

Electronically reprinted from March 17, 2010

InformationWeek Healthcare

Hospital Supply System Improving Bill Accuracy

By simplifying medical supply record-keeping, a patient-charge capture system is helping a hospital system capture hundreds of thousands of dollars in lost revenue.

By Marianne Kolbasuk McGee

In the past, Appalachian Regional Healthcare System would end up leaving hundreds of thousands of dollars in patients' medical supply costs unbilled annually. Now, a new patient-charge capture system is helping the North Carolina hospital operator more accurately record and bill for patient supplies in real time.

Last October, Appalachian Regional Healthcare System began replacing an old patient-charge capture system with a new offering from Lawson Software called Point of Use.

The Lawson patient-charge capture system allows nursing staff to easily record the things they remove from medical supply rooms when gathering the items for patients.

The Point of Use system allows nurses to use wireless, mobile, Bluetooth-enabled devices to scan the barcodes on each medical item and automatically record the supplies selected for each patient.

That information is then "shot over in real time" to Appalachian's revenue cycle system, where that supply data is recorded into the bill of the appropriate patient, said Terry Prescott, director of business IT for

Appalachian, a 262-bed hospital system with 1,500 employees in Boone, N.C.

So far, Appalachian has rolled out the new patient charge capture system in two of its three hospitals -- Watauga Medical Center and Blowing Rock Hospital -- with the last facility, Charles A. Cannon, Jr. Memorial Hospital, slated to go on line with Lawson Point of Use in May, said Prescott.

The previous patient-charge capture system used by nurses was outdated and difficult to use, often resulting in nurses and other clinical staff not recording patient supplies in a consistent or timely way. Often, during a patient emergency, clinical staff would overlook recording any supplies used because the old system was so time-consuming and challenging to use, said Prescott. Inaccurate and late collection of the data about the supplies -- such as gauze, sutures, and other items used during patient care, treatments, and surgical procedures -- resulted in Appalachian often having to re-bill or late-bill patients, insurance companies, and government payers like Medicare and Medicaid, and often not billing anyone for supplies.

That meant hundreds of thou-

sands of dollars annually in supply costs that Appalachian would be forced to write off or absorb without reimbursement, said Prescott.

The new system saves time for clinical staff in recording the use of patient supplies, as well as helping administrative staff be more productive in not having to track down and reconcile missing information for billing, said Sherrie King, an internal auditor at Appalachian.

Besides making supply-data capture easier for nursing staff, the new system "saves a lot of administrative headaches and also improves patient satisfaction," by reducing billing errors that often resulted in patients and their insurers receiving revised or additional bills to reflect supply-related mistakes, Prescott said.

Appalachian hasn't yet quantified the labor-related savings enabled by the new patient-charge capture system, but knows it's already helping to increase hospitals' revenue about 2% since being rolled out, said King.

Also, the new Point of Use system records the supplies used in various departments of the hospital, aiding in reporting and budget planning processes for each department, said Prescott. Before, patient supply data "all went into one bucket," he said.