

Joint Replacement Programs: Identifying Revenue Enhancement Opportunities >

For hospitals to effectively manage revenue, it is critical to understand their payer mix, key payer contract provisions and reimbursement rates. Accelero partnered with a 344-bed hospital in a metropolitan area, and identified a significant opportunity to increase revenue per case by improving the reimbursement for a key payer contract.

LEVERAGING DATA AND TOOLS

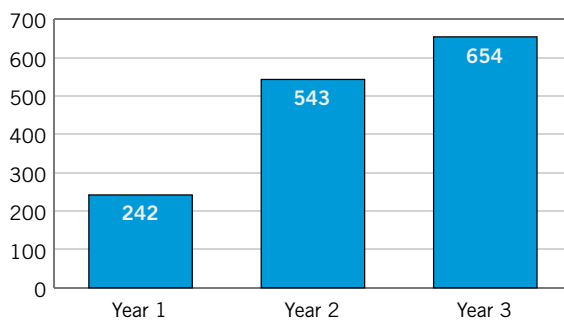
Using Accelero's *OrthoVal*® service line intelligence tool, the joint replacement team identified that the hospital's largest commercial Medicare payer was reimbursing cases at a lower rate than the Medicare case rate. In addition to the lower reimbursement per case, the contract had a "pass-through" provision which stipulated that the implant cost of the joint replacement must meet a specified cost threshold to qualify for reimbursement. Their negotiated implant prices were below the threshold, and as a result, the hospital was failing to capture revenue for a service it was providing.

ACHIEVING RESULTS

The hospital finance department renegotiated the pass-through and changed the contract to a DRG payment rate. The revenue increase was \$780,000 per year, and continued to grow as the hospital worked with Accelero to increase joint replacement volume 170% in two years. All this while managing to a 3-day length of stay and maintaining high quality performance levels.



Major Joint Replacement Cases



Net Revenue per Case for Major Joint Replacement

