid's support for the active receivable portfolio included patient services, account coding, billing, customer service, vendor management, migration validation and more.

Pyramid utilized A/R wind down in concert with portfolio management to exhaust all receivables. Once completed, Pyramid moved the data to a static environment for the required seven to 10 years of data retention.

"We set high expectations for our vendor partners, Pyramid met our goals – exceeding our net collectability expectation on this receivable portfolio," said Pitré. "Utilizing an A/R Work Down and Data Archiving solution makes sense for any healthcare entity. Otherwise, you are maintaining the cost of the old system, which is not a practical solution."

Conclusion

Hospitals should consider utilizing an A/R Work Down in tandem with an active Data Archiving solution to eliminate the need for legacy systems, making conversion easier and more cost-effective, and offering improved business productivity. This approach assures consistent A/R cash flow during and immediately after HIS conversion, and increases the likelihood of a successful data system implementation. Records remain active for continued billing and reporting and users have all the necessary functionality of their old HIS without the unnecessary maintenance expense.

Anthelio Healthcare Solutions

Anthelio is a driving force in the healthcare industry and is the largest independent provider of healthcare technology solutions to hospitals, physician practice groups and other healthcare providers. By provisioning hospitals across the US with innovative solutions in the areas of IT, EHR, HIM, Revenue Cycle Management, Patient Engagement and Enterprise Interoperability (EI), Anthelio impacts quality care to over sixty million patients. The acquisition of Pyramid Healthcare Solutions broadens Anthelio's RCM service offerings while expanding its Medical Coding, Coding Audit, Clinical Documentation Improvement and HIM outsourcing services powered by cutting-edge technologies and thousands of healthcare professionals with extensive clinical and operational experience, Anthelio drives sustainable value to over 63,000 physicians and nurses in hundreds of healthcare organizations supporting their annual revenue of over \$67 billion.



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