COVID Recovery Series

Financial Recovery Part IV: Revenue Cycle Strategies

8.7.2020

NATIONAL RURAL HEALTH RESOURCE CENTER

Everyone needs a trusted advisor.
Who's yours?

BKD CPAs & Advisors

Delta Region Community Health System Development (DRCHSD) Program Supported By:

Delta Regional Authority

U.S. Department of Health & Human Services

HRSA

Federal Office of Rural Health Policy

This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under grant number U65RH31261, Delta Region Health Systems Development, $8,000,000 (0% financed with nongovernmental sources). This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHSor the U.S. Government.

Agenda

1. AR Management, Cash Acceleration and Valuation of Self Pay
2. Payer Updates
3. Remote Staff Productivity

Speakers

Deb Kozlowski

Brenda Christman

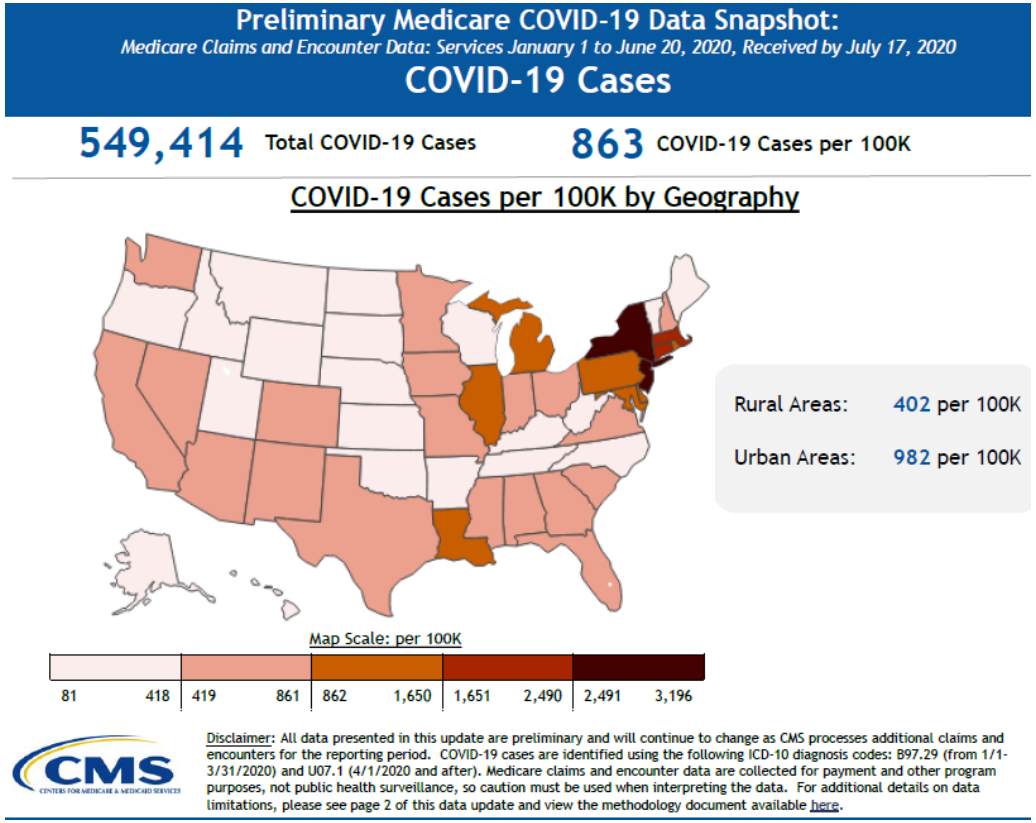
Sanjay Patel

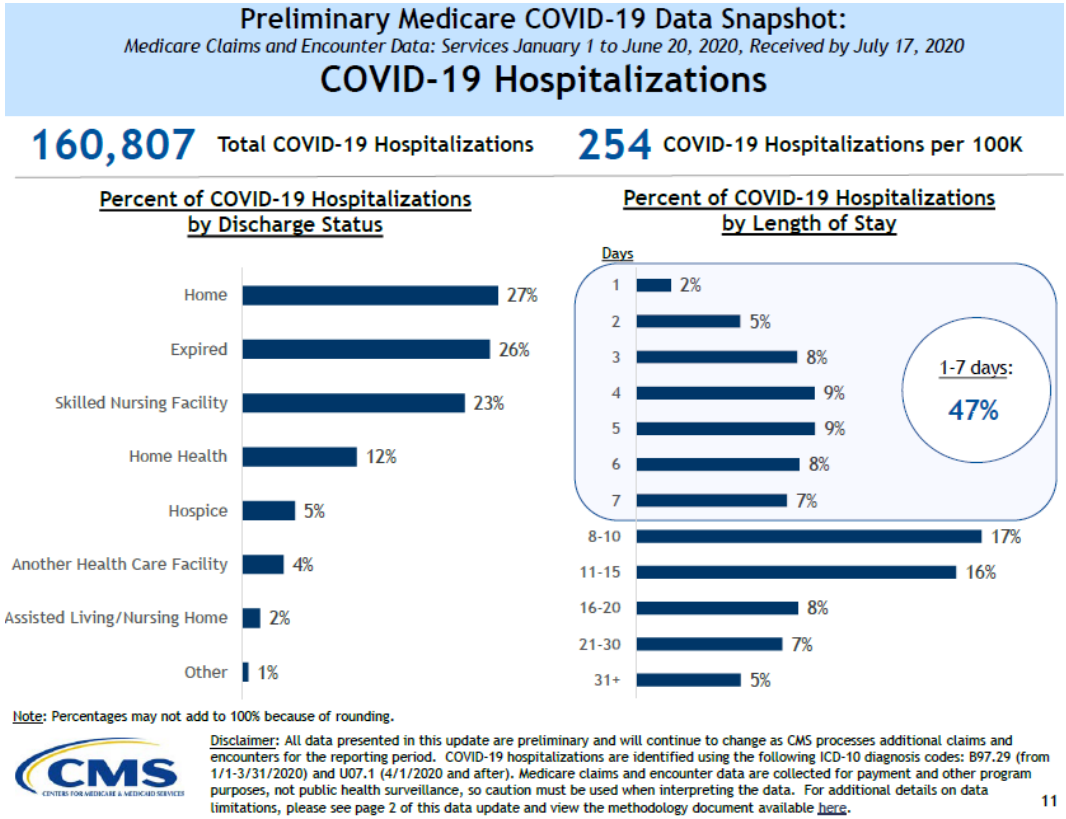
Everyone needs a trusted advisor.
Who's yours?

BKD
CPAs & Advisors

Purpose & Background

Provide support for Revenue Cycle leaders through the COVID-19 environment today and recovery as Providers reopen. We will strive to balance the organizational goals with the support for the communities they serve.





https://www.cms.gov/files/document/medicare-covid-19-data-snapshot-fact-sheet.pdf

CPE Question #1

Has your hospital tested and treated COVID patients?

A. Yes, 50+ patients
B. Yes, 10-49 patients
C. Yes, 1-9 patients
D. No

AR Management, Cash Acceleration and Valuation of Self Pay

Everyone needs a trusted advisor.
Who's yours?

BKD
CPAs & Advisors

Accounts Receivable (AR) Management

Issue

