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CPAs & Advisors

Revenue Integrity, Denials Management & Charge Capture Best Practices

Agenda

› Revenue Integrity

- Clinical Revenue Cycle

- Charge Capture & Reconciliation

- Other Charge Focused Activities

› Denials Management & Denials Prevention

Revenue Integrity – Clinical Revenue Cycle

› Clinical Services

- Documentation

  › Clear

  › Accurate

  › Compliant

  › Supports charge(s)

› Business Office

- Charges

  › Timely

  › Appropriate

  › Reconciled

  › Supported by documentation

Everyone needs a trusted advisor.
Who's yours?

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Revenue Integrity – Clinical Revenue Cycle, Continued

› Interdisciplinary approach to creating a "clinical revenue cycle" (CRC)

› HFMA definition of "*clinical revenue cycle*" –

> *All administrative and clinical functions that contribute to the capture, management and collection of patient service revenue*

Revenue Integrity – Clinical Revenue Cycle, Once More

› Common CRC Focus Areas

- IP & OP clinical documentation
- Patient acuity
- Coding & CDI
- UR & Care Management
- Denials
- Charge capture
- Chargemaster (CDM)

› CRC Operating Model

- Clinicians play an active role in identifying, preserving and recovering revenue
- Governance and oversight structure
- Culture
- Understand and plan for linkages across clinical and financial activities to optimize workflow and reporting with new technologies

Revenue Integrity – Clinical Revenue Cycle, Final

Physician Advisor
Clinical Documentation Specialists
Case Manager
Appeals Team

Clinical and business linkages are fostered

- Physician engagement
- Physician Advisor = Expert Champion
- Clinical Documentation Integrity
- Charge Capture & Reconciliation
- Interdisciplinary Oversight & Reporting

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Revenue Integrity – Charge Capture & Reconciliation

› Charge Capture

- Timely

- How charge is posted

- Appropriate charges for department/location

- Charge code maintenance

- Education and training

- Policies and procedures

Revenue Integrity – Charge Capture & Reconciliation, Continued

› Charge Reconciliation

- Revenue and usage reports

- Reconciliation processes

  › *The action of making financial accounts consistent; harmonization*

- Polices, procedures and expectations

  › Clinic area vs. Pharmacy

  › Inpatient units vs. Lab

Revenue Integrity – Charge Capture & Reconciliation, Once More

› Charge Reconciliation Examples:

- Inpatient nursing unit – Daily census to R&B charges, bedside procedures, supplies, sample auditing

- Pharmacy* & Lab* – Average daily charge volume and dollars, Pyxis reports (cabinet overrides), sample auditing

- Operating Room – Schedule to OR charges, implants and "trunk stock", sample auditing

- Radiology* – Average daily charge volume and dollars, schedule to charges, sample auditing

- Clinic – Schedule to clinic charges, E/M distribution, sample auditing

*Interface balancing reports

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Revenue Integrity – Charge Capture & Reconciliation, Again

Charge Reconciliation Example:

2 South Nursing Station

Daily Census as of midnight January 17, 2020

Date	Patient Name	Room/Bed	Status
1/17/2020	Geller, Ross	201	Inpatient
1/17/2020	Bing, Chandler	203	Inpatient
1/17/2020	Geller, Monica	207	Observation
1/17/2020	Green, Rachel	209	Inpatient
1/17/2020	Tribiani, Joey	211	Observation
1/17/2020	Buffay, Phoebe	213	Inpatient

What charges should we be looking for?

Revenue Integrity – Charge Capture & Reconciliation, Final

› What charges to reconcile? Is anything missing?

Charge Report – 2 South Nursing 1/17/2020

Date of Service	MRN	Patient Name	Charge	Charge Description	Quantity	Charge Amount
1/17/2020	852963	Geller, Ross	123456	Med/Surg Semi-Private	1	$ 950.00
			698741	Wound Care	1	$ 325.00
			741852	Wound Dressing Kit	1	$ 76.00
1/17/2020	159357	Bing, Chandler	123456	Med/Surg Semi-Private	1	$ 950.00
1/17/2020	357951	Geller, Monica	654321	Observation per hour	18	$ 720.00
			491378	IV Infusion Initial	1	$ 285.00
			491379	IV Infusion, Additional	2	$ 190.00
1/17/2020	917382	Green, Rachel	123456	Med/Surg Semi-Private	1	$ 950.00
			321479	Vaccine Admin	1	$ 75.00
1/17/2020	873264	Buffay, Phoebe	123456	Med/Surg Semi-Private	1	$ 950.00
			698741	Wound Care	1	$ 325.00
			698741	Wound Care	-1	$ (325.00)

Revenue Integrity – Other Focus Areas

› CDM oversight and maintenance

  • Pricing

› Education and training

  • New hires, transfers, promotions

  • Quarterly or bi-annually training

› Auditing

› Interdisciplinary team for oversight and accountability

Revenue Integrity – Other Focus Areas, Continued

Interdisciplinary team structure and functions

› Structure

- Revenue integrity
- CDM
- Billing
- Managed care contracting
- CDI
- HIM – coding
- Physician advisor

› Function

- Policy and procedures
- Pricing strategy & updates
- Revenue monitoring
- Documentation and charging audit oversight
- Billing issues related to charges

Denials Management & Prevention

› **Denials Management** - Retrospective management of denied claims

- Partial claim payment

- Payment less than expected

- No claim payment

› **Denials Prevention** - Pre-service delivery processes to mitigate a claim denial

