

## CASE STUDY

# Optimizing FQHC Medicaid Billing to Drive Revenue Growth and Efficiency

**177%**

**Increase in Medicaid Revenue**

**\$3.7M**

**Increase in Cash Receipts**

**67%**

**Reduction in Medicaid A/R Days**

## Overview

CPa Medical Billing (CPaMB), a GeBBS Healthcare company, partnered with a large FQHC that records over 150K patient encounters each year. The facility's interim CFO reported that Medicaid comprised less than 10% of total cash-receipt revenue, largely due to internal capacity gaps and lack of specialized FQHC Medicaid billing expertise. CPaMB was engaged to fully outsource their Medicaid billing and fundamentally transform their revenue cycle management.

## Opportunities & Challenges

- **Complex FQHC Medicaid regulations and rate structures led to frequent claim denials and underpayments.**
- **Internal staff lacked institutional knowledge of FQHC billing nuances, causing revenue leakage.**
- **High Medicaid A/R days (over 90 days) strained cash flow and restricted working capital.**
- **Manual workflows and limited reporting capabilities prevented timely identification of root causes.**
- **Absence of an ongoing quality-governance process hindered continuous improvement.**

# Solutions

CPaMB deployed a streamlined, two-phase approach to address the FQHC’s Medicaid billing challenges:

1. **Assessment & Planning**
- Leveraged a proprietary analytics tool to pinpoint root-cause drivers of denials and underpayments.
  - Conducted in-depth process mapping of existing workflows to identify bottlenecks.
  - Developed a robust planning methodology that aligned FQHC coding practices with Medicaid regulations.
  - Established a weekly quality-governance forum, providing detailed educational feedback to client staff.
2. **Full-Service RCM Outsourcing**
- Transitioned all Medicaid claims processing, follow-up, and appeals to CPaMB’s onshore/offshore blend of certified specialists.
  - Implemented real-time dashboards to track key metrics (Medicaid revenue mix, A/R days, denial rates).
  - Instituted continuous training cycles and ongoing performance audits to reinforce best practices.
  - Maintained weekly governance forums to review progress, share insights, and adjust workflows as needed.

# Results

Metric	Before CPaMB	After CPaMB (6 Months)	Improvement
Medicaid Revenue Percentage	< 10%	27.7%	+ 177%
Revenue per Encounter	Baseline	Baseline + \$33.51	+ \$33.51
Medicaid A/R Days	> 90 days	< 30 days	– 67%

In addition to the table metrics, CPaMB delivered:

- + \$3.7M in incremental cash receipts within six months.
- Approximately + \$2M in Medicaid revenue annually (sustained at 25% of revenue in the following fiscal year).
- 99% overall collection rate on Medicaid claims.
- More than doubled Medicaid collections compared to the prior year baseline.

# Conclusion

By fully outsourcing Medicaid billing and embedding continuous governance and education, CPaMB enabled the FQHC to convert Medicaid from a sub-10% revenue source into nearly 28% of total cash receipts within six months—while slashing A/R days by two-thirds and achieving a 99% collection rate. The facility now maintains a 25% Medicaid revenue mix year-over-year, demonstrating sustained financial improvement and validating CPaMB as a strategic RCM partner for complex FQHC billing needs.