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
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

Clinical and business linkages are fostered
- Physician engagement
- Physician Advisor = Expert Champion
- Clinical Documentation Integrity
- Charge Capture & Reconciliation
- Interdisciplinary Oversight & Reporting
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
### Charge Reconciliation Example:

2 South Nursing Station

Daily Census as of midnight January 17, 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Patient Name</th>
<th>Room/Bed</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/17/2020</td>
<td>Geller, Ross</td>
<td>201</td>
<td>Inpatient</td>
</tr>
<tr>
<td>1/17/2020</td>
<td>Bing, Chandler</td>
<td>203</td>
<td>Inpatient</td>
</tr>
<tr>
<td>1/17/2020</td>
<td>Geller, Monica</td>
<td>207</td>
<td>Observation</td>
</tr>
<tr>
<td>1/17/2020</td>
<td>Green, Rachel</td>
<td>209</td>
<td>Inpatient</td>
</tr>
<tr>
<td>1/17/2020</td>
<td>Tribiani, Joey</td>
<td>211</td>
<td>Observation</td>
</tr>
<tr>
<td>1/17/2020</td>
<td>Buffay, Phoebe</td>
<td>213</td>
<td>Inpatient</td>
</tr>
</tbody>
</table>

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

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

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

% of Denials

Write-Off $'s & Number of Claims

Everyone needs a trusted advisor. Who’s yours?
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?
Disclosure

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, HHS or the U.S. Government.