

CUSTOMER Success Story

Beaufort Memorial Hospital, Beaufort, SC

Beaufort Funds Hospital-wide Technology Upgrade with Revenue Generated by MEDHOST

Background: Beaufort Memorial Hospital, based in Beaufort, S.C., is a 197-bed, not-for-profit hospital that has been experiencing significant increases in patient volumes. During the past five years, the hospital's ED volumes alone increased by nearly 10 percent. Beaufort Memorial's board of trustees decided to re-evaluate the hospital's technologies and its organizational goals to better manage the influx of patients. This evaluation process included looking toward the implementation of Computerized Physician Order Entry (CPOE) to streamline workflow, reduce order turnaround time and over-utilization of resources, while enhancing patient safety.



The Challenge: Although CPOE is proven to reduce repeat tests, deliver cost savings and decrease medical errors, the board knew that a successful implementation relied heavily on user acceptance. Ed Ricks, CIO of Beaufort Memorial Hospital, believed that an HIS upgrade, although costly and time-consuming, was necessary to achieve hospital-wide physician compliance with CPOE. Ricks began the search for an HIS platform that would support the hospital's goals, and after evaluating several options, the newly launched MEDITECH 6.0 was selected. However, Beaufort Memorial quickly realized the costs for upgrading to MEDITECH's latest platform from its existing MEDITECH MAGIC HIS would be significant, so the board began evaluating ways to operationally fund the MEDITECH upgrade.

The Solution: Based on his experience implementing MEDHOST at two other facilities before joining Beaufort, Ricks knew that MEDHOST's Emergency Department Information System (EDIS) could deliver strong financial and clinical results. Ricks presented an implementation strategy to the board that included allocating additional revenue generated by MEDHOST to the MEDITECH 6.0 upgrade. The board-approved strategy was expected to increase ED revenue and clinical benefits from the best-of-breed EDIS, including ease of use, interoperability, robust reporting and customization capabilities.

Objective

Leverage additional revenue generated by MEDHOST to help fund MEDITECH 6.0 and house-wide CPOE implementations to maximize operational processes and further support patient safety initiatives.

Highlights

- Used additional revenue from MEDHOST to help fund **MEDITECH 6.0 upgrade**.
- Achieved **ROI within three months**.
- Within the first month of go-live, recognized a **\$1.3 million increase** in gross revenue.
- ED experienced a net payment **increase of \$50 per patient** within the first two months of go-live.
- Expect **\$2 million** in recurring net revenue annually.
- **Eliminated \$240,000** per year in dictation costs.
- Patient satisfaction scores **increased by 46 percentage points**.

One month after go-live, Beaufort Memorial recognized a \$1.3 million increase in gross revenue from improved E&M coding and IV infusion charges. The methodology used prior to MEDHOST was unable to capture complete documentation, so billing codes for a lesser amount of care than what was provided were assigned. However, with MEDHOST's automatic, behind-the-scenes Charge Capture in place, charges are calculated as every element of care is documented, enabling Beaufort to more accurately determine E&M levels. In addition, MEDHOST's medication documentation has enabled Beaufort's nurses to more accurately record IV Infusion "start" and "stop" times. The system also systematically applies logic to the chart to determine the appropriate IV infusion codes using the very complex CMS guidelines, while eliminating errors from human subjectivity.

Improved E&M coding and IV infusion charges resulted in a net payment increase of \$50 per ED patient within two months of go-live, and Beaufort expects that number to grow as more payments are received. With 40,000 patient visits each year, Beaufort anticipates that the MEDHOST system will deliver \$2 million in recurring net revenue annually.

"MEDHOST's intuitive design and usability has played a huge role in our recent financial successes, said Ed Ricks, CIO of Beaufort Memorial Hospital. "The easy-to-use system drives user compliance, which generates more complete documentation. This ultimately resulted in increased revenue for the hospital because all of the care provided is captured and billed. MEDHOST enabled us to achieve our ROI within three months, and even better, the EDIS continues to generate additional revenue, which helps fund other hospital-wide initiatives."

MEDHOST also generated cost-savings that benefited Beaufort's bottom line. Prior to MEDHOST, physician

dictation cost the hospital \$20,000 per month. MEDHOST's Physician Documentation not only eliminated dictation, saving the hospital \$240,000 per year, but it also streamlined the turnaround time for chart completion, which previously took 12 or more hours. Now, ED physicians document care and information with bedside tablets or at the nurse's station, so charts are completed while, or shortly after care is provided.

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"MEDHOST helps ED physicians to be more proactive in their documentation of care," said Kevin Kremer, ED director at Beaufort Memorial Hospital. "Pre-MEDHOST, physicians would wait a day to complete paperwork, but now physicians can document care as they treat patients. MEDHOST not only leads to more thorough and accurate documentation, but it also allows physicians to spend more one-on-one time with the patients, which played a direct role in our 46 percentile point increase in patient satisfaction scores."

The success of MEDHOST has made the hospital's goals of implementing a more comprehensive HIS and house-wide CPOE a reality. By reaping the benefits of thorough documentation, high user acceptance and automatic Charge Capture, Beaufort leveraged MEDHOST to help fund the hospital's technology upgrades.

"It is important to realize that lasting change is difficult without technology transformation and cultural change, but if successful, it will bring improved quality, patient safety and clinician workflow," said Ricks. "MEDHOST served as a catalyst in Beaufort's transformation and will continue to play a major role as we strive to make the lasting changes needed to continue improving the bottom line and patient experience."