- COVID-19 has impacted healthcare organizations payment and collection efforts significantly
- Some impacts on revenue cycle include delayed insurance payments, increase in hold times with payers, decrease in self-pay collections and many more

Impact

- One of the largest efforts for organizations to recover from COVID-19 impacts will be to clean up AR backlog that has increased since the onset of the pandemic
- Insurance Payments: Increase to Days in Accounts Receivable and A/R over 90 days
- Self Pay Payments: Decrease to Self Pay Collections & increase to Charity

Goal

- Evaluate backlog, prioritize and refocus efforts where needed within the organization
- Short-term strategies; internally setting expectations with staff and realistic timelines
- Long-term strategies: external/vendor support, hiring additional staff, incentives for teams

Accounts Receivable (AR) Breakdown

Financial Class	Aged from Billed Date						Total Gross AR	*Expected Net Revenue*
	Unbilled	1-60	61-90	91-180	181-365	365+		
Self Pay	$580,807	$1,909,645	$1,997,547	$3,102,927	$1,441,890	$1,832,106	$10,864,922	*$543,246*
Commercial / Other	$1,660,540	$2,222,107	$380,381	$733,686	$659,957	$2,968,035	$8,624,704	*$4,312,352*
Blue Cross	$774,023	$355,740	$82,774	$177,635	$91,541	$174,767	$1,656,480	*$911,064*
Medicare	$932,400	$1,022,502	$308,263	$300,324	$51,873	($81,323)	$2,534,039	*$886,914*
Medicaid	$35,284	$137,261	$8,216	$69,887	$197,999	$469,507	$918,153	*$137,723*
Total AR $	**$3,983,054**	**$5,647,252**	**$2,777,182**	**$4,384,458**	**$2,443,260**	**$5,363,092**	**$24,598,298**	***$6,791,299***
% of Total AR $	**16%**	**23%**	**11%**	**18%**	**10%**	**22%**	**100%**	

