



**Case Study:** Life Sciences

# Reengineered revenue cycle runs better for medical device maker

Front-to-back office revenue cycle automation plus clinical expertise improve revenue collections and reduce operations costs.

Revenue collections from healthcare payers were slowing for this leader in orthopedic medical devices as it restructured its business. A lack of systems and process integration made it difficult to identify or address root causes for a rising percentage of pended claims. In addition, field sales representatives were not gathering insurance eligibility information before distributing product, creating additional collections issues. It was vital for the company's financial flexibility to improve collections—and simultaneously reduce its costs.

## At a Glance

A major orthopedic medical device manufacturer faced slowing collections. Cognizant redesigned the company's billing and collection processes, creating greater visibility into the revenue cycle and tackling root causes of denied and pended claims.

## Outcomes:

- Net revenue increased by \$8.82 million.
- Client saved \$1.18 million.
- Days sales outstanding decreased from 72 days to 36 days.

# Overhauled billing and collection processes increase revenue

## Streamlining operations

Reengineering creates greater visibility into the revenue cycle.

## Front-to-back revenue cycle reengineering

The medical device company partnered with Cognizant for our front-to-back office expertise and experience in medical device revenue cycle management. In the back office, we redesigned the client's billing and collection processes for faster and higher revenue realization, including taking over insurance preauthorization verification and implementing proactive appeals. If a healthcare payer denied preauthorization, our life sciences clinical experts followed up and gathered required documentation to appeal the decision.

In the front office, we enabled field sales representatives to confirm patient benefits eligibility before releasing product, which improved collection rates. Payer management was also improved with the development of a descriptive analytics dashboard, using historical data to score payers by risk of denial or underpayment.

- Reimbursement rate increased from 82% to 91%.
- Productivity increased by 12%.

Using this data helped reveal geographic and payer differences in handling medical codes. We collaborated with the client to integrate explanation of benefits data from payer websites to quickly resolve unapplied cash.

Through these efforts, the client saved \$1.18 million in operating costs, while net revenue increased by \$8.82 million. Days sales outstanding was cut in half, decreasing from 72 days to 36 days. The reimbursement rate increased from 82% to 91%, while productivity increased by 12%.

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## About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us @Cognizant.

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