

SNB Digital Lockbox services have reduced business office labor expense by 25 percent at North Texas Infectious Diseases Consultants, P.A.



**SNB CASE STUDY:
SNB DIGITAL LOCKBOX**

Since it began using SNB Digital Lockbox services in March 2005, North Texas Infectious Diseases Consultants, P.A. has experienced a 25 percent reduction in business office labor expense, seen its collection cycle reduced by 10 days and has better controls over its cash. Furthermore, the practice now has data to help enforce prompt payment provisions in contracts with payers.

North Texas Infectious Diseases Consultants, P.A. (NTIDC) is a Dallas-based practice with five physicians and 41 employees that has approximately 42,000 visits a year. The practice was processing between 400 and 500 checks each business day when in March 2005, it began using SNB Digital Lockbox services to streamline remittance processing. As a result, business office labor expense has decreased 25 percent.

Prior to using SNB Digital Lockbox services, NTIDC staff handled all collections-related mail, statements, checks and EOBs manually. This manual process created delays getting the practice's cash in the bank because it was necessary for an NTIDC staff member to handle each piece of paper.

NTIDC Bidding Process

Mitchell Berenson, Director of NTIDC, investigated various bank digital lockbox services to streamline remittance processing. Through a bidding process, some of the largest banks in the Dallas area proposed services. There was a wide degree of variance between the SNB service and solutions from competing banks. "Their lockbox solution wasn't even close. It was like the difference between a Cadillac and a

bicycle. They both get you where you need to go. But while some might have what we call bells and whistles, SNB offered actual tools," said Berenson.

Cost was initially the key criteria when Berenson started his evaluation. "I started with price, but then narrowed it down to



*Mitchell Berenson, MPH
Director
North Texas Infectious Diseases
Consultants, P.A.*

more of what I was seeing in a proposal. Then, after looking at the solutions I concluded that the SNB tool was really good, and very reasonable. It came down to SNB and another bank. I even toured the lockbox area of the other bank. While they were a little cheaper, SNB had a sharper focus on healthcare and their solution was easy to use."

NTIDC began using SNB Digital Lockbox services in March 2005, and the efficiencies it delivered yielded substantial reductions in business office labor expense. "If I look at our business office and compare the labor expense now to late 2004, when we were not yet using the digital lockbox, our overhead has decreased by 25 percent, which is fantastic," said Berenson. "With the deposits we keep at SNB, the digital lockbox service costs us very little, and it's changed the way we're doing business."

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The decrease in labor expense has allowed Berenson to hire a coding specialist, who has further optimized coding processes, leading to higher revenue for the practice.

Compressing the Collection Cycle

One SNB Digital Lockbox benefit became very evident when Berenson examined the impact it was having on NTIDC's collection cycle. "When I came into this practice it took 120 days to get paid on average. Now we get paid in about 60 days, which is pretty good. I would easily attribute at least 10 days of that reduction to the SNB Digital Lockbox."

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Improved Controls

The SNB Digital Lockbox introduced controls to mitigate the risks of how cash was handled. Beforehand, bills would come in, envelopes were opened and payments posted, which involved documents changing hands frequently – a process with which Berenson was never really comfortable.

Today, NTIDC's remittances and practice mail are received at the SNB Operations Center where they are processed and deposited the day they are received. The practice's documents are then scanned and the images made available via a secure Internet connection to the staff by the next business morning. "Now we are able to reconcile what we see in the SNB imaging system with the actual paper documentation that we get back," said Berenson. "It's great accountability for me."

Leverage with Payers

Inefficient collections and remittance processes have benefited payers. Payment delays will go unnoticed at a practice with an inefficient system. SNB Digital Lockbox services enable NTIDC to see data on how payers are performing when it comes to timeliness of payments. Texas law now supports providers by requiring payers to make prompt payment. However, while the law is on NTIDC's side regarding prompt payment, the burden of proving compliance rests with Berenson. "I have to prove that they are, or are not making payments promptly. Having the digital lockbox allows us to identify and support claims to providers regarding prompt payment issues. With the digital lockbox, we have time-stamped data from an outside organization about when payments are received and processed. This data gives me the credibility to challenge what is happening."

Value of Digital Lockbox Technology

"Knowing what's in our bank account on any particular day, and knowing that there's only one day of lag is valuable," Berenson concludes. "There are many times I'm paying hundreds of thousands of dollars for supplies. To know essentially where my money is, and at what level it is before I make these large outlays is very comforting. I can't imagine how it's been done in the past without a digital lockbox."

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