Cash Acceleration Strategies

1. Account Aging
Oldest to Newest Days

- Prioritizing based upon age from discharge date, last bill date or last note date
- Example: 181-365 days since bill date (columns above)

2. Charges / Payments
Highest to Lowest Dollars

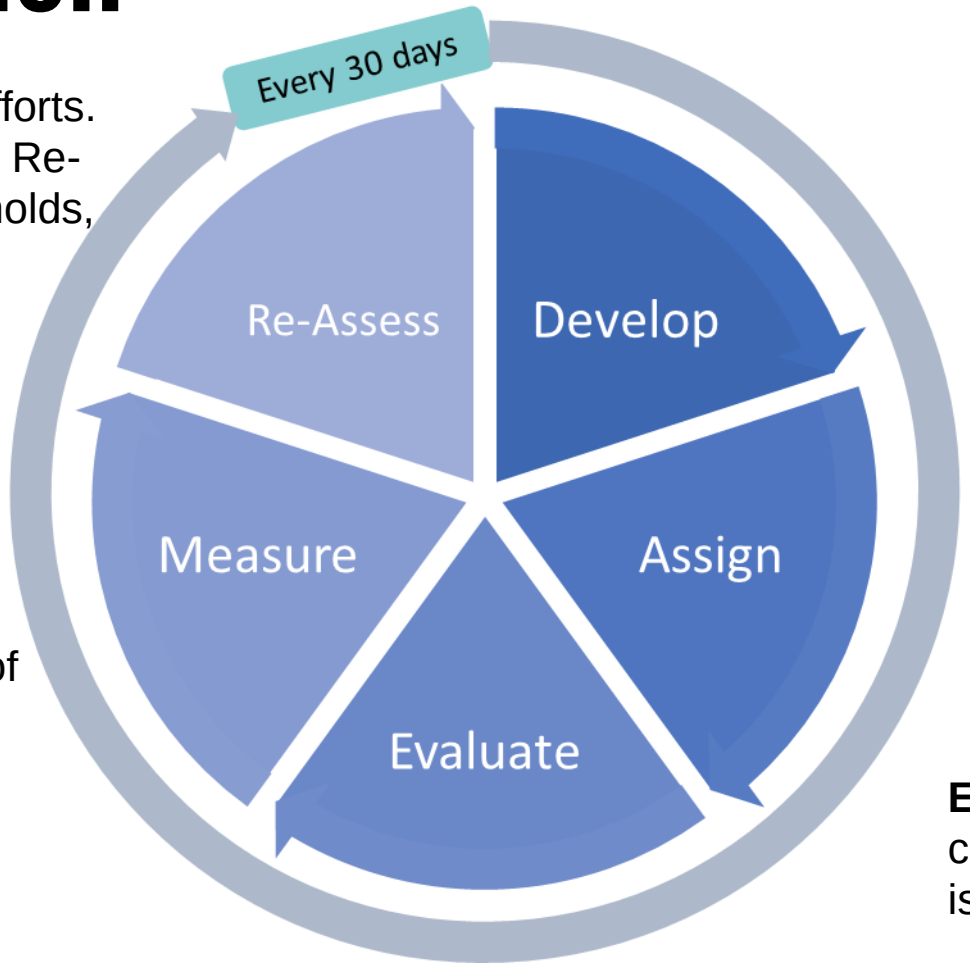
- Prioritize based upon amount of charges or expected reimbursement
- Example: Accounts above $5K in charges, or reimbursement expected > 50% of charges (sample as expected net revenue above)

3. Timely Filing
Lowest to Highest Days

- Prioritizing based on the number of days remaining until timely deadline for either billing or follow up
- Example: 120 days to appeal Medicare denials, worklist based on 0-30 days to timely date

Cash Acceleration

Assess: Re-evaluate focused efforts. Are the focused efforts working? Re-evaluate the entire AR; coding, holds, billing, follow up, denials



Develop: Create criteria for focused efforts. This can be based on priority for timely filing limits, aging balances, high dollar amount

