REVENUE CYCLE—INSIGHT INTO IMPROVING YOUR COLLECTIONS

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LEARNING OBJECTIVES

GAIN CONFIDENCE

- Discuss opportunities in revenue cycle related to team approach and process improvement
- Review processes to expedite collections, improve reimbursement, and help ensure compliance with BerryDunn's SNF checklist as a tool

GAIN KNOWLEDGE

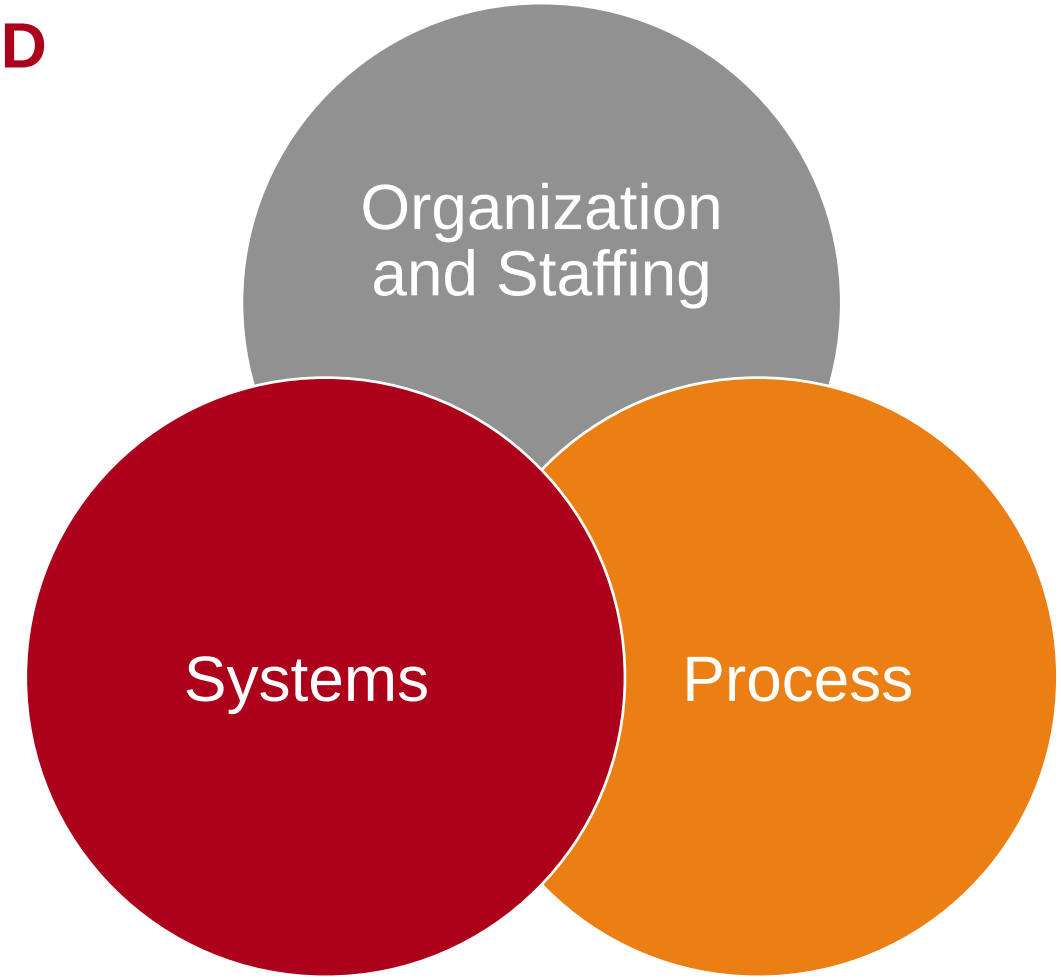
- Refresh your knowledge of SNF Consolidated Billing rules to minimize your facility's financial exposure to preventable costs
- Understand your facility's responsibility for patient notifications when using non-covered ambulance

GAIN INSIGHT

- Understand how your RCF's Case Mix compares to peer groups' over time
- Compare your collection and financial benchmarks to peers

Revenue Cycle

IT'S ALL CONNECTED



ACHIEVING REVENUE CYCLE OPTIMIZATION

Standardization

- Develop applicable policies, procedures, and guidelines for the revenue cycle team.
- Develop job responsibilities and training manuals.
- Develop a revenue cycle activities calendar.
- Create a standard set of key statistical and financial indicators for each facility to facilitate monitoring of accounts receivable.

