Revenue Cycle and Reimbursement Best Practices

Common findings from Revenue Cycle Assessments and related best practice recommendations

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Learning objectives

- Understand how a revenue cycle assessment leads to improved results
- Learn about common challenges we identified during revenue cycle assessments
- Gain insight into the best practices related to key focus areas of revenue cycle and reimbursement
- Identify potential revenue opportunities as we share common areas for revenue leakage or compliance issues

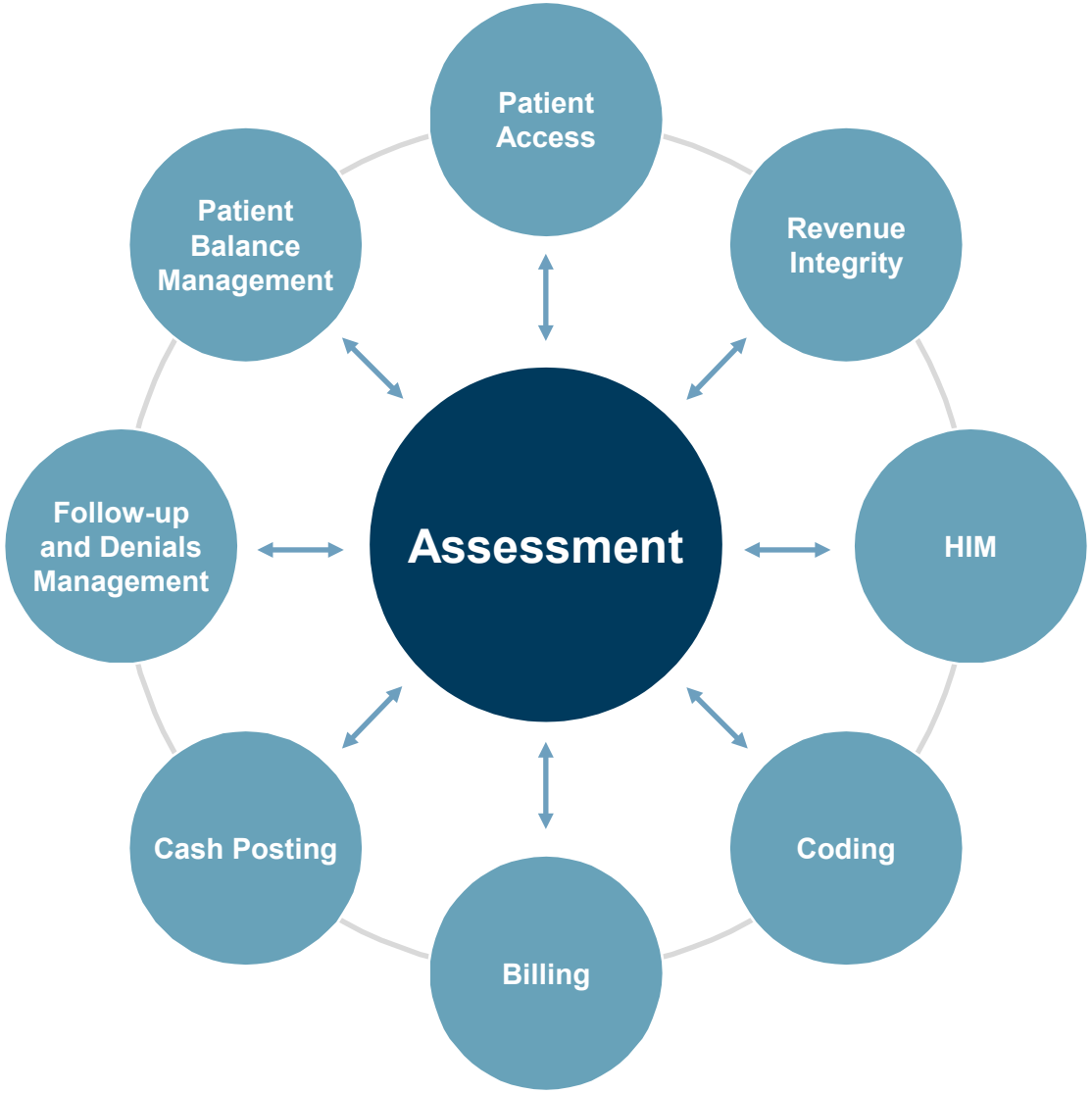
Polling question #1

Reasons To Fully Assess Your Revenue Cycle

Why look outside your organization for help?

