

Plano Orthopedic & Sports Medicine Center is saving \$75,000 a year by using an SNB Digital Lockbox.



**SNB CASE STUDY:
SNB DIGITAL LOCKBOX**

Manually processing paperwork for 62,000 patient visits a year was negatively impacting cash flow at Plano Orthopedic & Sports Medicine Center. Its search for a high-tech solution led it to an SNB Digital Lockbox. Now, an automated document handling process is enhancing customer service, increasing staff efficiency, and helping resolve accounts faster.

Plano Orthopedic & Sports Medicine Center (POSMC) is a full-service medical facility specializing in the evaluation and treatment of orthopedic injuries. Established in 1977 with a staff of four, it has since grown to include nine physicians and a support staff of over 85. Currently the practice has about 62,000 patient visits per year, ranking POSMC in the 95th percentile nationally as far as throughput is concerned.

With between 240 and 250 patient visits per day, each one generating a claim, then a check and eventually an Explanation of Benefits (EOB), POSMC was dealing with a significant volume of paper each day. The files for just one day of patient visits were eight inches thick.

Originally, POSMC staff handled the mail and paperwork in-house, but the process was labor-intensive. Besides the efficiency and workflow issues created by this unwieldy process, cash flow was an issue as well – it would take about a week to get funds in the bank once they came in-house. This delay resulted from the manual process of copying, sorting and posting that took three staff members a week to complete. “In this high-tech world, we were using the most labor-intensive way to get money into the bank,” states Mike Newcum, Executive Director of POSMC.

In an effort to improve efficiency, POSMC tried a lockbox service from the bank it was using at the time. The service did get the money in the bank faster, but all remittances went into a single account, leaving a substantial amount of work for the POSMC accounting staff to tie EOBs to

what had been paid, then split the deposits into individual physician bank accounts. “We were looking for a different financial institution that was more high-tech, more available to working with our practice management software, and could do more things,” said Sebea Goodman, Accountant for POSMC.

Discovering a Better Solution
When POSMC embarked on a journey to transition

to a high-tech document imaging solution that would help reduce internal costs, it started at its current bank at the time. Newcum quickly learned that the bank where POSMC maintained its accounts was years away from even considering some sort of imaging solution. So POSMC began to evaluate several area banks to find one that could provide a document imaging solution. “It was an exhausting process,” said Newcum. “There were nine or ten banks we talked to originally, and there were two or three that couldn’t meet the minimum criteria. We spent four to six months going through the analysis of the costs and meeting with bank



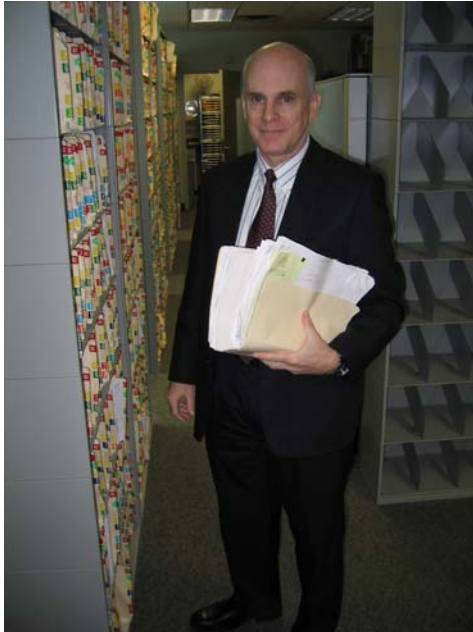
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representatives and having them analyze our processes and procedures.” Imaging was the primary consideration for making a decision, and the importance of imaging caused many banks to drop out of consideration. Some of the banks POSMC considered indicated they would provide an imaging solution soon; another was very close and had in fact already bought the equipment. “The whole idea was to find a high-tech bank that was willing to work with us and our needs, and help us evaluate our processes to see which could be the most efficient,” said Newcum. “And obviously, lower our costs and our costs with our banking representatives.”

Mike Newcum, POSMC Executive Director



The decision to establish a banking relationship with SNB and use its Digital Lockbox service was ultimately made by the physicians on the POSMC board. “To have a bunch of doctors change banks is almost impossible,” said Newcum. “It is a huge decision, because they have banking relationships built up over the years with their existing bank, they have loans in place, they have relationships, they have friends there. The economic savings and efficiencies were so apparent that they unanimously voted to change banks. For a bank to be that superlative is a rarity.”