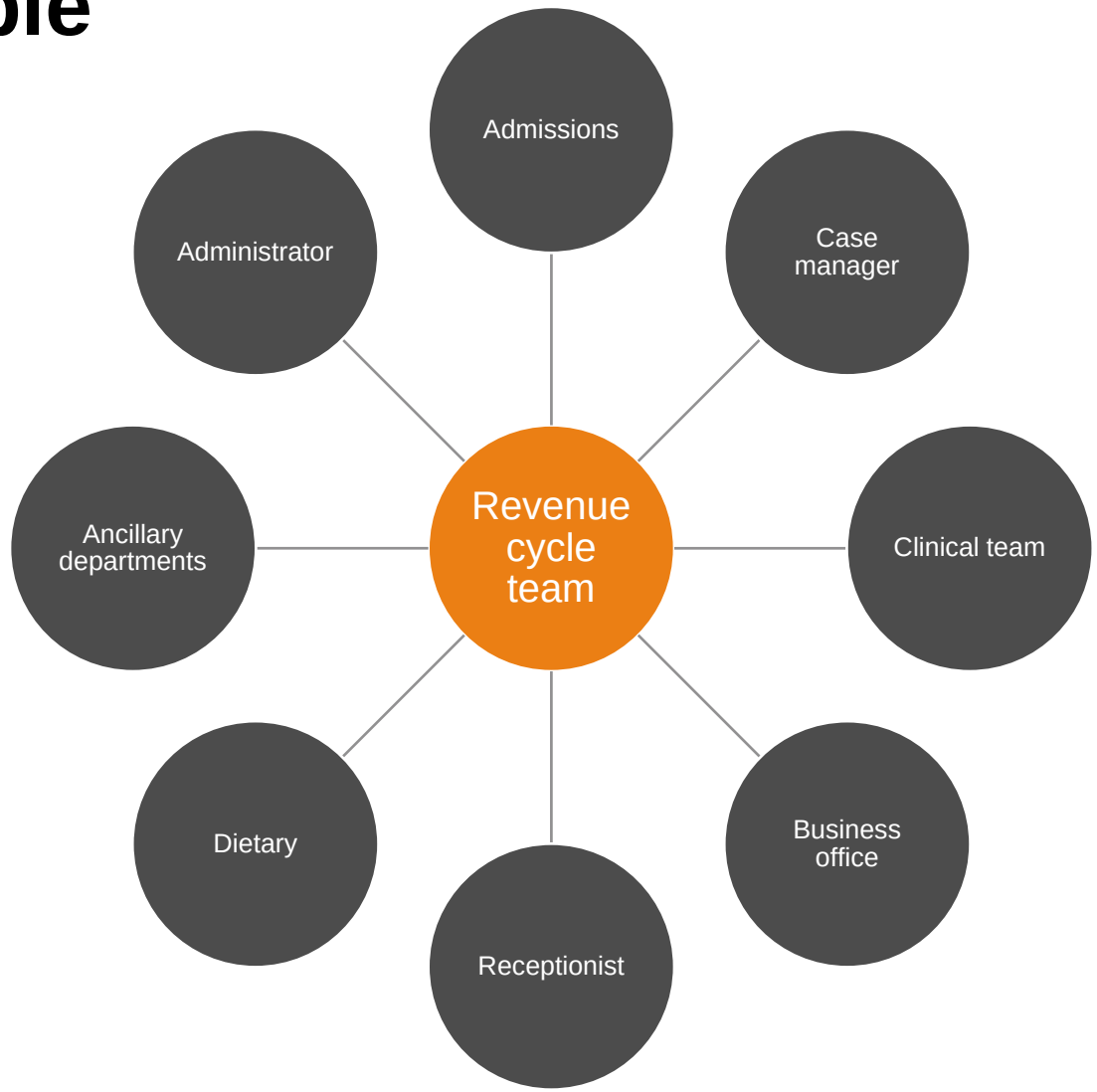
Automation

- Increase functionality and utilization of information technology.
- Reduce reliance on paper and manual recordkeeping, and information exchange.