- Technical denials

- Clinical denials

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Denials Management & Prevention, Continued

"*The goal is to turn data into information and information into insight.*" – Carly Fiorina, former CEO of Hewlett Packard

› Denials data needed to

- Monitor

- Track

- Report

DATA → KNOWLEDGE → ACTION

› Data can identify breakdowns in process and opportunities for process improvement

Denials Management & Prevention, Once More

› **Denial Root Cause**

- CARC & RARC codes
- Initial review
- Initial category assignment
- Denial worked & resolved
- Final category assignment
- **Examples**:
  › COB
  › Coverage issues
  › Medical necessity
 › Prior authorization hospital vs. prior authorization physician

› **Denial Write-off Reason**

- Review and appeals exhausted
- Final determination of denial and need for write-off
- **Examples**:
  › Timely filing
  › Medical necessity not met
  › Inappropriate status
  › No prior authorization hospital vs. no prior authorization physician
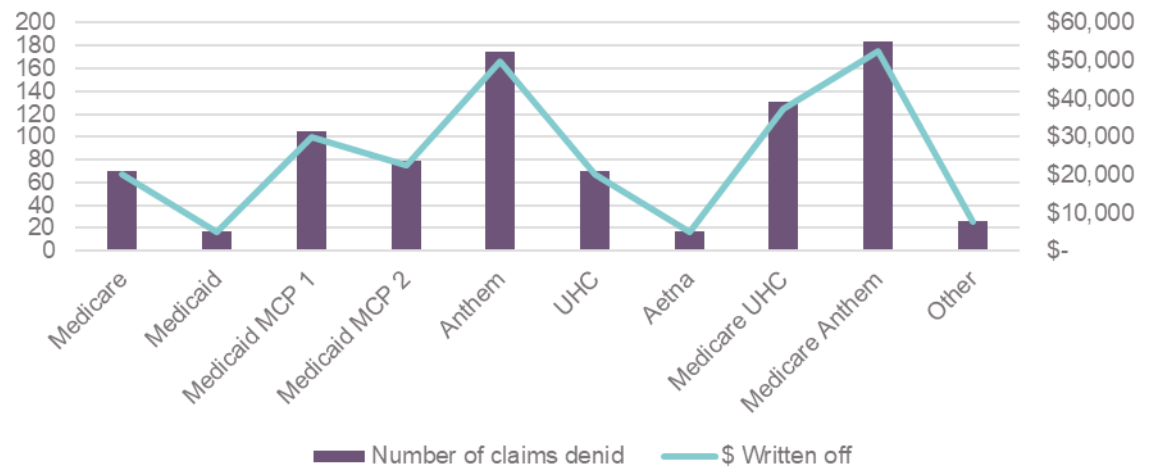
Denials Management & Prevention, Again

Department	$ Denied	$ Denied compared to last month	Number of Claims denied	Number of claims denied compared to last month
Radiology	$13,974	-6.1%	9	5
Lab	$8,742	0.1%	109	105
IV Therapy	$125,000	85.0%	4	2
Rehab	$3,750	-1.9%	18	20
Cardiology	$18,500	100.0%	1	0

% of Denials
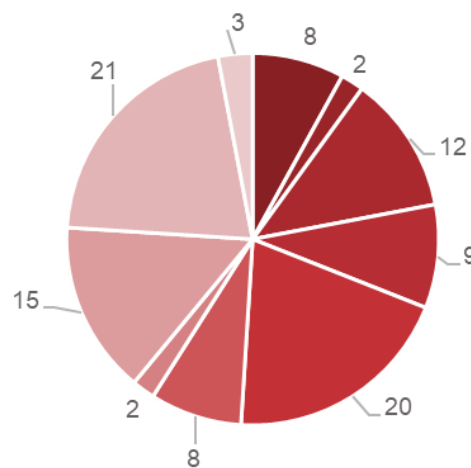
Pie chart values: 3, 8, 2, 12, 9, 20, 8, 2, 15, 21

Legend: Medicare, Medicaid, Medicaid MCP 1, Medicaid MCP 2, Anthem, UHC, Aetna, Medicare UHC, Medicare Anthem, Other

Write-Off $'s & Number of Claims

Categories: Medicare, Medicaid, Medicaid MCP 1, Medicaid MCP 2, Anthem, UHC, Aetna, Medicare UHC, Medicare Anthem, Other

Legend: Number of claims denid — $ Written off

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Denials Management & Prevention, Furthermore

› Denials Management Steering Committee – The leadership to *drive* the change

- Monthly meetings

- Utilize data for target areas and improvement

› Denial Management Sub Committee – The process owners to *implement* the change

- Weekly meetings

- Reports to Denials Steering Committee

- Utilize data for target areas and improvement

Denials Management & Prevention, Moreover

› **Clinical staff**

- Physician champion

- Service line leaders

- Department managers

- Pharmacy

› **Revenue cycle staff**

- Patient access

- Billing

- Coding/HIM

- Denials

- UR/Case management

› **Support staff**

- IT

- Managed care

- Quality

Denials Management & Prevention, Final

› Identifying those denials that are:

- Preventable

- High volume

- High dollar

- Process oriented

› Reviewing processes, making changes & monitoring outcomes

› Creating a sense of accountability

Summary

› Revenue Cycle Management Guide

› Revenue Integrity – Working together to provide compliant, complete and accurate documentation to support charges and prompt, appropriate payment

- Charge Capture is a central function to Revenue Integrity

› Denials Management & Prevention – Use your data to create insight for improvements to reduce denial burden

Questions?

Thank You!

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