

CASE STUDY

University of Alabama’s Health Services Foundation Maximizes Performance at the Lowest Cost with Avaya Contact Center Solution

Challenge	Solution
<p>The Health Services Foundation needed an efficient system for collecting on the numerous outstanding patient accounts with small balances. The process of collecting on these accounts often entailed multiple patient contacts and was costing the organization more than the amount owed.</p>	<p>The Foundation used the Avaya Contact Center Solution to create a virtual collection campaign to proactively contact low-balance accounts and offer the self-service ability to pay via credit card over the phone. In addition, Avaya Interactive Response handles all incoming calls regarding account status or balance, reducing the amount of time-consuming agent interactions.</p>
Value Created	
<ul style="list-style-type: none"> • Achieved return on investment within a few months and resulted in over \$600,000 in additional revenue annually. • Enabled significant cost reductions, including a reduction in agent staffing by 27 percent. • Resulted in a 10 percent increase in collections of patient payments. • Creates a consistent, branded customer experience by providing a standard self-service interface when customers call with billing and account status issues. • Provides intelligent, personalized interactions with customers by automatically presenting agents with patient account information necessary to service the call. • Enables faster linkages of people, processes and resources by allowing patients to manage their requests quickly, independently and confidentially. • Results in more agile, secure and reliable operations by enabling customers to guide the self-service process and to execute their payments securely and confidentially. 	

The University of Alabama’s Health Services Foundation implemented a solution that aids them in collecting self-pay accounts and also in reducing the number of agents required to staff their contact center. Using (Gold Systems) Vonetix™ to quickly access an Internet credit card acceptance company, callers were able to make payments in real time. The solution paid for itself in just a few short months and it is now generating over \$50,000 in additional revenue each month. In addition to the leap in revenues collected, the University of Alabama’s Health Services Foundation has reduced agent staffing by 27 percent with the aid of an integrated solution from the Avaya Proactive Contact Management Solutions and Avaya Self-Service Solutions portfolios, with the application developed by Gold Systems for Avaya.

The University of Alabama’s Health Services Foundation supports over 700 physicians in an academic group setting. Within the Foundation, the Management Services Organization (MSO) manages all revenue cycle activities (scheduling through billing and collecting), as well as the systems that support those activities.

Significant Cost Savings and a Rapid Return On Investment

Like any billing and collections organization, the MSO understood that collecting small balances from patients often costs the organization more than the amount of money collected. An analysis of the collections procedure revealed that the average cost of an agent contacting a patient to request payment or answering a patient’s incoming call regarding billing questions was about \$5. Many accounts merely consisted of the \$10 or \$20 co-pay remaining after the insurance company had paid the medical bill. For this multitude of accounts, multiple patient contacts were cost-prohibitive. Also, with limited resources available, the MSO was required to focus on pursuing higher balances. As a result, accounts with balances of less than \$100 were often written off as uncollectible and turned over to collection agencies for further processing at a higher fee.

The MSO decided to use technology to address the problem. Tom McAvoy, associate director of business operations, University of Alabama Health Services Foundation, was responsible for the development and implementation of the solution.

A Virtual Collection Campaign

McAvoy's approach to the problem was to create a virtual collection campaign designed to *"maximize performance at the lowest cost"* in collecting on small-balance accounts. To achieve his objective, McAvoy implemented an integrated solution from the Avaya Proactive Contact Management Solutions and Avaya Self-Service Solutions portfolios with an application developed by Gold Systems. The integrated solution was programmed to proactively contact low-balance and "deadbeat" accounts and offer the opportunity to pay via credit card using Avaya Interactive Response. Credit card authorizations were given in real time, supported by Gold Systems' Vonetix solution, which was integrated with the Web site for this purpose. The virtual campaign allowed the MSO to make collection calls that required little or no agent involvement.

An Automated Billing Inquiry System

The MSO also answers calls from patients about their account status or balance. These interactions were often time-consuming. The Avaya Interactive Response solution used for the virtual collection campaign also helped the MSO reduce the number of agents assigned to handle these types of inquiries. Now, all incoming calls regarding billing questions are directed to the Avaya Interactive Response system.

