



# HealthAlliance Hospital

**Modern Revenue Cycle Management Practices Enabled  
by People, Processes, and Soarian Technology**

Case Study



## Vital Stats

**Name of healthcare organization:** HealthAlliance Hospital, a member of the UMass Memorial Health Care system

**Primary location:** two campuses located in Fitchburg, MA and Leominster, MA

**Number of licensed beds:** 150+

**Number of nurses:** 409

**Number of physicians:** 200+

**Year established:** 1994 through the merger of Burbank Hospital (founded in 1890) and Leominster Hospital (1902)

**Annual admissions:** 9,000

HealthAlliance Hospital

## Challenge

### At a Glance

A member of the well-regarded UMass Memorial Health Care system, HealthAlliance Hospital's 1,400 plus employees serve communities in North Central Massachusetts and Southern New Hampshire from two campuses located in Fitchburg and Leominster, MA. HealthAlliance offers more than 30 specialties, including obstetrics and gynecology, pediatrics, surgery, cardiology, oncology, hematology, and orthopedics. The hospitals that today comprise HealthAlliance Hospital were established more than 100 years ago, officially merged in 1994, and joined the UMass Memorial Health Care system in 1998.

With a long heritage of embracing change to provide clinical and service excellence, HealthAlliance took the bold step of replacing its core clinical and financial systems as an early adopter of Siemens Soarian® next-generation technology. In addition to the goals of improving quality of care and operational efficiency, HealthAlliance sought to use Soarian technology—along with highly motivated, empowered personnel and streamlined financial processes—to establish a contemporary, proactive approach to revenue cycle management.

HealthAlliance Hospital faced many concerns that are common among regional healthcare providers, including increasing competition from nearby acute-care facilities, mandates to increase quality and efficiency, and ever-changing and increasing regulations and insurance requirements. Despite these challenges—or maybe because of them—HealthAlliance remained steadfast in its primary objectives of providing excellent clinical care and outstanding service to individuals in its community.

The employees at HealthAlliance save lives on a daily basis—but there is a business side to healthcare as well. Prudent management of financial resources is a critical factor in enabling clinical and organizational objectives—making the hospital's administration, finance, and billing departments the unsung heroes when it comes to achieving patient care and quality goals at HealthAlliance. In an age of shrinking reimbursements, rising costs, and growing consumerism, financial processes must be streamlined and optimized. A proactive approach is key—where claim edits are done at the beginning of the revenue cycle, starting with registration, and workflows seamlessly combine clinical and financial information.

Information technology has long played an important role in helping HealthAlliance reach its clinical and financial goals. But by 2000, its core systems—more than 20 years old—were obstructing its future objectives. Richard Mohnk, HealthAlliance CIO, recalled his marching orders when he joined the hospital's management team, "My job was to upgrade all of the technology at HealthAlliance—starting with documenting the strategic vision for clinical and financials, which could be used to evaluate enabling systems. We wanted to take advantage of new technologies, such as the Internet and browser-based graphical user interfaces."

“There was resounding support to move forward with Siemens Soarian within the HealthAlliance community.”

Richard Mohnk  
Chief Information Officer  
HealthAlliance Hospital

## Solution

Mohnk knew that he “didn’t want to be at the tail end of an aging technology” and looked for a solution built from the ground up to meet new and emerging needs of healthcare providers. After careful evaluation of a number of competing solutions, Mohnk concluded that Siemens and its Soarian suite met these needs.

The decision to partner with Siemens as an early adopter of Soarian was not taken lightly. Mohnk led an extensive evaluation effort, conducting numerous one-on-one and group demonstrations to explain the vision and build enthusiasm and buy-in. The decision-making period ended with a meeting at a local hotel where more than 100 people convened to learn more about the solution and get all final questions answered.

“There was resounding support to move forward with Siemens Soarian within the HealthAlliance community,” recalled Mohnk.

### Solution Overview

- Soarian Revenue Cycle Management
- Soarian Clinicals
- Siemens implementation services



## Implementation

HealthAlliance's first step to Soarian implementation was one that Mohnk recommended all Soarian adopters follow—Siemens consultants conducted a site visit to evaluate HealthAlliance's current systems and processes and identify opportunities for improvement. Because the hospital was already automated, the decision was made to replace both clinical and financial systems at the same time, rather than taking a phased approach.

HealthAlliance also followed Siemens recommended methodology for deployment, working closely with the Siemens Clinical and Financial project managers and consultants. The HealthAlliance and Siemens management teams also worked closely together throughout the process.

