

Florida Provider Moves from Paper to Easy Computer System Without Hiring IT Staff

For a startup agency, operating manually on paper works only if its business plan calls for no growth, certainly not what Marge Reid, RN, BSN, MA, had in mind when she became administrator of **Heritage Home Health** in Delray Beach, Florida. Growth began in earnest when Medicare certification was achieved in 1999. It was boosted by an affiliation with **Heritage Park Retirement Community**, where the agency gets many of its referrals, and by the state's new Medicaid "long-term diversion" program, which provides funds to help home care agencies keep otherwise nursing home-eligible seniors in their homes.

For five years, including a year after certification, Heritage Home Health got by using HAVEN and PC-ACE, submitting claims manually, adding staff as patient load increased. "We saw PPS coming," Reid remembers, "and knew we would need more complex software than what we had or we would have to add a lot more people. Eventually, the cost of all those extra billing and scheduling people – not to mention the cost of a place to put them – would have been higher than the cost of a decent software application, so we took the plunge."

Reid and Heritage plunged into *HomeSys*, the billing/scheduling/financial system from **InfoSys, Inc.**, of Schaumburg, Illinois. Moving forward against common wisdom of the time, Reid went live with *HomeSys* about a month before the October 1, 2000 PPS start date, and got away with it. "We did not have PPS billing problems like some other agencies did," Reid says, "though there were several early program updates that made things operate smoother." Besides PPS, Medicaid and some private pay billing, Heritage uses *HomeSys* for scheduling and tracking visits, Accounts Receivable and financial reports. "We have a lot of different payers, and the system handles them all," Reid says.

Reid's list of how automation had changed her agency starts with patient satisfaction. "When a son or daughter of one of our private pay patients calls us, asking about an account balance, the computer tells us immediately," Reid relates. "Before, we would have to tell them we'd call them back and then research through a mound of



paper." Turning around insurance denials is easy today as well, though it used to be nearly impossible or at least not worth the effort.

Heritage case managers have learned how to quickly track patient care details, nurse notes, physician orders and the like and present documentation to an insurance company almost immediately.

"We are able to stay on top of accounts receivable and personnel profiles with the same size staff we had when we were handling half as many patients," Reid explains. "And we know how our costs compare to revenues every day." Florida's diversion program was difficult for Heritage to manage without an automated system. The state pays a capitated amount for home health care provided to Medicaid patients who are eligible to go to a nursing home but would rather stay home. Knowing whether care given was costing more or less than the capitated payment was important but difficult with a manual system. Now, Reid may occasionally decide to continue care that exceeds revenues, but she always makes an informed decision to do so rather than finding out afterward.

Relationships with other home health agencies in the area have improved because of automation as well. PPS greatly increased the need for contact between agencies since now everyone wants to make sure a patient is not on service elsewhere before they incur the non-reimbursable costs associated with patient admission. Before implementing an automated patient billing system, Heritage could not easily answer another agency's inquiry into a specific patient's start and end of care dates. Now, such questions are answered immediately and accurately when another agency calls.

One of Reid's concerns was the expense of an IT staff to maintain her agency's new software system. So far, InfoSys has helped her avoid that cost. "When updates are available, I download them myself from their FTP site," Reid explains. "If the update is complicated, they are willing to dial in to my system and apply it for me." Asked whether she can name one overall advantage of automation over paper, Reid answers without hesitation, "We would have needed a *lot* more people."