Cultural Shifts

- Create a plan for knowledge sharing and cross-training.
- Engage all members of the revenue cycle team including administrators in sharing accountability for collection of receivable balances.

Who are the people on your revenue cycle team?



KEYS TO SUCCESS

- Triple Check Process – Is it working?
- MDS Process – Evaluate quality and accuracy in all areas not just nursing
- Finance/Reimbursement - Benchmarking, review CMS Impact files
- Leadership – Educate and focus on training and competency
- Continuously monitor your data
- Take credit for what you already do
- Review from Admission to Discharge
- Use EHR

SNF – POST PDPM IMPLEMENTATION COLLECTIONS AND COMPLIANCE CHECKLIST

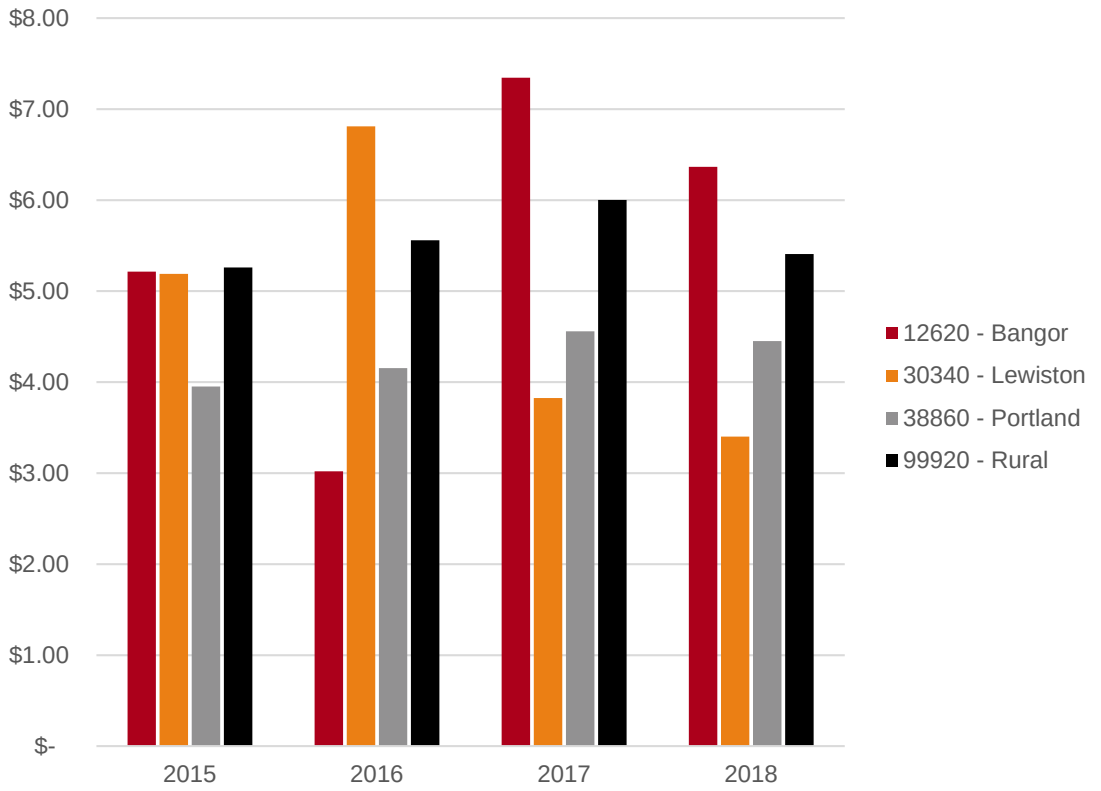
BD 12-POINT SNF REIMBURSEMENT AND COMPLIANCE CHECKLIST

berrydunn.com/pdpm-checklist

- Review all patient records for the new Medicare Beneficiary Identifier (MBI)
- Develop a plan to identify and resolve **rejected** and denied claims fast
- Carefully review your October – December accounts receivable reports
- Review compliance with Medicare bad debt requirements
- Update your reference file for Consolidated Billing (CB) exclusions