- You don’t know what you don’t know
- Wholistic approach
- Subject matter experts

Revenue Ecosystem Health



Assessment Value

01 Its not about one metric or how one area performs

02 All revenue cycles have opportunity

03 Need to look beyond traditional revenue cycle

04 Road map and actionable items

Polling question #2

Common Findings from Revenue Cycle Assessments

1 Infrastructure – cracks in the foundation

- Lack of revenue cycle governance
- No formal education infrastructure
- Revenue integrity functions lacking

2 Silos

- Lack of accountability and ownership
- Blame game
- Confusion
- Fragmented Processes
- Patient dissatisfaction

3 Technology not optimized

- Too many touches – work queue/flow whack-a-mole
- Not on current versions or not leveraging available tools
- Working harder, not smarter

4 Reporting

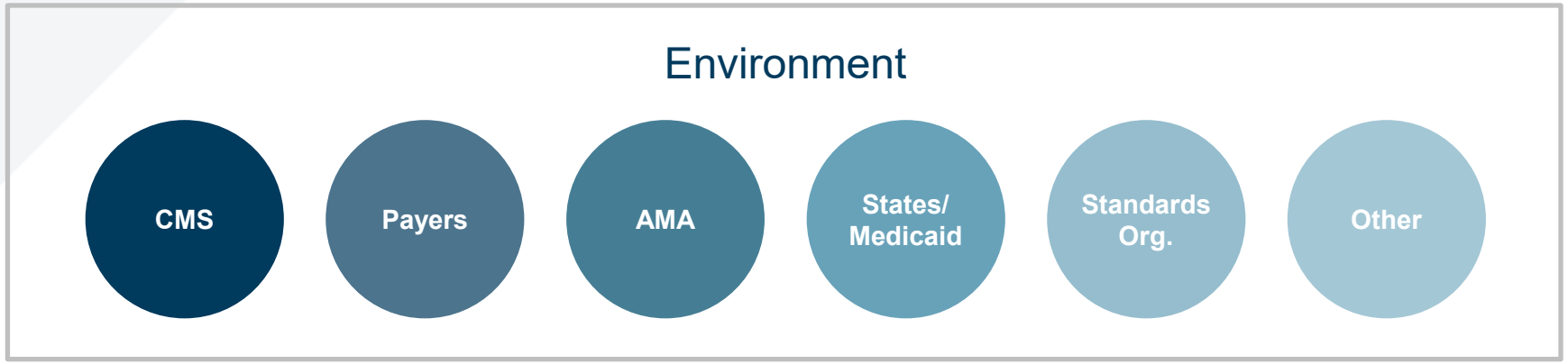
- No source of truth, inaccurate data
- Reporting lags
- Missing critical reports
- “Ugly” reports
- Data barrage, lack of focus

5 Denial management

- No focus on denial prevention, root-cause analysis
- Costly rework of claims
- Wasting valuable resources on appeals

Best Practices

Revenue Integrity Program



Missing or failing to react to just one update can cause denials, compliance risk, and/or patient complaints

Changes to Content

- Gather
- Normalize
- Assimilate/deploy

Importance

- Compliance
- Lag time
- Revenue improvement
- Expense reduction
- Denials prevention

