



# Case Study

**\$1.7 Million Increase**  
in Annual Collections

**Bill Mallon, MD**  
Triangle Orthopaedic Associates, P.A.

Many avid golfers argue that the hardest thing to do in golf is to make a major swing change or switch to different equipment. However, those who successfully make such a major change see huge results. Dr. Bill Mallon knows this is true. After graduating from Duke University as an All-American golfer, he made a significant swing change that propelled him to a successful five-year career on the PGA Tour. As a physician, he saw similar success, when he made a major shift in how he did business. His practice's transformational change came in the form of athenahealth.

## Before athenahealth

By 2001, Dr. Mallon had left the professional golf circuit and had become a practicing orthopaedic surgeon and medical director at Triangle Orthopaedic Associates, P.A., a surgical group in Durham, NC, with 60 providers and nine locations. He visited a colleague at a surgical clinic in San Antonio, TX. The clinic had begun using a new kind of service comprised of web-native practice management software, a dynamic payer rules engine, and a billing and collections center. This results-based service was athenaCollector,<sup>SM</sup> provided by athenahealth.

Dr. Mallon was attracted to athenahealth's service approach and ROI model – both very different from the software-based practice management packages he had already tried. “We had used a number of traditional software-based practice management systems over the years and decided that those systems were not allowing our medical practice to optimize our operation, and there was obvious room for improvement.”

Those traditional systems typically involved large up-front costs as well as on-going license fees. He was impressed to learn that athenahealth actually gave its web-based practice management software to clients for no charge. What he found even more impressive was a feature that was unique to athenahealth: Its extensive compilation of payer coding rules, which are updated in real-time by athenahealth staff as new rules are discovered among athenahealth's network of more than 18,500 providers.

Given what Dr. Mallon saw in San Antonio, he knew his practice could experience even greater operational efficiency and streamline its revenue cycle process with a proactive service like athenaCollector,<sup>SM</sup> offered by athenahealth.



**athenahealth**  
there is a better way

## AT A GLANCE

### CLIENT

Triangle Orthopaedic Associates, P.A.,  
Raleigh and Durham, NC

### ORGANIZATION

Physician-run orthopaedic practice

- ▶ 60 Providers
- ▶ 40 Employees
- ▶ 54 Years in service
- ▶ 9 Locations

### ISSUES

- ▶ Abundance of denied claims
- ▶ Limited profitability
- ▶ Lengthy days in accounts receivable (DAR)
- ▶ Inefficient back office

### SOLUTION

athenaCollector<sup>SM</sup>

### RESULTS

- ▶ \$1.7 million increase in annual collections
- ▶ \$330,000 increase in annual profit
- ▶ Reduction in staff from 60 to 40
- ▶ Decrease in DAR of 20%
- ▶ Greater visibility into practice performance
- ▶ Significant reduction in claim denials

## The Switch to athenahealth

After seeing athenahealth in action, Dr. Mallon contacted the company and he, along with several colleagues, toured athenahealth's headquarters to see first-hand the hundreds of athenahealth staff that work to support medical groups across the country as a "virtual back office." It was clear to Triangle Orthopaedic's senior leadership that the tools, services, and automation provided by athenahealth were unlike any available in the industry. The practice signed with athenahealth in December of 2005 and went live in early 2006 with impressive initial results.

The medical group saw an immediate cost savings based on athenahealth reviewing the practice's averted and delayed claims. As a result, Triangle Orthopaedic realized an increase of more than \$330,000 in claims paid per year. But the cost savings and improved workflow didn't stop there.

With athenahealth staff handling all of the claims processing and billing activity for the group through its automation and tools, Triangle Orthopaedic was able to dramatically decrease the size of its billing staff. Today, the group employs 40 staff members, which is down from 60. These staffers use athenahealth at the individual clinics for all necessary practice management activities—scheduling, registration, eligibility checking, check-in, check-out, etc.—making the practices far more efficient and dramatically limiting denied claims.

Before athenahealth, a typical claim for Triangle Orthopaedic could spend upwards of 60 days in accounts receivable. But now, thanks to athenahealth, that number has been lowered by roughly 20%, and is still dropping by the day. The group has also seen an increase of more than \$1.7 million to total collections and is currently experiencing an 85 percent first pass pay rate with all claims.

## More Visibility and Accountability

"With athenahealth, it's easier to see when mistakes are made. Our administrators are more accountable for their claims because the system can pinpoint missing slips and incorrect information in a claim. If an insurance number or billing code is entered incorrectly, athenahealth flags the error and immediately identifies why the claim will not drop clean," said Dr. Mallon.

Dr. Mallon continued, "athenahealth's web-based practice management solution is designed explicitly to provide a return on investment for medical practices. By changing to a proactive practice management service, we are actually leveraging the network power of thousands of physicians around the country."



*"Our practice has experienced financial improvement in a short amount of time which means we can now concentrate on patient care and the strategic direction of our practice."*

*— Bill Mallon, MD*

*At athenahealth, we know that every practice is different. Contact us to find out how we can help you.*



**athenahealth**

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