AVERAGE MEDICARE BAD DEBT REIMBURSEMENT

BY CBSA, PER MEDICARE PATIENT DAY

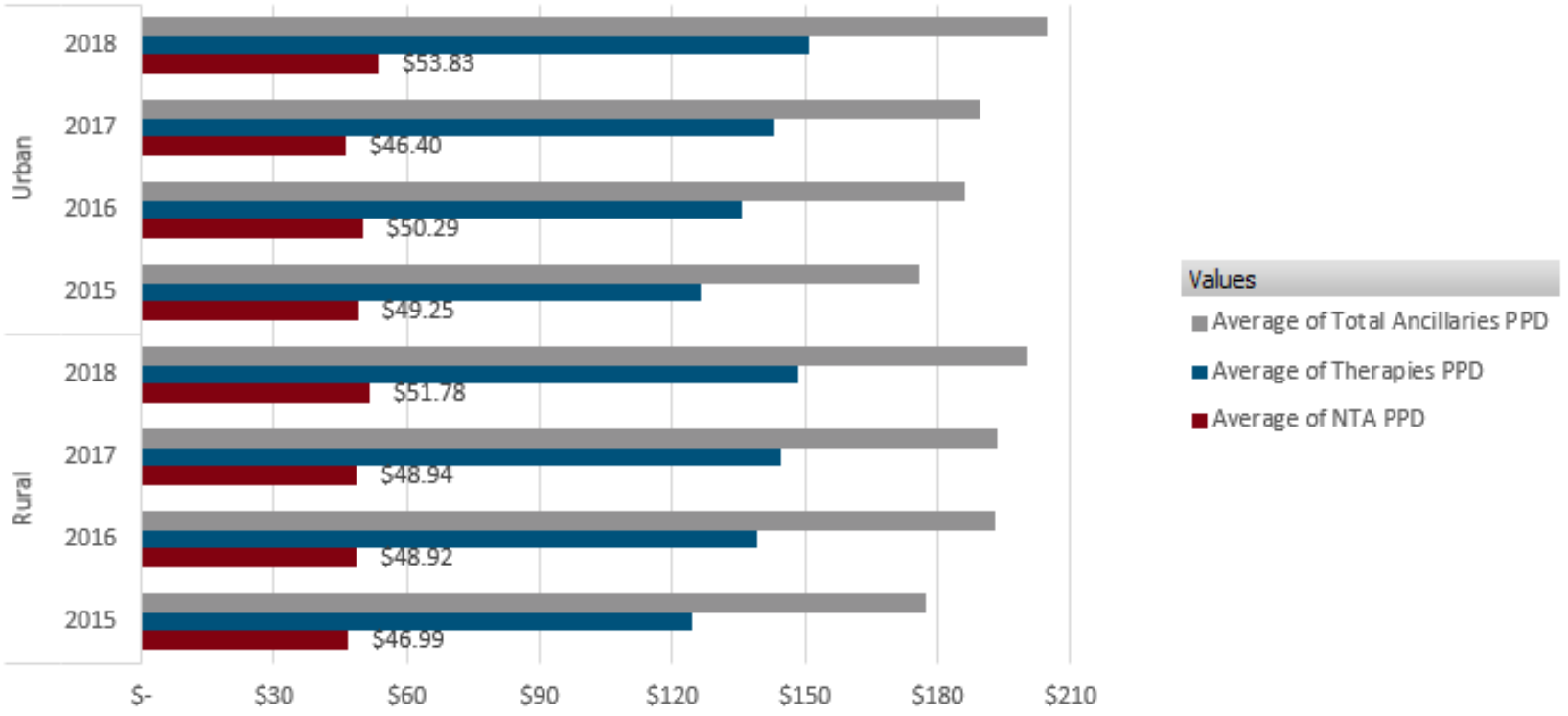


SNF CONSOLIDATED BILLING

CMS WEBSITE