Increased Patient and Agent Satisfaction - Plus Reduced Staffing

One of the goals that McAvoy kept in sight during the implementation was that he *"wanted to make the system easy to use."* Long, detailed menus of options held the potential for confusing patients, leading them to give up in frustration. Studies by the MSO uncovered three primary reasons that patients contact billing and collections center agents: 1) To make a payment, 2) To request a statement, and 3) To check their account balance.

Integrating Avaya Self-Service Solutions with the billing system allows patients to manage their requests quickly, independently and confidentially. Today, 30 percent of all callers choose to resolve their issues through self-service, enabling the MSO to make further reductions in staffing requirements.

Statistics also demonstrate that there has been a material reduction in the time needed for an agent to handle a real time, live inquiry. Agents are presented automatically with patient account information at the same time the call is received, eliminating the need for them to locate the patient's records manually.

Employees are significantly in favor of the new approach provided by this innovative solution. Although the pace is faster, the employees like that the technology has freed them from some of the more mundane, time-consuming and repetitive tasks they were required to undertake previously.

Next Step - Automatic Appointment Notification

The next strategic step for McAvoy is to implement automatic appointment notification using an integrated solution from the Avaya Proactive Contact Management Solutions and Avaya Self-Service Solutions portfolios. Currently, MSO physicians schedule close to 500,000 appointments per year. Although appointment reminders can reduce the no-show rates of patients who forget to cancel an appointment, using agents to call patients costs approximately twice the amount per call of using Avaya Proactive Contact Management Solutions combined with Avaya Interactive Response. The appointment notification system can help increase revenues since appointments are preserved or can be filled as patients cancel. Staffing costs incurred in placing these reminder calls can be reduced. A conservative view of the cost savings of using the automated system to place these reminder calls projects a \$50,000 savings annually in reminder calls, plus any incremental revenues generated by lowering the no-show rate.

Once an appointment reminder call is placed by the Avaya Proactive Contact Management system, the patient gets connected to an Avaya Interactive Response system. Again, McAvoy plans to take a simple approach with menus. For example, patients may be asked to press or say "1" to confirm an appointment, "2" to reschedule or "3" to cancel. McAvoy plans to have a follow-up menu for those who are canceling to ascertain why the appointment is being cancelled.

Cost of live agent contact for payment request	\$5 per contact
Average patient balance on small accounts	\$15-\$20
Net collection	\$0-\$10
Result: Accounts under \$100 were written off as uncollectible.	

Significant cost reductions have been realized – more outgoing collections calls can be placed, and inbound calls are either self-service or are handled more quickly by less-burdened agents. Secondly, an agent staff reduction of 27 percent has been realized and – at the same time – increased job satisfaction for those agents who staff the billing and collections center.

He anticipates that this data will provide physicians with information that may point out operational changes that need to be made.

McAvoy plans to upgrade his voice technology before the appointment notification application is implemented and anticipates an eight-month return on this investment. And at some point in the future, the MSO may consider incorporating more natural language speech recognition, assuming it is kept simple enough for their patients to use easily. For example, it might make sense to request that the caller specify the name of his or her insurance company.

Leading the Industry via Innovative Use of Avaya Technology

The approach the MSO took in determining its technology vendor was to look for references and implementations in similar industries. McAvoy said the primary factors in selecting Avaya over other vendors were references, cost and quality.

