



Accelerating Clinical
Data Exchange™



Driving Value and Returns

The Business Case for a Fully Integrated Payer Audit Management System

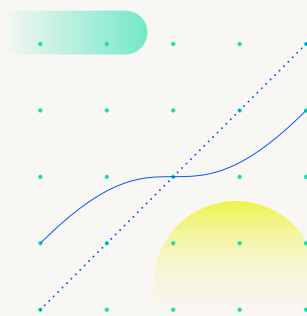
Over the past few years, the number of government and commercial audits has skyrocketed, and hospitals are struggling to keep up with the influx of requests for documentation, denials, and downstream appeals. For a decentralized hospital system, there is often a lag time before the ADR even reaches the compliance and audit department. Once an audit is received, the audit managers then need to work closely with many departments including compliance, coding, and reimbursement teams to ensure that all the necessary documentation is collected and transmitted to the payer on time.

Using a manual or outdated process to track the progress of an audit and appeal has serious implications. Not only does it create inefficiencies for the audit managers, but there is also the risk of audit deadlines being missed. And, manual and older systems often lack detailed reports which provide valuable insight into audit trends.

Hobson & Company (H&C), a leading research firm focused on Return on Investment (ROI) studies, worked with MRO, a leader in revenue integrity systems, to explore these challenges and learn how industry leaders are responding. H&C conducted independent research consisting of in-depth interviews with numerous MRO customers and found that MRO's Audit Manager addressed specific customer challenges to deliver a quick and compelling return on investment.

The impact of MRO's Audit Manager is not only strategic but measurable.

Based on this analysis, a representative hospital system with 5,000 beds and 25,000 audits per year would pay back the cost of Audit Manager in 3.5 months and generate a return of 297% in 3 years.



Over 3 years, customers typically experience a 200%-300% ROI

Challenges for Hospital Audit Teams

Customers interviewed for this study noted that there are consistent challenges in managing government and commercial audits. Below is a list of some of the most universal concerns.

Audit Volume Management

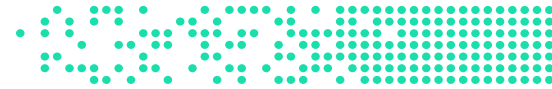
An estimated ~2-4% of hospital/health system claims are audited across payer types according to IGS consultants. It can be difficult to track these requests, especially when sent through US mail or routed to other locations in a decentralized system. Once the request is received, compiling all the different pieces of information needed for payers to comply with audits is complicated without an automated system.

Risk of Revenue Loss

When audit requests are not tracked properly or take an extended time to fulfill, there is a risk of missing deadlines resulting in penalties or loss of payments. Additionally, without insight into existing payer denial trends and the ability to identify patterns, hospitals may be repeatedly audited on easily-fixable issues.

Delays in Payments

Insurance companies often take weeks to review an appeal and provide a response, leaving hospitals with long outstanding receivables. This delay in payment affects a hospital's cash flow and profitability, making it harder to meet operational expenses.



Customer research identified five benefits of MRO Audit Manager across three key business objectives: Streamline Audit Management, Mitigate Risk, and Improve Cash Flow

STREAMLINE AUDIT MANAGEMENT

Reduce time on intake of government and commercial audit requests

MRO Audit Manager's built-in workflows automate the intake and creation of audit cases, including multiple cases at once, using eMDR and other electronic systems. Audit Manager ingests claim and remit information or can extract information from paper audit request letters and updates financial information, including changes to payments. Additionally, the seamless integration with MRO's Exchange Manager automates the intake of additional data related to claims attachment requests.

Customers interviewed reported: **60% Decrease** in time on intake of government and commercial audit requests

"Adding a new audit to the system is much faster with Audit Manager because of the interface with all the other hospital systems. We can search by claim number and all fields are populated: coding, DRG, payment information, etc."

- Manager, Payer Audit

Reduce time processing audits

MRO Audit Manager's collaboration tools include user notifications, work queues, internal messaging, and history logs to quickly view actions completed by users across multiple departments. Easily upload records and merge appeal templates. esMD instantly transmits records, claim attachments, discussions, and appeal filings to Medicare contractors along with SFTP to Medicaid and commercial auditors, preventing file loss delays.

Customers interviewed reported: **70% Reduction** in time processing audits

"The workflow auto populates with the contacts, the time frame for audit, and all communication is in the one system which has allowed us to triple the number of audits we do with 1 fewer FTE."

- Audit Specialist

MITIGATE RISK

Reduce risk of missing audit deadlines

MRO Audit Manager automates workflows and tracks progress across multiple departments and multiple geographies to manage audit requests. Easy prioritization of work queues enhances efficiency and prevents missed deadlines and avoids auto denials.

