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# Funding the Mission by Fixing the Margin

Redefining its revenue cycle helps a Georgia hospital focus on its core mission.

**“With an experienced, capable company like Conifer as our partner, we are confident we can improve our financial health and focus our internal resources on providing the highest quality care to our patients and our community.”**

**Maggie Gill**

President and CEO  
Memorial University Medical Center  
Savannah, Ga.



When Maggie Gill was named interim president and CEO of Memorial University Medical Center in early 2011, she took the helm of an organization that had been battling losses since 2006. Serving 35 counties in southeast Georgia and southern South Carolina with a 530-bed academic medical center, Memorial had a 2010 annual gross operating loss of about \$28 million.

Gill immediately conducted a deeper analysis of Memorial's revenue cycle and found several unfavorable trends. Drawing on her financial background, she discovered growth in accounts receivable days, reductions in Medicaid eligibility and a decline in approval rates, among other issues. “We had an urgent need to turn our revenue cycle around,” says Gill.

The challenge for Gill—who was named president and CEO three months after her interim appointment—was how to address a weak billing and collections IT platform and gain the depth of resources needed to enable the turnaround in a timely fashion.

Overcoming these hurdles would require a significant amount of time and resources; Memorial had neither. “Especially for safety-net hospitals like Memorial, the process from discharge to payment can be long and arduous,” says Gill. “It takes quite a bit of effort to obtain the money that the hospital is owed—and nonprofit healthcare organizations live and die based on their cash flow.”

Despite Memorial's financial challenges, Gill and her leadership team felt strongly that their focus had to remain on fulfilling the organization's clinical mission to its community and patients. To do that, they decided to tap into the expertise of a third party with the experience, tools and knowledge to fix Memorial's broken revenue cycle. Today, the organization partners with Conifer Health Solutions, which manages Memorial's revenue cycle at all

points. Under the terms of their agreement, Conifer is responsible for Memorial's patient access, health information management and business office services, including the people, processes and technology required to deliver those solutions. Conifer began managing Memorial's revenue cycle on May 1, 2011. By mid-September, the entire IT and staff conversion was complete. "We are fully integrated," says Gill.

Gill and her team decided to partner with Conifer for a number of reasons. With more than three decades of experience successfully managing the revenue cycle for hospitals and healthcare systems across the country, Conifer has a ready-made infrastructure and a data-driven patient communications and revenue cycle engine; furthermore, the company had the depth and breadth of talent to help Memorial meet its challenges. For example, current discussion on health reform includes complicated compliance issues such as improper billing.

"The number of changing regulations at the federal and state level can be overwhelming," says Stephen Mooney, president, Conifer Health Solutions. "As a partner with the hospital, we determine what the changes are and how they affect the billing process. We have staff devoted solely to reviewing the regulations and ensuring that our hospital clients are not at risk. This is just one way Conifer can unburden healthcare providers from operating concerns to focus on what matters most—fulfilling their missions to provide quality care for patients in the communities they serve."

With a change of such magnitude, a smooth transition depended on effective communication. For one, Conifer and Memorial made sure that contractually they created very specific targets and appropriate metrics so that expectations were clear on both sides. On a more qualitative level, the two organizations worked to ensure cultural alignment.

"Many organizations look at the culture piece as secondary," says Mooney. "We think that can be a critical mistake. We spend a great deal of time upfront understanding what our client's mission and vision are and aligning ourselves with that. Being a partner in the revenue cycle is about much more than collecting cash for the hospital."

Memorial implemented an extensive plan to communicate the rationale and benefit of the Conifer partnership to the hospital's team members and its community. As part of the plan, members of Memorial's marketing, corporate communications and human resources departments met weekly to ensure that the organization was being as responsive and proactive as possible in assuaging any apprehension or misunderstanding. "It's always challenging when you present that type of uncertainty to your team members, especially given the economic climate," says Gill. "We went through a thorough retraining and interviewing process. Not every Memorial team member was hired to work as a Conifer employee on our revenue cycle, but we did try to find those individuals a different position elsewhere at Memorial."

The transition of Memorial's revenue cycle to Conifer has gone relatively smoothly, says Gill. "In the beginning, we asked ourselves if we wanted to take the revenue cycle back at some point and whether we could," she says. "We don't have the time or perhaps even the tolerance for the risk. With an experienced, capable company like Conifer as our partner, we are confident we can improve our financial health and focus our internal resources on providing the highest quality care to our patients and our community."

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