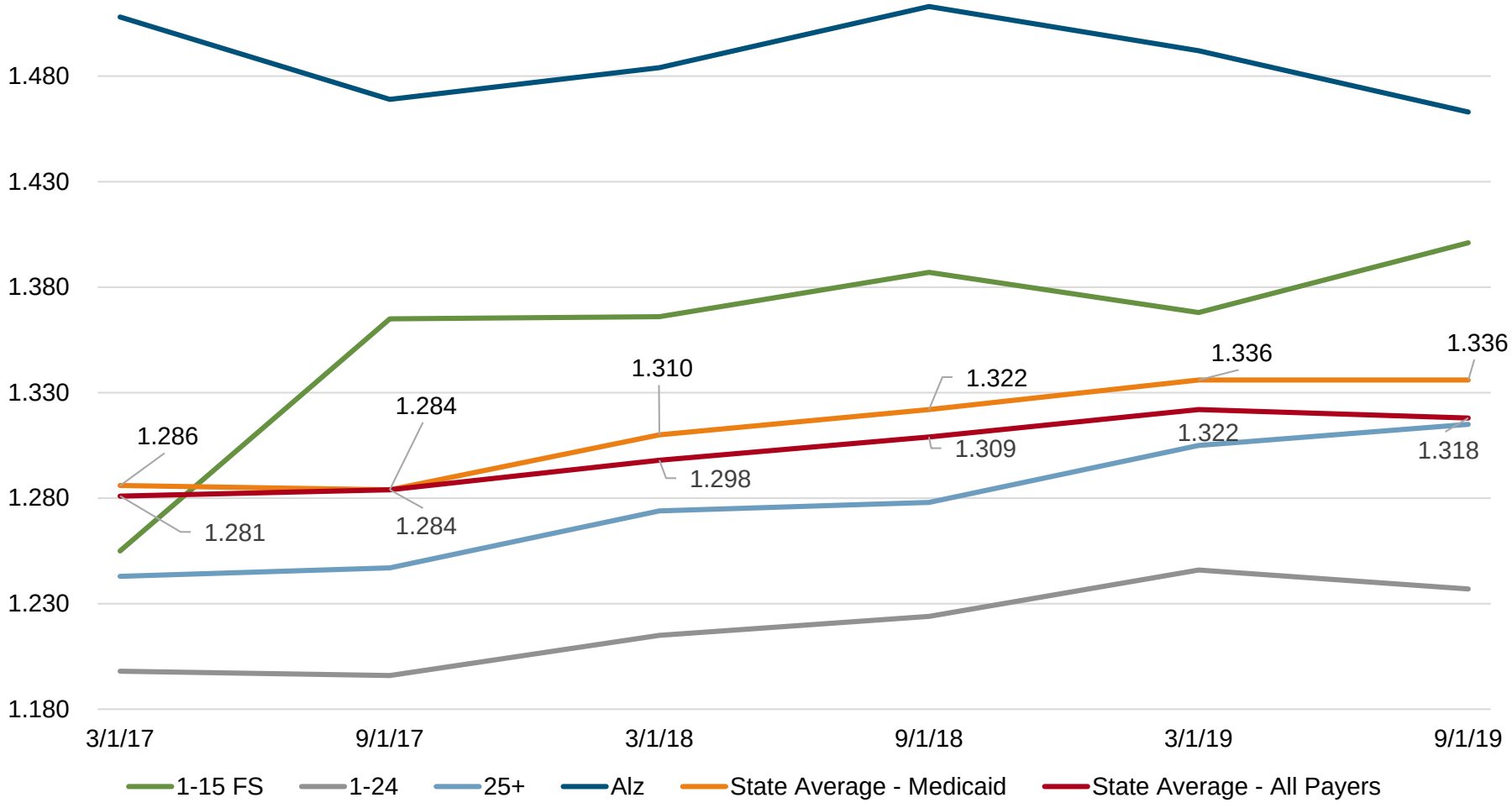
- Program basics
- Sample notices & “Under Arrangement” forms
- Best practices guidelines
- Up-to-date listing of CB excluded HCPCS codes

