



CASE STUDY

How Covenant Health modernized provider contracting and compensation with Heisenberg II technology

Challenge: Covenant Health recognized the business need to standardize provider compensation across three geographically diverse markets. Further, leadership knew their current, disparate manual processes were hindering their ability to recruit, onboard, and retain talent. The organization needed provider compensation and contracting processes that ensured accuracy, streamlined workflows, and allowed adding more providers without adding more administrative staff.

Solution: Powered by Heisenberg II, Covenant Health automated, standardized, and centralized workflows associated with provider contracting and compensation. First, Heisenberg II Contract Management enabled Covenant Health to better manage the entire contract process, from initial recruitment through execution of the contract. Second, Heisenberg II Provider Compensation automated compensation evaluation, calculation, and adjudication while providing real-time feedback to administrators and providers.

Results: Implementing Heisenberg II technology resulted in significant efficiencies, eliminating an estimated 38 hours of manual, non-value-added activity each month. Contracts that previously took two weeks are now processed, released, and approved within 24 hours. Time spent on data entry and analysis has decreased by more than 20% between the contracting and compensation functions. The technology also helped substantially reduce variability, moving from over 25 unique incentive plans to placing 78% of employed providers within one plan with three variables. Compensation analysts now spend far less time on manual data management, which enables them to focus on analysis, forecasting, and other more strategic endeavors.

Unlocking a Seamless Contracting-to-Compensation Process

The need to streamline the recruitment and hiring process has become a top priority for Covenant Health in the face of increasing competition for talent. Speed is crucial to this process – contracts must be created and executed quickly. Equally important, providers must be compensated accurately and expeditiously to strengthen existing service relationships. Highly manual processes and variations in compensation/contracting practices across the Covenant Health system created the need for a better process solution. This solution was found in Heisenberg II.

“Heisenberg II provides seamless conversion from recruited physician to established physician, in terms of both contracting and compensation,” says Douglas Miller, Covenant Health’s former shared services director now serving as a provider compensation consultant.

38 hours saved

Estimated monthly time savings on contracting and compensation

67% faster contract drafting

From >6 hours to <2 hours per week

12 hours reallocated

From manual reporting tasks to value-added activities

“Now we can get contracts released and approved within 24 hours, and often we’re getting contracts back fully executed within a few days. That has been a huge benefit.”

— Alize Blas, Provider Liaison Specialist, Covenant Health

From Weeks to Days: Streamlining Contract Management

Manual contracting processes were burdensome for administrators and providers alike at Covenant Health. Before deploying Heisenberg II, the organization relied heavily on emailing and faxing Microsoft Word documents, PDFs and spreadsheets back and forth, which created unnecessary delays. The longer providers waited for a contract, the higher the potential for them to decline the offer and go elsewhere. Covenant Health wanted to close that gap.

“We’ve seen time savings not only from the standardization of contracts using Heisenberg II Contract Management templates, but also through centralization of all contract-related documents within the Heisenberg II platform,” says Alize Blas, Provider Liaison Specialist.

Those time savings accrue in several areas. Thanks to the platform’s robust automation, creating and coordinating Contract Action Requests now takes only one-third as much time as it did before. Changes in one document version automatically carry into the next version, streamlining and simplifying workflows for all stakeholders and departments. Providers can now sign contracts electronically, saving time and eliminating hurdles on their end. “On more than one occasion, I’ve seen an offer letter go out, be signed and a contract duly executed within 24 to 48 hours,” says Blas. “This process used to take around two weeks. It’s very fast now.”





“My underlying philosophy has been to automate wherever possible. The provider set-up workflow is now supported by critical automation, which allows a new contract to automatically flow into the compensation module and create or update that provider’s record.”

— Douglas Miller, Provider Compensation Consultant to Covenant Health

Beyond the Contracting Process: Optimizing Compensation

The time savings associated with technology-driven contracting continues well beyond contract signing. Because Heisenberg II’s contracting and compensation modules are integrated, the compensation team at Covenant Health also realized substantial efficiency gains right away. Locating and uploading new provider information and contract terms are no longer manual processes, and with seamless flow between contracting and compensation, Heisenberg II provides a single source of truth.

Compensation-specific functions have notably accelerated because Heisenberg II Provider Compensation can interface with any system that contains data relevant to provider compensation, including payroll, HR, time and attendance, and electronic health record systems. “All the payrolls and wRVUs are now integrated and uploaded into Heisenberg II,” says Miller. “Previously, we had to upload all of that manually, a process that took 8 to 10 hours every month. That’s all substantially gone away now.”

