



For the First Time Since PPS, We Know Our A/R is Real

Mercer Street Friends had a rough time moving from IPS to PPS. The largest private social service organization in Mercer County, New Jersey, second in size only to the state itself, Mercer Street relied heavily on a billing/scheduling/patient data software application that had served it well for many years. The challenges of PPS, however, proved too much for the application and the skills of its vendor's developers. By November 2000, the multi-service agency found itself in financial darkness.

Clinicians still initiated and concluded episodes and patients continued to receive care but management could not track or forecast revenues. Nor could it rely any longer on the accounts receivable reports it was obtaining from its billing application. \$4-5 million in home health revenue became mostly untrackable within the \$13 million organization. Annoyance evolved into desperation when the vendor could not repair its software problems over several months.

According to administrator Jean Bernard, unreliable management reports were only the tip of the iceberg. "We had to jump through hoops to get our old system to generate a claim," Bernard remembers. "If, heaven forbid, the patient's payer should change within an episode, the software couldn't handle it at all. RAPs and claims wouldn't match and final claims often would not even print." Even when payers didn't change and episodes completed without incident, the process of perfecting and submitting claims typically absorbed one and a half weeks every month, while Mercer Street staff had to examine every pre-billing worksheet episode by episode, comparing the software's version of reality with that told by nursing notes and daily time sheets.

"The only way to be sure claim submissions were accurate," Bernard commented, "was to assign someone to examine every episode to root out upcode or downcode errors and correct them manually." That process added 4-5 hours to every billing cycle. Even after it was completed and corrections were made, management was still unable to get a clear, accurate look at net revenue after costs.

In Bernard's mind, the only choice worse than staying with her failing software would have been to go through the process of selecting and

implementing a new system. Finally, when the situation became intolerable, implement she did and she has not once looked back with regret. "Switching from one to the other was not as bad an experience as I had thought it would be," she admits. Mercer Street had decided to go with a local company, **FGA Software Solutions, Inc.** of nearby Piscataway, New Jersey. The company guided Mercer Street through an implementation plan for its flagship *Prophit* application that moved them out from under the burden of their previous vendor with a minimum of anxiety.

It did not take much to convince Bernard that FGA would serve as a business partner rather than merely a vendor. "They were obviously engaged in the industry," she explains. "We thought we would ultimately select one of the big name home health vendors, but everywhere we went in New Jersey, there they were. At state association and other meetings, FGA people play active roles. The more we listened to them speak, the more we were intrigued."

Under FGA's guidance, Mercer Street began preliminary data entry several months in advance of their planned "go live" date. Transcriptionists were gathered in groups of three and four to key in tables of physician and employee data. While performing this background, preparatory work, they grew familiar with *Prophit's* various screens and shortcuts, familiarity that would serve them well later. "The implementation went smoothly," Bernard testifies, "in fact, more smoothly than we had expected." Once *Prophit* was in full use, Bernard was pleased to find that the accuracy and readability of its reports made it easier for her department to educate finance people in other Mercer Street departments about how home health finance works. "Having something clear and understandable to share raises home health's credibility within the system," she concludes.

Bernard's next step will be to start an FGA user group, with the vendor's blessing and support, and begin to hold regular meetings. "They have been very supportive," she says with a slight tone of surprise. "Unlike some vendors might have been, they have helped us put together an agenda and have sent us a list of other users."