CB ANCILLARY COST PPD

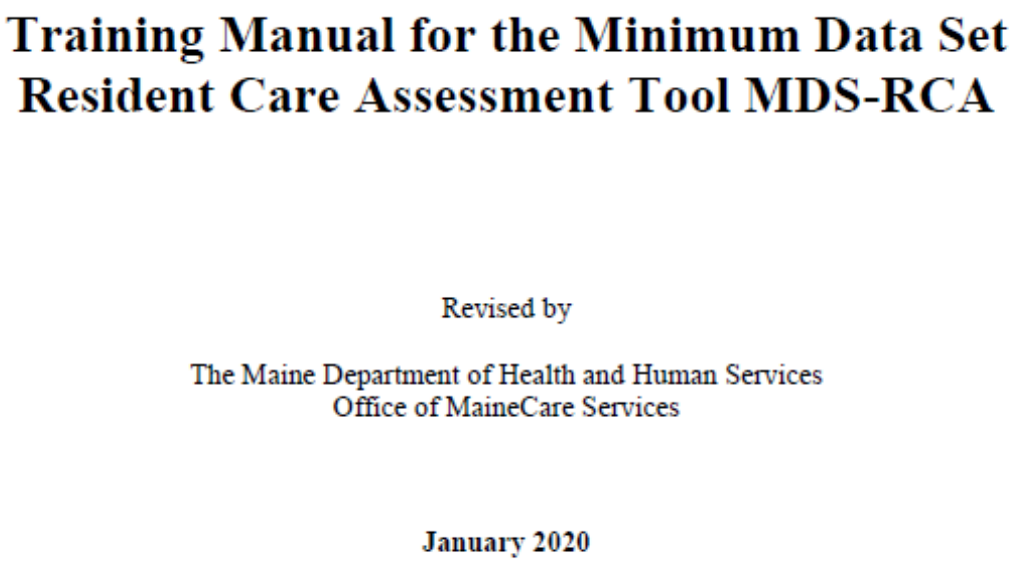


RCF BENCHMARKS

RESIDENTIAL CARE FACILITY AVERAGE CASE-MIX INDEX TRENDING BY PEER GROUP AND STATE-WIDE



RCF TRENDS – CASE MIX REVIEW



Training Manual for the Minimum Data Set
Resident Care Assessment Tool MDS-RCA

Revised by

The Maine Department of Health and Human Services
Office of MaineCare Services

January 2020

- New training manuals
- Unclear instructions
- Turnover
- Smaller sample size means heavier weight of each record
- Less time to respond to findings

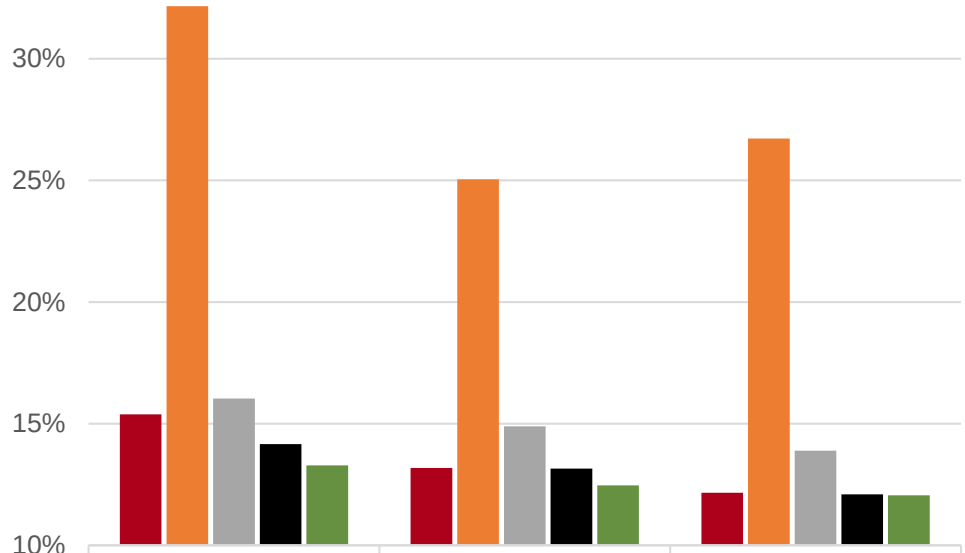
Results!

IS IT WORKING?

SHORT-TERM BENCHMARKS AND TRENDS

- Days to billing
- Percent cash collected to amount billed
- Percent of claims billed
- Number of claims pending Medicaid and number of days pending
- Number of claims requested for clinical review & related success rate by payor
- Number of claims “returned to provider”, “denied”, “rejected” and related root causes
- Trending of aging buckets by payor

AVERAGE MEDICARE UTILIZATION BY CBSA, MAINE SNFS



	2016	2017	2018
12620 - Bangor	15.38%	13.18%	12.16%
30340 - Lewiston	32.16%	25.04%	26.72%
38860 - Portland	16.04%	14.89%	13.89%
99920 - Rural Maine	14.16%	13.15%	12.09%
New England	13.29%	12.46%	12.05%

Data reflects non-hospital based SNFs in Maine filing full Medicare cost report.