McAvoy and his team talked and visited with peers at Emory University, where the Avaya Contact Center Solution had been installed. Then they took Emory's implementation of Avaya Proactive Contact Management solutions a step further by combining it with the Avaya Self-Service solution to create a truly industry-leading solution. McAvoy says, *"I don't know anyone else who is doing this."*

In McAvoy's words, *"Quality matters. When you get a call at home and you hear a two to three second pause, you know a dialer has called you. You don't want that. People hang up on you."* He says, *"The implementation was smooth and was well coordinated"* by Avaya. Once the solution was implemented and they had gotten *"over the hump from the transition,"* McAvoy says, *"we haven't had any down time or problems. The technology must be good."*

The Bottom Line

Significant improvements to the bottom line can be summarized easily, according to McAvoy. First of all, significant cost reductions have been realized – more outgoing collections calls can be placed, and inbound calls are either self-service or are handled more quickly by less-burdened agents. Secondly, an agent staff reduction of 27 percent has been realized and – at the same time – increased job satisfaction for those agents who staff the billing and collections center. And, last but certainly not least, MSO has seen a 10 percent increase in collections of patient payments, resulting in over \$600,000 of additional revenue annually.

When technology shows this type of payback, *"Can I afford it?"* is not the logical question to ask. The more fitting question is, *"Can I afford not to?"*

Learn More

For more information on how Avaya Intelligent Communications can take your enterprise from where it is to where it needs to be, contact your Avaya Client Executive or a member of the Avaya Authorized BusinessPartner program, or visit **"Do Your Research"** at www.avaya.com.

ABOUT UNIVERSITY OF ALABAMA HEALTH SERVICES FOUNDATION (HSF)

The University of Alabama HSF is a non-profit, group practice professional corporation within the UAB Health System. As a partner in the Health System, the Foundation is closely affiliated with UAB. The HSF was founded by pioneering heart surgeon John W. Kirklin, M.D., in 1973. Since that time, it has achieved national prominence for high-quality patient care services and the unique knowledge and dedication of its employees. It is ably directed by a Board of Directors composed of nine UAB clinician leaders and ten prominent Birmingham business and civic leaders – a combination that has substantially contributed to the Foundation’s success over the past 30 years.

Since its beginning, the HSF has grown to include almost 850 faculty, fellows and physicians offering services in 33 specialties. These services are reinforced by the research and educational programs of UAB’s Academic Health Center, resulting in patient care that is innovative, medically advanced, internationally renowned and highly compassionate. The HSF owns and administers The Kirklin Clinic and is affiliated with University Hospital.

The HSF’s General Endowment Fund (GEF) provides grant funding for projects intended to enhance the infrastructure of the Academic Health Center’s Patient-Oriented and Laboratory Research efforts, Clinical Care Program Development, Medical Education Initiatives and for university-wide projects. The net spendable income from the HSF-GEF is intended generally for the benefit of the HSF and the UAB School of Medicine; however, the HSF Board of Directors may allocate net spendable income for other UAB purposes. In general, funds from the HSF-GEF should be directed toward research, educational and clinical programs, which are deemed in the best interest of the UAB Medical Center and for university-wide projects which are consistent with institutional priorities and with the HSF articles of incorporation.

ABOUT GOLD SYSTEMS

At Gold Systems, we’re successful when you are successful. When you partner with Gold Systems, you’ll benefit from greater application expertise, our flexible and robust delivery process and innovative products and services that integrate enterprise data, speech recognition technologies and text-to-speech with your existing communication interfaces, ensuring business value and a greater return-on-investment.

ABOUT AVAYA

Avaya delivers Intelligent Communications solutions that help companies transform their businesses to achieve marketplace advantage. More than 1 million businesses worldwide, including more than 90 percent of the FORTUNE 500®, use Avaya solutions for IP Telephony, Unified Communications, Contact Centers and Communications Enabled Business Processes. Avaya Global Services provides comprehensive service and support for companies, small to large.

For more information visit the Avaya Web site: <http://www.avaya.com>.

Applications	Systems	Services
<ul style="list-style-type: none"> • Avaya Predictive Dialing System • Avaya Interactive Response 	<ul style="list-style-type: none"> • Gold Systems Vonetix™ 	<ul style="list-style-type: none"> • Services provided by Avaya BusinessPartner

All statements in this Case Study were made by Tim McAvoy, Associate Director of Business Operations, University of Alabama Health Services Foundation.

