



## HEALTH CARE

Health-care providers are looking at changes in their billings systems as a way to cut costs without hurting patient care or trimming their employment ranks.

**PAGE 35L**



The Dallas Morning News: Helen Jau

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# Providers submit billings to thorough examination

## Many hope emphasis on collections will save jobs

By Carla D'Nan Bass

Writer of The Dallas Morning News

Hospitals and other health-care providers are looking at new ways to cut costs without firing employees. And billing departments are benefiting from that effort.

Improved billing procedures may be key in saving in millions of dollars that are due hospitals and doctors, said Cynthia Marcotte Stamer, an employment law attorney with Locke Liddell & Sapp in Dallas.

Ms. Stamer, who often advises health-care information specialists on how to get the most out of fee collections, said inefficient billing systems can cost hospitals millions in lost or delayed revenue — all for the want of some simple computer modifications.

"If there is no one else on the employee side to cut, we must switch sides," Ms. Stamer said, referring to the change in emphasis.

Many hospitals have been struggling with fee collections since Congress passed the Balanced Budget Act of 1997, which cut Medicare reimbursements to health-care providers. At the time, providers were already struggling with the billing complications imposed by ever more stringent managed care programs.

Industry workers say the combination of the Balanced Budget Act and managed care has made it crucial that hospital workers get all the money they're legally due.

But not all health-care billing departments know what's due them, Ms. Stamer said.

She said she's worked with hospital clients who didn't know that they were owed up to \$20 million dollars from insurance companies and federal medical programs.

Jon Hilsabeck, senior vice president of the Texas Hospital Association, said such stories have spurred administrators to take action.

"The CEO of a major health-care system said recently in a speech that 'we will not pursue payment of that which we are not entitled, but for that which we are entitled, we will vigorously pursue reimbursement,'" Mr. Hilsabeck said.

He encourages hospitals to adopt such attitudes because there isn't much room for cost cutting, especially when it comes to health-care employees.

"Health care is very labor intensive," Mr. Hilsabeck said. "If costs have to be cut, well, where do you find your preponderance of costs? It's in labor."

But those costs can only be cut so much before patient care is hurt, he said.

"I think the lean had been cut into," Mr. Hilsabeck said. "There have been services eliminated."

Sometimes, officials said, billing problems are brought on by carelessness and lack of oversight.

In an extreme case, Northwest General Hospital in Milwaukee found \$6 million worth of bills had been stuffed into boxes and never mailed. Officials blame the lapse on turnover in the billing department.

"You need systems in place every step of the way," said Pamela G. McNutt, systems vice president and chief information officer at Methodist Hospitals of Dallas.

"Every step of the way, you need a computer system looking at sophisticated algorithms to tell you if you have matched up the right codes to get the reimbursements due to you."

Ms. Stamer said her hospital clients need new information technology to improve their reimbursement processes.

For hospitals, she said, "The ability to deal with money in health care is the difference between life and death."