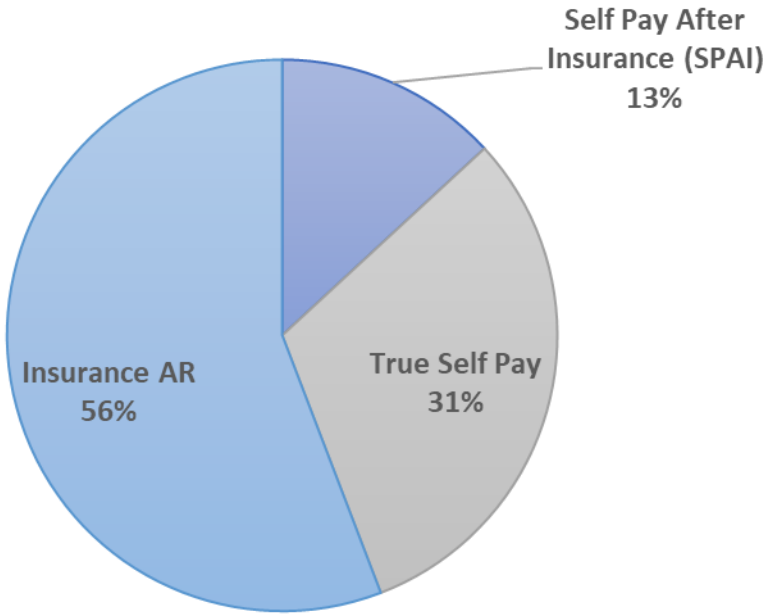
Assign: Utilizing either excel worklist or work queues, identify team members, communicate expectations, focus, and time commitment expectations

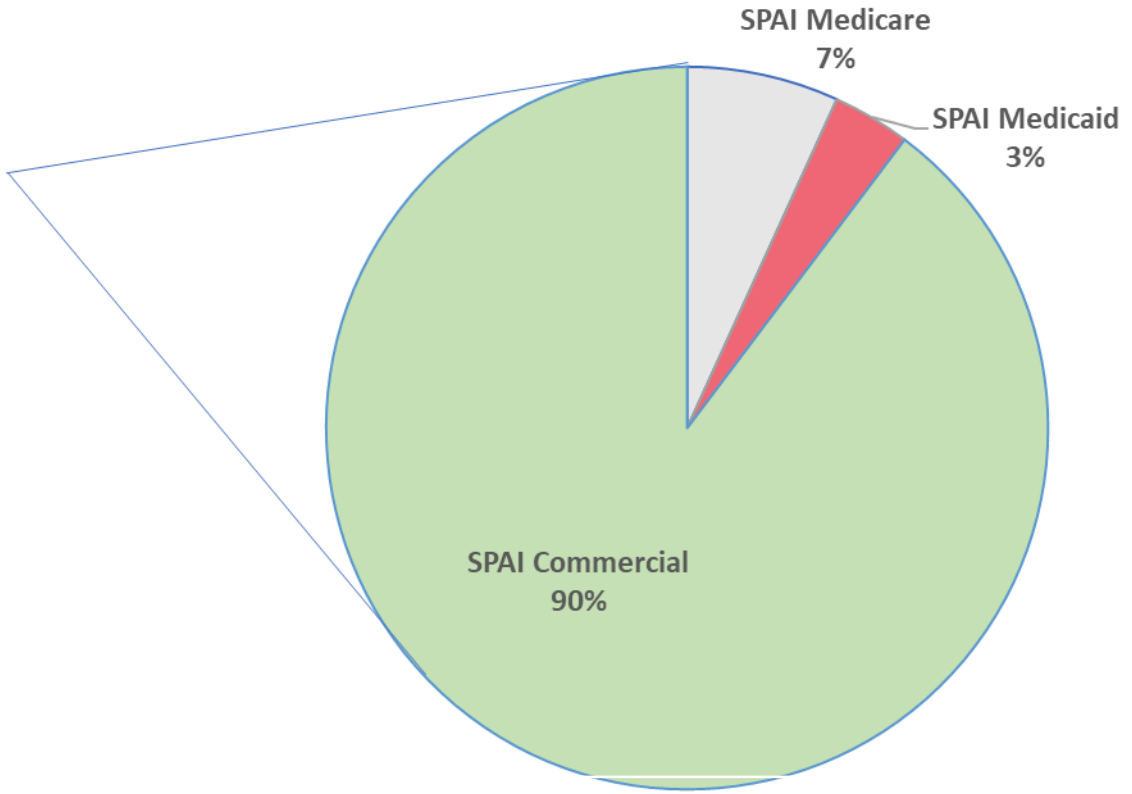
Measure: Weekly measurements of progress, payments, and team performance

Evaluate: Daily progress, utilize daily huddles, check in with team members where there are issues, perform quality audits

Leadership should **evaluate monthly** project success. Goal of determining when the organization is caught up and moving from short term (Cash Acceleration) into long term solutions.