Importance of Revenue Integrity Program

The pillars of revenue integrity

- Revenue Cycle
- Clinical Informatics
- Care Providers/Departments

Best Practices: Revenue Integrity Program

Establish an interdisciplinary team with the following goals

- Monitor regulatory, code set, and payor updates, and educate departments, providers, and staff
- Regular meetings with departments and clinical leadership to review performance and improvement opportunities
- Analyze root cause of revenue cycle performance issues, edits, denials
- Review clinical documentation, invest in Clinical Documentation Integrity (CDI)
- Chargemaster (CDM) oversight – new items, maintenance, pricing updates, revenue code assignment in alignment with needs of cost reporting
- Monitor charge capture, establish policies and procedures, and train on appropriate charging and reconciliation to combat revenue leakage

Common Areas for Revenue Leakage or Compliance Issues

Areas your revenue integrity team should look at

- Emergency Room/Department (ED)
  - Procedures performed in the ED that can be separately charged
  - Facility portion of ED visit level charge should be supported by formal criteria
  - CAH should accurately report ED physician availability time for reimbursement via the cost report
  - Observation service provided in the ED should not be included in observation days reported in the cost report for acute cost per day
- Inpatient Care
  - Utilization Review and/or Case Management should review physician orders for inpatient levels of care and observation services

Common Areas for Revenue Leakage or Compliance Issues

Areas your revenue integrity team should look at

- Inpatient Care, continued
  - Update order sets to help ensure that all appropriate levels of care are available, including outpatient services performed in the nursing unit (i.e., extended recovery, outpatient in a bed)
  - Educate on the proper criteria for ordering observation and have a process to carve out time for monitored procedures
- Injections and Infusions
  - Educate clinical staff on documentation requirements for start/stop time and the hierarchy for appropriate charging of hydration, injections, and infusions. Have coding review
  - IV therapy administration charges are often misaligned with the cost of these services in the Medicare cost report

Common Areas for Revenue Leakage or Compliance Issues

Areas your revenue integrity team should look at

- Pharmaceuticals
- Chargeable supplies
- Time-based charges
- OR is a goldmine or charge albatross
- Documentation – Not documented, it did not happen

Best Practices

Formal Educational Program

- Written policies, procedures, tools, and other resources
  - Teach your team to be resourceful
- Formal training programs for onboarding new staff and continuing education for all staff
  - Foster a culture of learning and make it fun
  - Institute a “ladder” program and celebrate milestones of learning
  - Incorporate cross-departmental education to help break down silos – include case management, IT, finance, clinical departments
  - Encourage networking with other hospitals and professional organization participation

Common Findings

Silos

- Why do they keep bothering me?
- They just don’t get how hard my job is.
- They always get it wrong.
- ….#$#@#$@#$

Best Practices

Breaking Down Silos

- Promote cross-collaboration between departments
  - Help ensure that educational programs include interdisciplinary learning and use it as opportunity for team building
  - Implement a job shadowing program
  - Assign cross-department liaisons
- Encourage open, honest, and regular communication throughout the organization
- Be careful how collaboration tools are used – avoid whack-a-mole
- Bring people together for meetings or events periodically

Best Practices

Technology Optimization

- Leverage all available tools
- Get the return you expected on your investment
- Make the technology work for you as opposed to you working for the technology
- Prepare and adopt upgrades and new functionality
- Partner with your vendors
- Understand what like organizations are doing with the same technology

Best Practices

Reporting

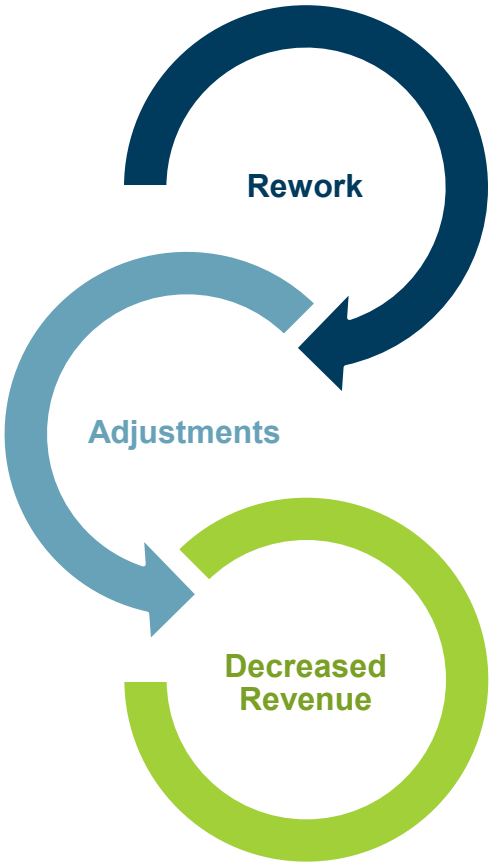
1. Have the right data available at the right time?
2. Prevent staff from questioning data validity and start acting on needed changes
3. Leverage reports to drive changes
4. Use dashboards to manage production and results
5. Create a data driven revenue cycle

