

Scripps Clinic



“MPV Contract Management allows us to identify true appeals opportunities and provides us with tools to collect the underpayments.”

*– Curtis Medlock,
Supervisor of Business
Services, Scripps Clinic*

THE ORGANIZATION: San Diego-based multispecialty group practice, 350 physicians in 50 specialties

THE CHALLENGE: Monitoring performance of 35 payer contracts generating over 2.0 million claims annually

THE SOLUTION: MPV Contract Management verifies line-item contractual allowed amounts for applicable claims to identify, appeal, recover and prevent underpayments

THE RESULTS: \$7.3 million in underpayments recovered in 60 months. Systematic payment errors, such as underpayments for second surgeries, corrected.

Scripps Clinic captures \$7.3 million in underpayments in 60 months

‘If you include the number of underpayments we’ve prevented, it’s at least double that’

Situation

With more than 35 payer contracts generating over 140,000 claims per month, Scripps Clinic found it couldn’t monitor contract payment performance. “We would negotiate a rate, but when you looked at the money coming in, we weren’t sure we were getting everything we had agreed to,” says Curtis Medlock, supervisor of business services at Scripps. “We needed a tool to monitor and enforce our contracts.”

Challenge

Because of the volume of claims and the complexity of its contracts, Scripps knew it needed an automated system to verify payments. Detecting underpayments was especially difficult, especially for errors that were small, but applied over thousands of office visits. “There was no way we could manually detect all contract underpayments. Automating the process was essential to improving the performance of our staff,” Medlock says. The clinic’s inability to successfully monitor contract performance not only resulted in underpayments, it made it difficult to plan practice finances and to effectively negotiate for better terms. “We needed a way to verify our current revenues were correct so we could project revenues from contract changes.”

Solution

Scripps chose MPV Contract Management because of its extensive experience in defining, modeling and tracking multiple contracts. This made it possible not only to identify individual underpayments, but also to detect patterns of underpayments and identify ambiguous contract language for renegotiation. “We knew if we had a good tool we would uncover contract issues that we weren’t even aware of,” says Medlock. “MPV had a solution that had been successful in the market for more than six years, and had processed more than six million claims.”



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MPV and Scripps staff identified and modeled contracts that account for about 75% of its claims. MPV also trained Scripps staff dedicated to appealing underpayments. “Proper staffing is the key to successfully appealing claims and monitoring the performance of your contracts,” Medlock says. The result is a streamlined unit that automatically verifies payments, allowing the practice to spot and appeal many more payment errors, and patterns of errors, with much less effort.

Results and Return on Investment

“Since the launch of MPV Contract Management, the system has more than paid for itself,” Medlock says. “The five-year ROI on MPV exceeds 100%.” Among the benefits Scripps has seen:

- Between March 2003 and February 2008, Scripps identified, appealed and recovered \$7.3 million.
- Greatly increased appeals success and reduced turnaround time.
- Improved ability to project revenues and practice finances.
- Improved relations with payers thanks to focusing disputes on quantifiable data about contract terms.

Medlock believes the systemic payment errors he has detected and corrected using MPV Contract Management have prevented at least as many underpayments as Scripps has appealed. He also reports that payers often return to underpayments after weeks or months of compliance. “It’s usually when they make a contract change. Sometimes the whole contract reverts back to previous rates and terms. The value of MPV is more than just recovering underpayments – it’s also the peace of mind that comes with the ability to monitor and know with certainty that you’re being paid accurately.”

MPV adds \$7.3 million in 60 months

Scripps Clinic, March 2003 – February 2008

Claims with successful appeals	Value
209,951	\$7,300,000
Underallowed variance	3%

About MPV

MPV helps medical groups to maximize practice revenue and meet the demands of healthcare consumers by combining technology and consultative services to fully automate eligibility and insurance verification; reduce patient write-offs; monitor payer contract compliance; recover underpayments; and negotiate better contracts.

5000 Plaza on the Lake

Suite 265

Austin, TX

78746

tel 512.795.0015

fax 512.795.9529

www.mpv.com