Customers interviewed reported: **90% reduction** in risk of missing audit deadlines

"With ADRs (Additional Document Requests), more often than not, no one was working on them, and we didn't know about them until they were denied. With Audit Manager, we're not missing any audit deadlines."

- Audit Specialist

Proactively manage denials with payer-specific insight to improve win/loss rate

MRO Audit Manager includes dozens of reports helping users analyze audits for patterns to avoid repeating costly mistakes. These reports help classify error root causes, review appeal rates, monitor staff productivity, identify duplicate requests, and track the financial impact of recovered and denied claims.

Customers interviewed reported: **1% Increase** in win/loss rate by proactively managing denials

"We run reports and look to see if a region/procedure is struggling with denials. Then we work on concrete process changes to operations which has reduced the overall number of denials. We are now more efficient using reporting to create corrective action plans."

- Compliance Assistant VP

IMPROVE CASH FLOW

Reduce days in A/R by speeding up payments for pre-pay audits

MRO Audit Manager's built-in workflows automate the intake and transmittal of audit requests, claims data, discussions, and appeal filings, including multiple cases at once, making it easier for internal employees to respond to audits in an efficient and timely manner.

Customers interviewed reported: **15% reduction** in A/R days as speed to payment for pre-paid audits

"It is a much quicker turnaround to submit records and therefore payments come in faster through Audit Manager. For pre-pay audits, we are given 45 days to respond and our response is typically within 10 to 14 days after we submit all the records which is 2 weeks faster than previously."

- Audit Specialist

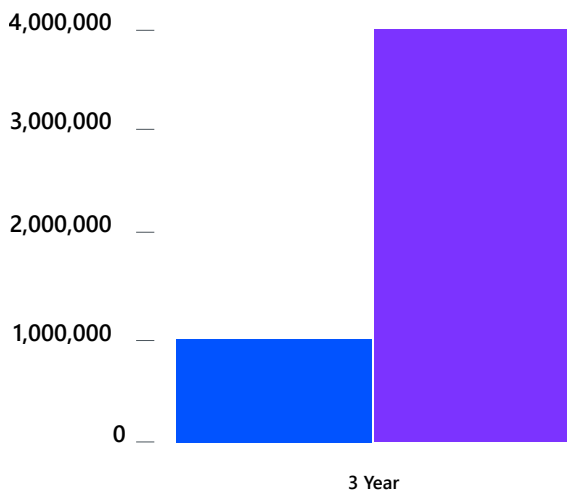
Key Findings

Research Results

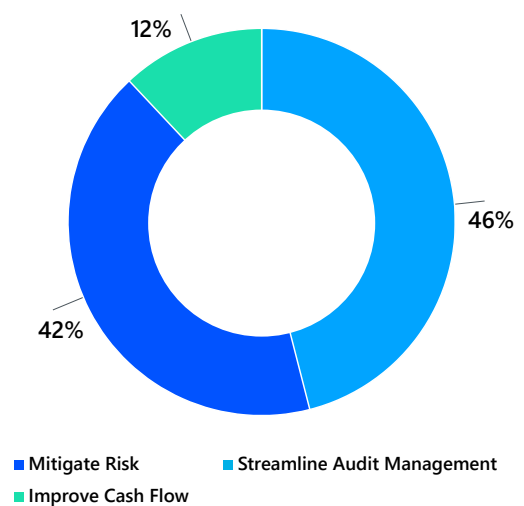
The value of a fully integrated payer audit management system is immediate and demonstrable. For this case study, the financial impact of MRO Audit Manager is represented by a hospital system with 5,000 beds and 25,000 audits per year.

For this typical hospital system, there is a positive return in 3.5 months and a 3-year return of 297%, with annual benefits exceeding \$1,300,000.

Investment vs. Return



Total Benefits by Business Objective (in %)





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About MRO

MRO is accelerating the exchange of clinical data throughout the healthcare ecosystem on behalf of providers, payers and users of clinical data. By utilizing industry-leading solutions and incorporating the latest technology, MRO is helping providers manage and release clinical data. With a 20-year legacy and as a 10-time KLAS winner, MRO brings a technology-driven mindset built upon a customer-first service foundation and a relentless focus on customer excellence. MRO connects over 160 EHRs, 170,000 providers, 35,000 practices, and 1,100 hospitals while extracting more than 1.3 billion clinical records. For more information, visit www.mrocorp.com.

HOBSON & COMPANY

About Hobson & Company

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. For additional information, please visit www.hobsonco.com.

DISCLAIMER: The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by MRO customers and various assumptions and estimates only. The actual ROI realized by customers may vary from the estimates provided. MRO offers this tool to assist customers with evaluating Audit Manager solutions, however, MRO and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates

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