DEFINED:

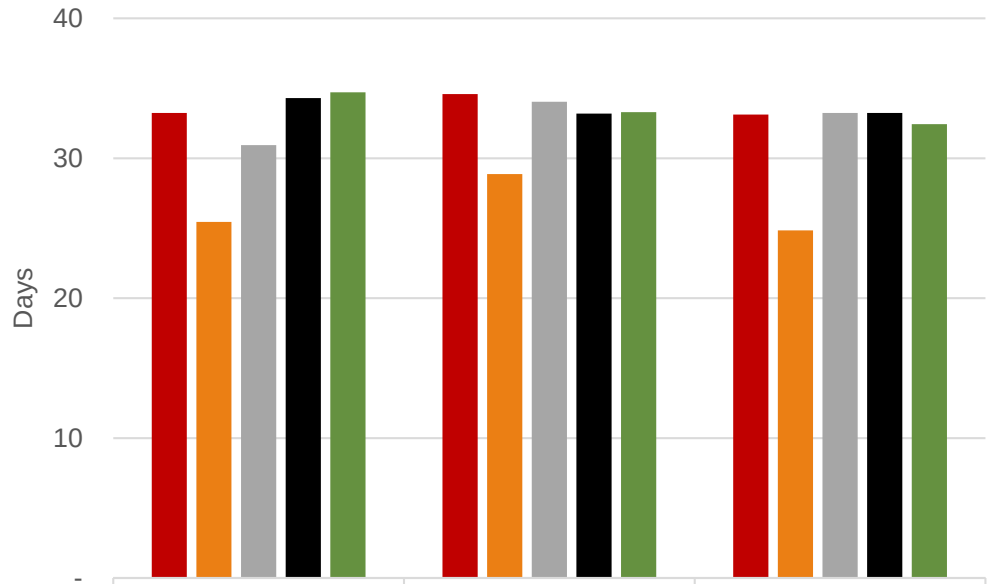
$$\frac{\textit{Total Medicare days}}{\textit{Total skilled unit days}}$$

Average Medicare utilization is calculated by dividing total Medicare days by total skilled care unit days, as reported on Worksheet S-3, Part I.

As Medicare is considered a quality payer, higher Medicare utilization usually allows providers to have better margins. However, costs must be controlled to achieve favorable results.

SOURCE: HCRIS DATABASE

AVERAGE LENGTH OF STAY, SKILLED UNIT, MEDICARE

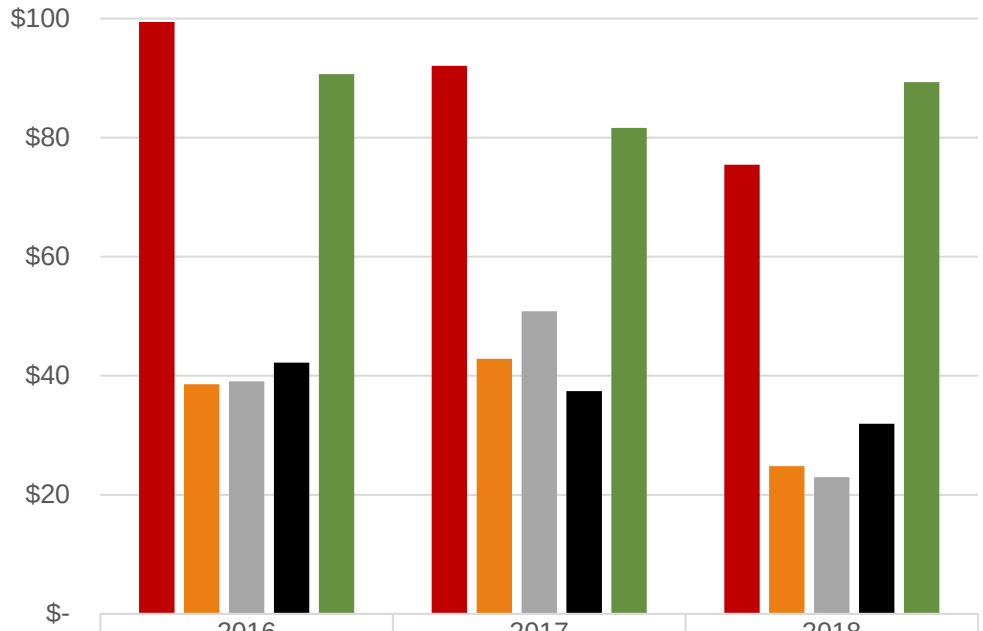


	2016	2017	2018
12620 - Bangor	33.24	34.59	33.13
30340 - Lewiston	25.45	28.88	24.85
38860 - Portland	30.95	34.04	33.24
99920 - Rural Maine	34.30	33.20	33.24
New England	34.72	33.30	32.44