AR Breakdown – Self Pay





True Self Pay- Financial Assistance

- **Medicaid-** understand guidelines for your state and support patients to check if Medicaid is available and if patients should apply to receive
- **Charity Care-** Robust charity assistance application and write off policy

Self Pay After Insurance- Patient Collections

Payment Plans- define criteria and establish automatic payments monthly for patients with the ability to pay over time to avoid bad debt

Point of Service Collections: Request copayments and deductible prior to services provided

*Source: Sample Data

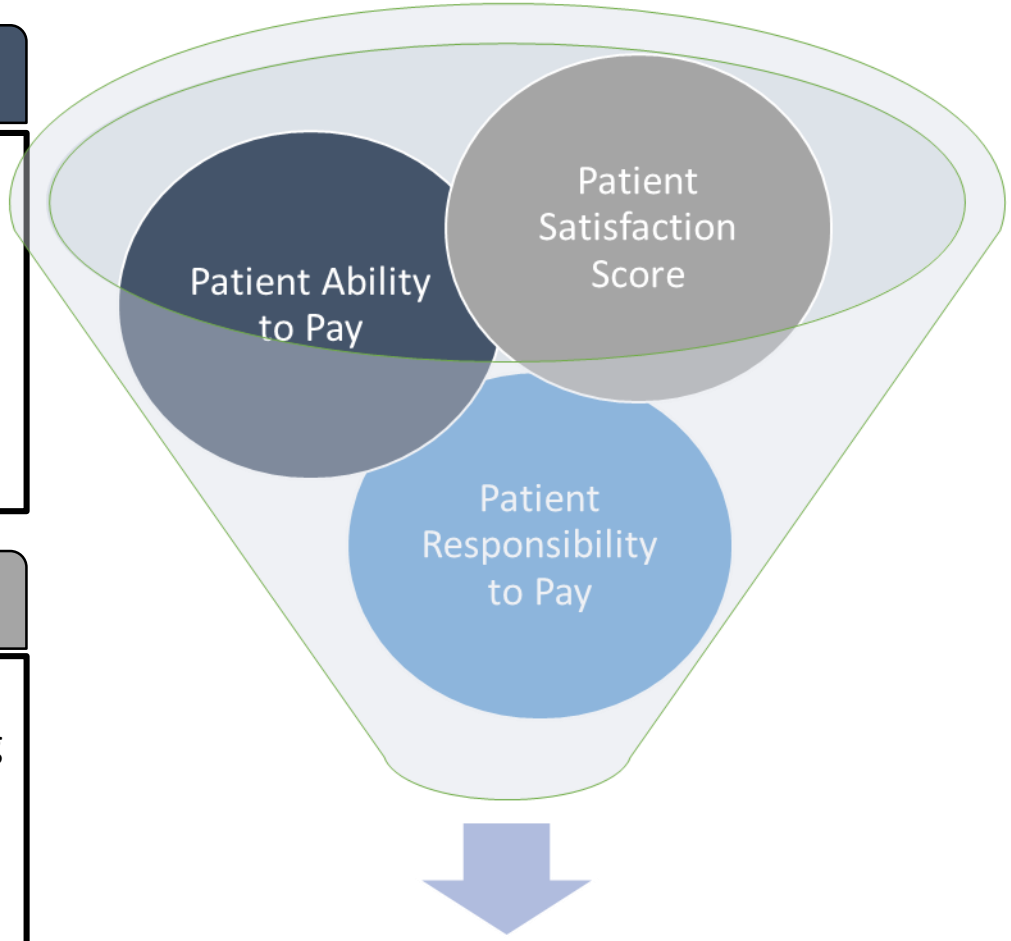
Self-Pay Collection Constraints

Patient Ability to Pay

- Increase in unemployment and decrease in commercially insured patients
- Financial counseling important role for organization to support patients
- Pre-Registration critical to support working with patients prior to services to understand patient responsibility

Patient Satisfaction Score

- Now, more than ever, it is important to ensure that services patients are receiving have been authorized and approved by insurance
- Reduce surprise billing, inform patients what to expect from hospital vs provider



Patient Collections

Patient Responsibility to Pay

- Invest in patient liability estimation tools. Communicate responsibilities for patients prior to services
- Develop policies to collect partial payment, develop scripting and train registration staff to collect prior to services

CPE Question #2

Does your organization notify patients prior to services of their responsibility?