Best Practices: Denials Prevention

Move from Denial Management to Denial Prevention

Why Focus on Denials Prevention

- Rework is expensive
  - Rework costs average of $25 per claim
  - Success rates vary from 55% to 98%
  - Rework adds at least 14 days to the average number of days to pay
- Alternative to rework is writing it off:
  - Industry only appeals 35% of denied claims
  - Average Gross Denial rate for providers is 5–10%
  - Write-offs range from 1% to 5% of net patient revenue
- Better alternative is to prevent denials from occurring

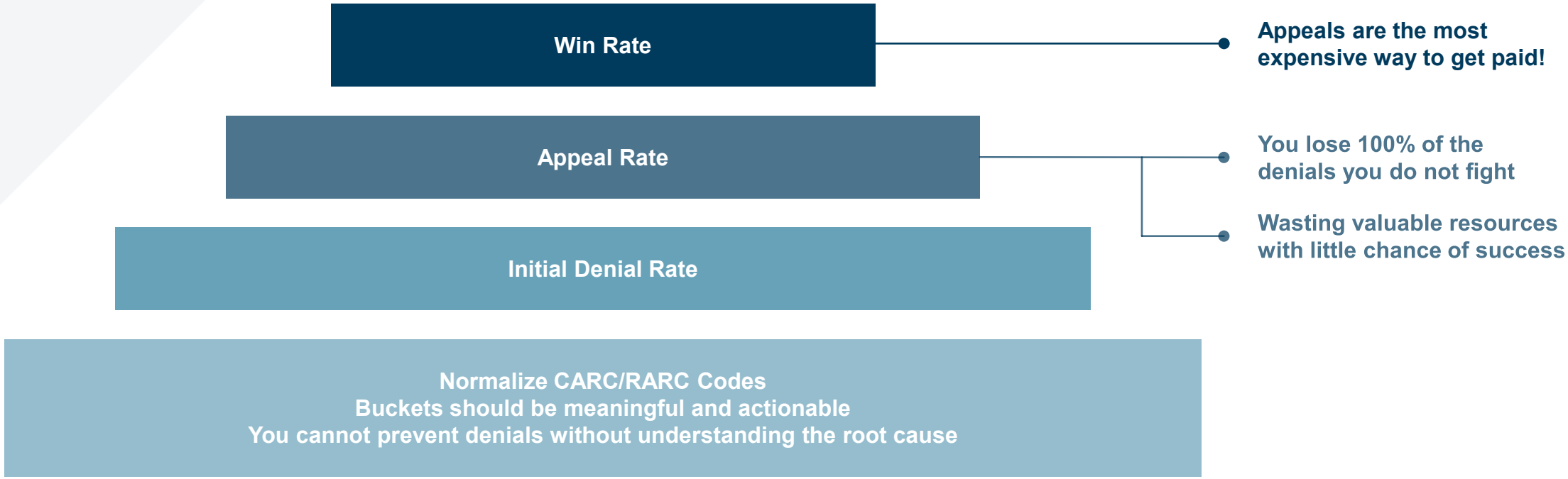


Best Practices: Denials Prevention

Glide Path For Denials Prevention

Best Practices: Denials Prevention

Denial Reporting



Questions?

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