

Case Study



Katmai Oncology Group Achieves Operational Success and Financial Results with Help from McKesson Specialty Health



Katmai Oncology, Alaska's largest oncology provider, has served Anchorage and Soldotna since 1973. With four board-certified oncologists and six oncology-specialized Advanced Nurse Practitioners, Katmai Oncology has a long history of providing best-in-class patient care. In evaluating the rapidly changing healthcare landscape and the challenges facing community-based practices, Katmai Oncology discovered it also needed to evolve to remain successful.

A longtime customer, Katmai Oncology determined there would be no better team to take a closer look at their practice and make some needed changes than McKesson Specialty Health's business consultants, who provide customized solutions designed to drive practice profitability and success.

The McKesson Specialty Health team began by examining Katmai Oncology's overall revenue cycle focusing on areas critical to reimbursement. "The subject matter experts came on-site and went

through the process of how a patient comes into the clinic and how everything should happen from A-to-Z. They were hands-on and gave us tips and tricks, as well as policies and procedures to follow," said Terri Tope, practice administrator. They also created practice-specific performance indicators and provided benchmarking tools and metrics to monitor the practice's performance improvement.

Once initial best practices were implemented, the McKesson Specialty Health experts recommended an analysis of Katmai Oncology's managed care contracts. The team developed a practice value proposition, which identifies valuable areas of differentiation from other providers in the area, and negotiated with a top private payer to improve reimbursement by 10% with an exclusive agreement that pushed net revenue from 5% to 16%.



Katmai Oncology also incorporated a financial counselor into their practice model with a customized program built by the team at McKesson Specialty Health. By having a role dedicated to verifying insurance benefits, obtaining prior-authorizations and managing patient payments, the practice increased yearly patient collections by 292% and provided a valuable service to patients and their caregivers.

Next was a review of the practice's billing and coding procedures. Through an audit of missed charges and onsite observance of physician documentation, the experts identified several areas of concern and provided corrective education at each step to help the practice properly document and code services and implement check points to improve first-time payment rates. According to Terri Tope, "We saw a tremendous financial gain. We were actually getting paid for the services we were providing because we were billing it properly." Since, the practice has engaged in additional proactive audits to ensure high standards are maintained.

Amidst these changes, Terri Tope says the McKesson Specialty Health team began each project by first listening to the practice's leadership and staff. "Whenever we have had the experts at our practice, they're always respectful and great listeners. The staff was really receptive to having guidelines. We streamlined processes and people now know what their jobs are."

Key Benefits of working with a McKesson Specialty Health business consultant:

- Maximize reimbursement
- Engage more effectively with payers
- Improve documentation, billing and coding
- Succeed in value-based care programs

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