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SNB Digital Lockbox Comes Online

POSMC transitioned to the SNB Digital Lockbox service in May, 2003. The business office was one of the first groups within POSMC to experience the efficiencies of automated document handling. The impact was felt in the daily interactions with patients who don't understand an EOB or why they owe money. Prior to using the SNB Digital Lockbox service, POSMC employed a full-time employee whose responsibility it was to search through files and find documents necessary to address patient inquiries, a tedious and labor intensive process. “By having documents scanned and the ability to find them online relatively easily by entering some data, the documents are there,” said Newcum. “You can look at the EOB. If they still don't understand it, you can print it. You can answer questions right when the patient is on the line, not having to call them back in three hours when you can find this piece of paper, and hope you can do it.”

The staff of POSMC found using the SNB service simple. All that is required is an Internet connection. Staff log-in to a secure, encrypted site, fully HIPAA compliant, to view documents. The SNB Digital Lockbox allows POSMC staff to search for documents a number of ways, because the scanned documents are indexed.

The use of SNB Digital Lockbox services has reduced the need to double-check paperwork by 90 percent. The document imaging capabilities of the SNB service allow the POSMC collectors and researchers to go online, review what was posted or deposited, research what an EOB says. This capability alone accounts for a significant



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reduction in staff time since POSMC began using the service.

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Advantages

With EOB and other information available online, customer service has improved. POSMC staff are now able to respond to patient inquiries without having to first research them and then call patients back. Phone call volumes have dropped 30 percent as a result of being able to answer patient inquiries the first time they call.

Providing POSMC staff with online document access has made them more productive. POSMC has employed the same number of patient account representatives for the past two years, but the number of physicians has increased by three during this same time, creating more patient visits and paperwork. But Newcum has not had to add staff because of the way paperwork is processed by the SNB system.

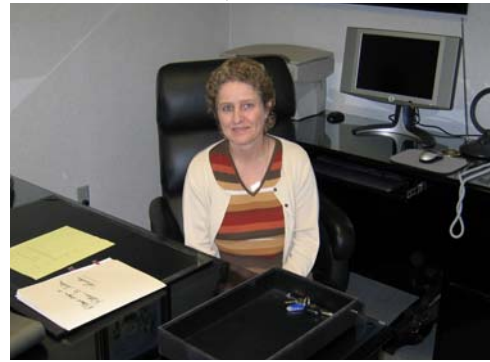
“During the first few weeks of using the imaging service, we asked the account reps to sample their time spent getting files,” said Newcum. “Each rep spent about an hour to an hour and 15 minutes a day trying to find paperwork, in addition to having a full-time clerk to help them do this.” Now, POSMC patient account representatives spend more time with patients instead. The efficiencies have effectively contributed the equivalent of a full-time staff person to the operation.

Another benefit of the SNB Digital Lockbox and document imaging is in evidence in Accounts Receivable, where the balance also has dropped. “The average receivables balance in national studies for accounts over 120 days runs around 22 percent – that’s a lot of old accounts,” said Newcum. “Our old accounts receivable runs around two percent. There are multiple factors, but I think this [document imaging] is a piece of

it, because you are able to get the accounts so much faster, so much more efficiently.”

POSMC can resolve accounts much faster when a bad debt is a likely outcome. When account representatives are talking to a patient in this situation, they can look at the information online, such as the EOB, and make an immediate determination about what to do with the account so it doesn’t become an old receivable. POSMC now ranks in the top two or three percent of all orthopedic practices in the United States where Accounts Receivable are concerned.

Sebea Goodman, POSMC Accountant



The Bottom Line

POSMC initially realized between \$800 and \$1,000 per month in hard costs by transitioning to SNB Digital Lockbox with document imaging. In addition to this \$10,000 per year in savings, POSMC now has two or three times the workflow capacity at current staffing levels. In addition to these hard cost savings, there are savings from not having to add personnel to the business office, which Newcum estimates at \$65,000 per year. In total, POSMC is saving approximately \$75,000 per year by utilizing document services from SNB.

“The physicians kind of blinked when they saw the cost savings – it was dramatic,” concluded Newcum.