A. Yes, we utilize a patient estimator tool
B. Yes, we utilize payer portals/websites
C. Sometimes, depending on services/availability
D. No / Not Sure

Payer Updates

Everyone needs a trusted advisor.
Who's yours?

BKD
CPAs & Advisors

Payer Changes During COVID-19

Major commercial payers have worked to support providers during the pandemic by changing guidelines and restrictions around services providers. We will address two major areas today:

1. Authorization requirement reduced restrictions
2. Telehealth service coverage expansions

We will expand on the key summary of documentation provided by Aetna, Blue Cross Blue Shield, Cigna, Humana and UnitedHealthCare

Authorizations

- **Aetna**: Waived prior authorization for admissions to post-acute care facilities & the 3 day minimum prior hospitalization requirement.
- **Blue Cross**: Waive prior authorizations for diagnostic tests and medical necessary services in accordance with CDC guidelines for COVID-19 diagnosis.
- **Cigna**: Waived prior authorizations for admissions to post-acute care facilities. Expanded prior authorization timelines from 3 to 6 months.
- **Humana**: Waived prior authorization requirements if COVID-19 diagnosis related, still required for post-acute care discharge planning.
- **UnitedHealthCare**: Waived prior authorization for admissions to post-acute care facilities.

Telehealth

- **Aetna**: Commercial patients pay $0 for telehealth services. Aetna Medicare members also have received coverage for telehealth services.
- **Blue Cross**: Expanded access to telehealth and nurse/provider hotlines.
- **Cigna**: Allow provider to bill a standard face-to-face visit for all virtual care services, including those note related to COVID-19.
- **Humana**: Allow for temporary reimbursement for telehealth visits same rate as in-office visits. Telehealth must still meet medically necessary criteria when applicable. Where video conferences are not available, telephone visits are acceptable as well.
- **UnitedHealthCare**: Expanded coverage for telehealth services, including audio-only for all Medicare Advantage and commercial plans. Restrictions for audio-only for PT/OT/ST services that must be performed with video.

Payer Regulations Summary

If your organization receives denials for services provided during the ongoing pandemic, do your research and appeal the decision if possible! Payers have not changed the days allowed to appeal denials, it is critical you address denials within the payer limits allowed. For example, Medicare allows 120 days to appeal a denial, while UnitedHealthCare is typically 90 days.

Additional guidance and further payer regulation changes for the following can be found at the BKD link below:

- COVID-19 testing requirements and procedures
- Pharmacy regulations and early prescription refills

https://www.bkd.com/media/covid-19-payor-regulation-update

Remote Staff Productivity

Everyone needs a trusted advisor.
Who's yours?