Average length of stay for New England states has been decreasing. Medicare LOS As the proposed FFY20 payment system (PDPM) favors shorter stays, facilities will need to consider lengths of stay balanced with occupancy levels.

SOURCE: HCRIS DATABASE

AVERAGE MEDICARE PROFITABILITY PER PATIENT DAY



	2016	2017	2018
12620 - Bangor	$99.43	$92.05	$75.46
30340 - Lewiston	$38.57	$42.86	$24.81
38860 - Portland	$39.05	$50.84	$22.97
99920 - Rural Maine	$42.22	$37.43	$31.93
New England	$90.68	$81.63	$89.33

DEFINED:

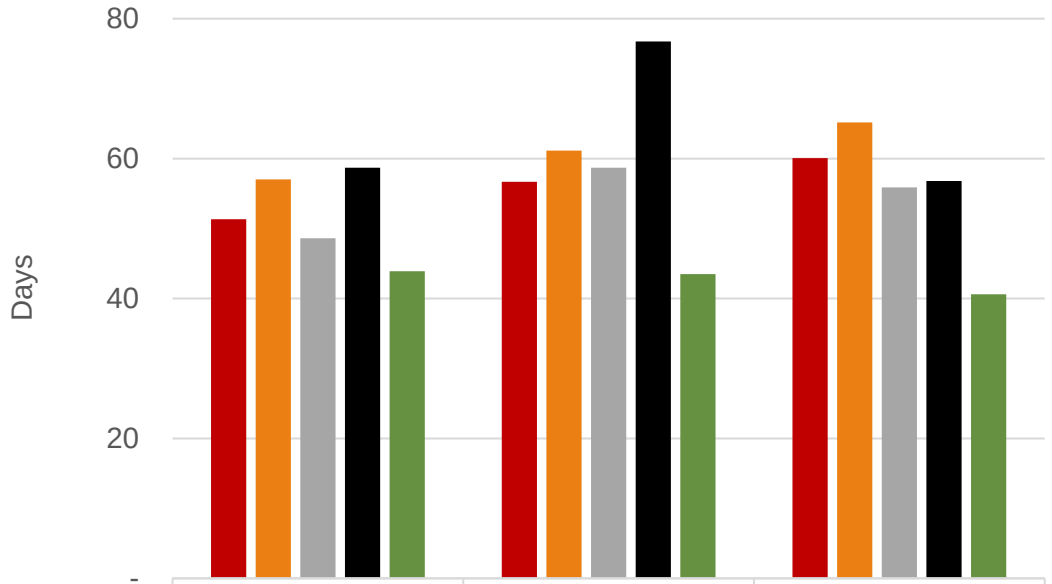
$$\frac{\textit{Medicare program income, net}}{\textit{Medicare resident days}}$$

Average Medicare profitability is calculated by dividing net Medicare program income, net of sequestration, by the number of Medicare patient days.

Average Maine Medicare profitability is far below New England.

SOURCE: HCRIS DATABASE

AVERAGE DAYS IN ACCOUNTS RECEIVABLE



	2016	2017	2018
12620 - Bangor	51.34	56.69	60.07
30340 - Lewiston	57.03	61.14	65.18
38860 - Portland	48.62	58.71	55.88
99920 - Rural Maine	58.70	76.75	56.81
New England	43.91	43.49	40.62

DEFINED:

$$\frac{\textit{Days in accounts receivable, net}}{\textit{(Net resident service revenue/365)}}$$

Average days in accounts receivable are calculated by dividing accounts receivable (net of bad debt allowance) by net resident service revenue divided by number of days in the cost reporting period.

Profitability does not always correlate to cash flow.

Maine's days in accounts receivable consistently exceed New England's average.

SOURCE: HCRIS DATABASE

QUESTIONS

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