"Our implementation was led by IT, but with very strong participation from all areas of the HealthAlliance organization—from the top down," explained Mohnk. "There are essentially three pillars to a successful system deployment: people, process, and technology. Our project teams worked hard to address all three."

For example, Soarian offers the ability to take a more contemporary, proactive approach to revenue cycle management. "Optimal results are dependent on skilled and motivated people, finely tuned workflow processes, and contemporary information technology," said Mohnk.

With the appropriate technology infrastructure established and training completed, HealthAlliance went live with Soarian in December 2005 and experienced the benefits of this next-generation solution, including the implementation of an updated approach to managing the organization's revenue cycle.

“Siemens and HealthAlliance work hard together. It's a two-way partnership.”

Richard Mohnk  
Chief Information Officer  
HealthAlliance Hospital

## Results

HealthAlliance has achieved a number of impressive financial milestones in recent years—thanks to a combination of updated and streamlined processes, motivated and empowered personnel, and Soarian's next-generation enabling technology. Key statistics include:

- Reduction in average days of revenue in accounts receivable (A/R days)
- \$1.1 million in payment rate improvements in just the first six months of fiscal year 2008
- 99 percent accuracy rate for valuation of accounts receivable

Soarian's fundamental design and powerful features have been an important factor in HealthAlliance's success to date. For example, Soarian allows extensive adaptability to the varied insurance requirements and internal protocols that the organization maintains.

### Accounts Receivable Sees Significant Improvements

With a contract engine that's integrated into Soarian and the ability to pre-define payer rules, HealthAlliance is able to calculate expected reimbursement in real-time and identify and correct claim data errors and omissions before claims production and submission. This reduces rejections, denials, and lost reimbursements, accelerates billing and collections cycle times, and enables a proactive approach.

The organization anticipated \$1 million in payment rate corrections for fiscal year 2008 and exceeded that goal with \$1.1 million in the first six months.

Soarian's flexible reporting capabilities improve access to management information. For example, HealthAlliance is now able to accurately value accounts receivable—a challenge that has long plagued hospital finance and audit staff.

Since HealthAlliance converted to Soarian, the organization has been highly successful when establishing the correct value for its accounts receivable, recently achieving a 99 percent accuracy rate for in-process contractual allowances and expected bad debt write-offs. This is possible due to improved availability of detailed data for use in routine financial evaluations.

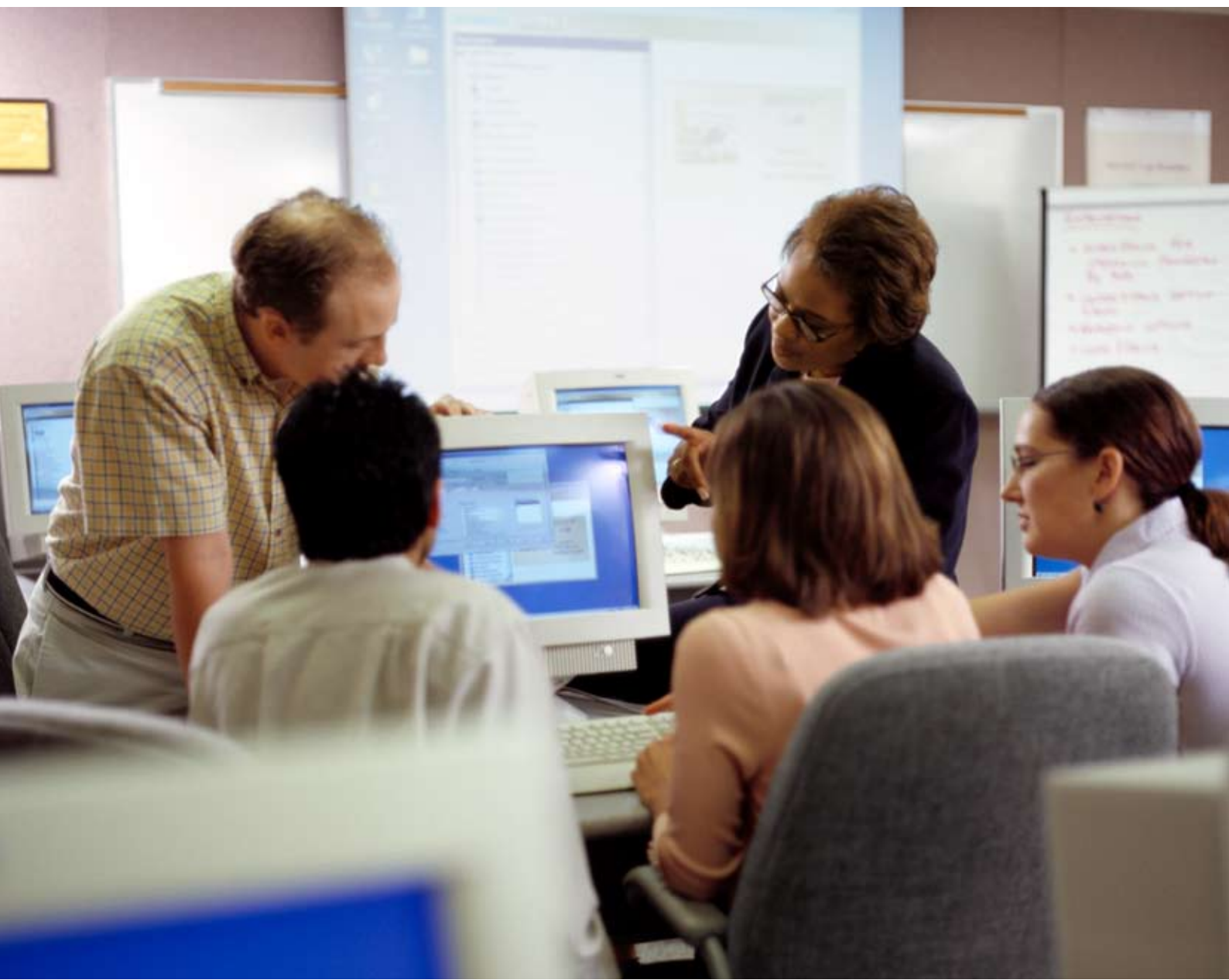
### Intangible Benefits across the Board