BKD
CPAs & Advisors

CPE Question #3

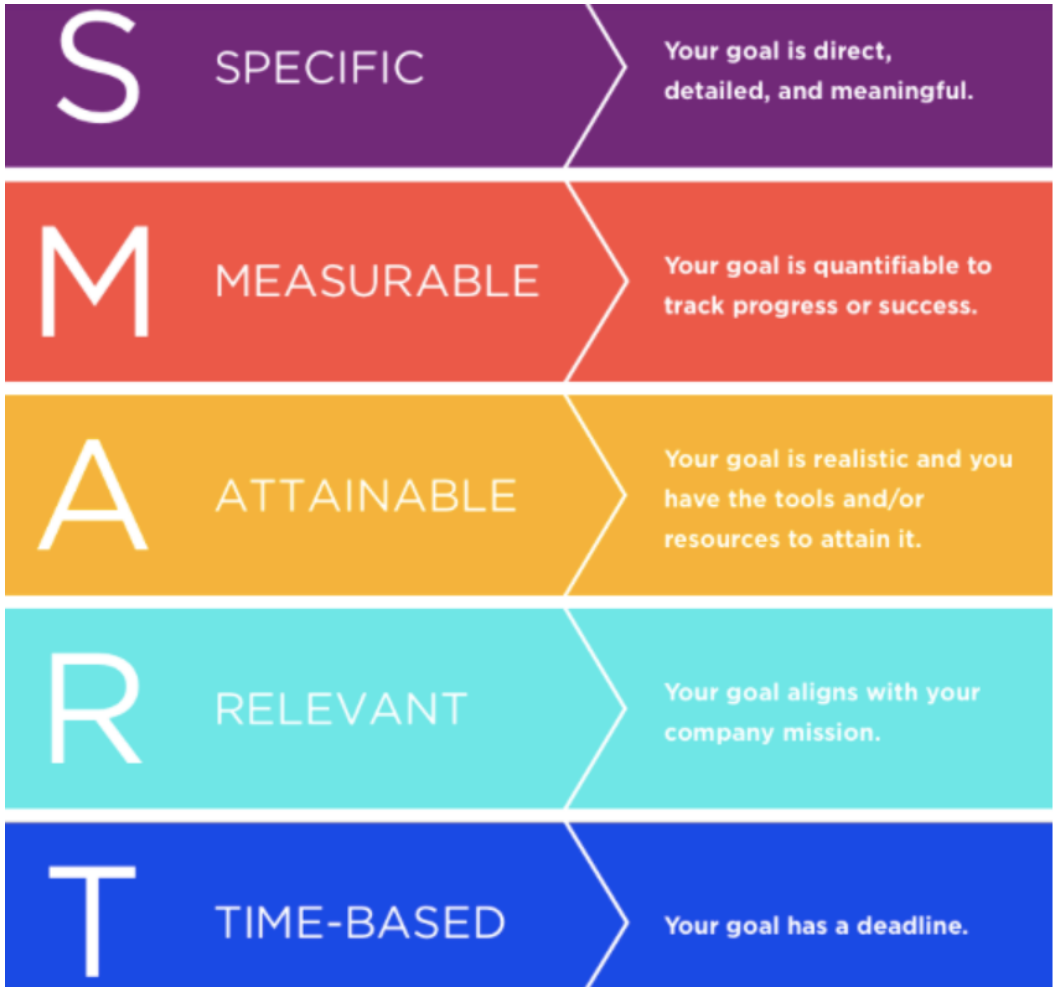
What is your Revenue Cycle's current work environment?

A. Remote
B. Mixed remote / office
C. Office
D. Not Sure

Managing from a Distance

- **Communicate** Clearly & Consistently: Daily huddles, weekly touch bases, quarterly town halls
- **Acknowledge Fears**: Calling out fears/concerns of employees to reflect understanding and empathy. You do not need to have a solution.
- **Make a Plan** and Follow Through: Establish simple, clear and concise goals for remote working expectations, utilizing SMART goals
- **Be Flexible**: Seek feedback, be open to reevaluate and readjust
- **Celebrate Success**: Reward progress and wins to encourage momentum

Establishing Goals



- What were the pre-COVID goals for each role? Do they continue to work today or should they be adjusted?
- Are the goals multi-dimensional? Such as, expectations for working specific volume OR amount?
- Can management measure the progress weekly or monthly?
- What are management's major concerns and how can new goals be established to address them? Such as quality audit reviews, daily/weekly calls with individual team members, etc.