These kinds of efficiency and productivity gains lead to secondary advantages as well, such as scalability. Since implementing Heisenberg II technology, Covenant Health has been able to manage twice the volume of contracts than it did previously – without requiring additional contracting or compensation staff.

Improving Accuracy from Contracts Through Compensation

Workflows that depend on manual labor, such as spreadsheets, emails, and other disparate documentation, are vulnerable to human error. Quality assurance and mitigating errors are necessary, time-intensive work. The effort to catch and correct inaccuracies, such as certain details not carrying forward from a previous agreement into a new contract, is critical to maintaining accuracy and building provider loyalty.

Blas says Covenant Health’s legal department spent many manual hours approving contracts because it required time-consuming, laborious scouring to ensure flawlessness. Similarly, validating Excel-based incentive calculations required tremendous effort and vigilance from the compensation team. Despite such efforts, errors in calculations still occurred.



“Heisenberg II provides a highly reliable, highly effective process for reconciling what you paid a provider and making sure that payment aligns with the contract terms.”

– Douglas Miller, Provider Compensation Consultant to Covenant Health

With Heisenberg II, intelligent, configurable automation powers accuracy. The integration between contract management and provider compensation helps guarantee that nothing gets missed when transferring contract terms into pay elements within the compensation system.

Heisenberg II Contract Management ensures everything is correct in the contract from the start. Then, Heisenberg II Provider Compensation automates compensation calculations, validation and adjudication. The platform also generates real-time alerts identifying outliers, errors, or exceptions, eliminating the risk of data entry mistakes or miscalculations that could have negative financial impact or compliance risk for the provider and/or organization.

Taming Complexity and Inconsistency: The Power of Standardization

With multiple geographic regions under the Covenant Health umbrella, the system was mired by the inefficiency of decentralized processes for provider compensation handling. The Heisenberg II platform helped Covenant Health address this challenge by enabling the organization to standardize and consolidate its compensation workflows. For example, they condensed more than 25 incentive plans across three markets into just one universal incentive plan. As a result, they successfully moved 78% of employed providers to just one plan with three variables. Standardization across all regions has increased efficiency and made operations more consistent for the health system while helping the system successfully navigate regulatory compliance.



Equipping Providers with Actionable Data

Another downside of any Excel-based compensation process: It limits the frequency and amount of detail the providers have access to when it comes to the relationship between their performance and their compensation. "With Heisenberg II Provider Compensation, we were able to supply our providers with a dashboard that enables them to drill down into real-time compensation metrics," says Miller.

"The heightened level of visibility has improved engagement, helping the providers better understand their performance within the plan with quality and productivity expectations."

Supplied with the right information, providers can make well-informed decisions about where to focus their efforts, helping to strengthen quality outcomes for patients as well as favorable financial outcomes for the providers and the system.

In that way, transparency and insight have improved compliance. As Miller explains, a well-managed, structured recruitment process that ensures compliance at each step positively supports regulatory compliance factors, such as fair market value and commercial reasonableness. Similarly, annual contract reviews and adjustments must be consistently applied and defensible for the organization to comply with federal and state laws governing provider compensation.

"If we alter an agreement, we are compelled to ensure a proper regulatory justification exists and has been documented," Miller says. Heisenberg II saves every action and change, automatically creating an audit trail.

Partnering with Industry Experts for Success

Heisenberg II has made Covenant Health more efficient. It is now well-positioned to meet key bottom-line goals, from hiring top-tier providers to compensating in ways that foster healthy provider relationships, loyalty, and improved quality outcomes. "Heisenberg II is exactly what we needed," says Miller.

Likewise, he also credits Covenant Health's partnership with Hallmark, the innovators behind the Heisenberg II platform, with being integral in successfully modernizing and optimizing provider contracting and compensation at the healthcare organization. "Hallmark has been a true partner to us, helping to take our ideas from concept to reality with Heisenberg II," Miller explains.

For more information about Heisenberg II, visit hallmarkhcs.com.





Healthcare Workforce Technology

At Hallmark, we partner with healthcare organizations to overcome their labor-related challenges. From talent sourcing and deployment to provider compensation and contracting, our workforce management platform unlocks essential data, improves access to talent, drives operational efficiency, and delivers substantial cost savings. Through our unique blend of technology, strategy, service, and partnership, we empower healthcare organizations to focus on their core purpose: lifesaving patient care.