HealthAlliance has realized important intangible benefits with Soarian, as well. The technology and subsequent improved revenue cycle management have been a catalyst for positive change throughout HealthAlliance.

Mohnk stated, “We have been able to demonstrate to the organization that by leveraging people, processes, and an excellent tool, positive change is attainable. Soarian has been an excellent tool in making HealthAlliance more competitive in the marketplace, and its front-edge technology helps to recruit nurses and physicians to the hospital.”

### IT's Contribution to Financial Well-Being

Soarian is helping the HealthAlliance IT organization do its part to keep the hospital on sound financial footing and Mohnk is understandably proud of the numbers: “HealthAlliance IT expenses are a very small percentage of the overall number—just 2.5 percent of total organization expenses. And, IT capital expense is approximately 15 percent of the hospital's total. This is particularly impressive when you consider that we support a very sophisticated set of systems, including Med Administration Check™ (MAK) and a full EHR—and are starting to roll out Computerized Physician Order Entry (CPOE) and wireless IV pumps.”



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“When HealthAlliance went live with Soarian in December 2005, we had just been through a very successful operational turnaround. Our goal was to continue to expand on those successes even with the challenges of being an early adopter. Siemens was as determined as we were to create a successful outcome related to the installation and early results. That same spirit and dedication remains today.”

Richard Mohnk  
Chief Information Officer  
HealthAlliance Hospital

## Closing

### **Proven Partnership**

The Siemens and HealthAlliance relationship has evolved to a true partnership. “As a CIO, my job is to build relationships and get the best possible systems for HealthAlliance,” said Mohnk. “Siemens and HealthAlliance work hard together. It’s a two-way partnership.”

Mohnk recalled how the relationship grew, “When HealthAlliance went live with Soarian in December 2005, we had just been through a very successful operational turnaround. Our goal was to continue to expand on those successes even with the challenges of being an early adopter. Siemens was as determined as we were to create a successful outcome related to the installation and early results. That same spirit and dedication remains today.”

### **Looking Forward to the Future**

With the help of Soarian Revenue Cycle Management capabilities, HealthAlliance is methodically preparing for a competitive environment where market expectations related to service excellence, customer convenience, and data accuracy will be much higher than they are today.

“We saw early on that our vision of the future and the need for change is very much aligned with Siemens,” said Mohnk.

**For more information about how Soarian Revenue Cycle Management can help your organization call 1-888-826-9702 or visit [www.usa.siemens.com/revenue-cycle](http://www.usa.siemens.com/revenue-cycle).**

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