Quality Audit Sample: Follow Up

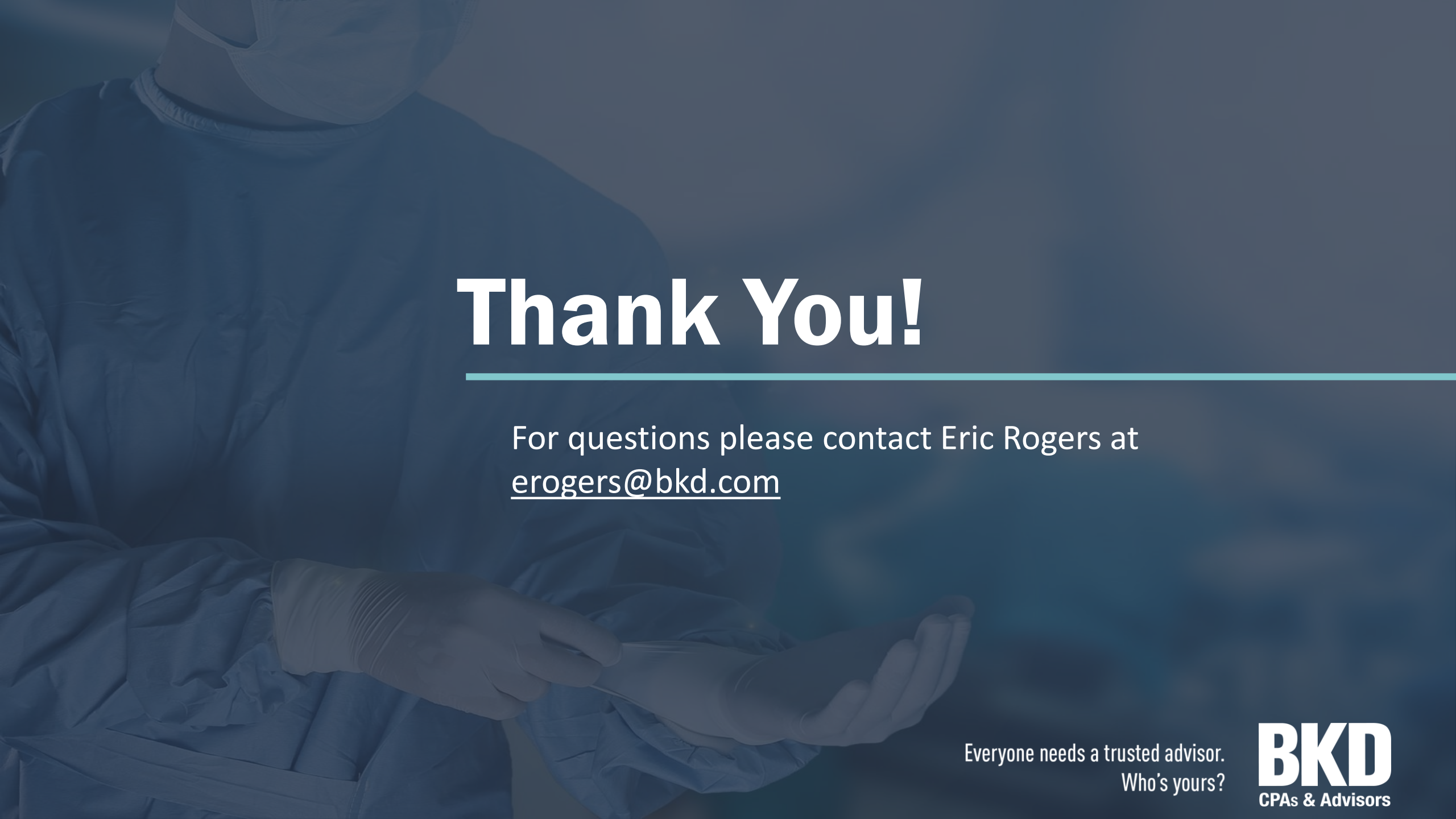
QUALITY ASSURANCE REPORT FOLLOW UP

Employee:	John Snow
Reviewer:	Arya Stark
Date:	7/6/2020

Reporting Period: 6/1/2020 to 7/3/2020

#	Account #	Worked Week	Comments
1	2100123456	6/1/2020	
2	2100987654	6/8/2020	Account deferred when remittance was received and denial appeal was appropriate action
3	2100112233	6/8/2020	
4	2100998877	6/22/2020	
5	2100445566	6/15/2020	Denial not addressed before resubmitting claim.

KEY: 1 = CORRECT 0 = INCORRECT Blank = NOT APPLICABLE	Account #1	Account #2	Account #3	Account #4	Account #5
Appropriateness of Action Taken					
Was the appropriate account status identified? (no response, coding, eligibility)	1	1	1	1	0
Was the appropriate action taken?	1	0	1	1	0
Was the account rebilled? If not, was the account appropriately noted/escalated?	1	0	1	1	1
Completion of Account Notes					
Was the account noted?	1	1	1	1	1
Did the account note correctly document the action(s) taken?	1	0	1	1	0
Does the account note clearly explain next steps needed for account resolution?	1	1	1	1	0
Resolution of Account					
Was the action taken on the claim appropriate based on the history and resolution needed? (moved to the correct WQ, rebilled appropriately)	1	1	1	1	0
Payor	Medicare	Medicare	Medicaid	Medicare	Medicaid
Total Score	**7**	**4**	**7**	**7**	**2**
Total Points Possible	**7**	**7**	**7**	**7**	**7**
ACCOUNT AUDIT SCORE %	**100%**	**57%**	**100%**	**100%**	**29%**
AUDIT RESULT Great Job or N I (Needs Improvement)	**Great Job**	**N I**	**Great Job**	**Great Job**	**N I**
OVERALL AUDIT %	**77%**				
Great Job or N I (Needs Improvement)	**N I**				
80% Or Greater for Great Job		Overall Audit = Average of All Scores			



Thank You!

For questions please contact Eric Rogers at erogers@bkd.com

Everyone needs a trusted advisor.
Who's yours?

BKD
CPAs & Advisors