Value Cycle Excellence: Creating a Culture of Revenue Integrity

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Agenda

• Defining Revenue Integrity and Identifying the Need
• Managing Revenue Integrity Operations
• Conducting and Sustaining Revenue Integrity Improvement Initiatives
Change is Driving Innovation

An evolving healthcare marketplace is rapidly driving shifts to new financial performance metrics focused on value.

Revenue Cycle Management  Value Cycle Management

Capitation  Fee for Service  FFS/Value Based  Population Health

Previous  Recent  Now  Today/Tomorrow
Revenue Cycle

- Fee-for-service
- Connect charges to units of service provided

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

Value Cycle

- Value-based and other alternative payment models
- Connect costs to units of service and charges
- Evolves from acute/ambulatory to comprehensive care strategy
- “The process and culture by which healthcare providers pursue quality patient outcomes and optimal financial performance through the management of clinical, operational and financial assets.”
Defining Revenue Integrity and Identifying the Need
Defining Revenue Integrity

- Revenue integrity can be a stand alone department, an initiative or a change in organizational structure
- The primary objective is to prevent recurrence of issues that cause revenue leakage and/or compliance risks
- The focus is process improvement across all areas of the revenue cycle
- Support from leadership is essential
- The use of technology is critical for maximum success
Define Revenue Integrity: Action Plan

• Alignment between revenue cycle objectives and organizational strategy
  – Establish a revenue integrity department / initiative
  – Assess revenue cycle policies
  – Define a revenue cycle roadmap

• Need a proactive, integrated & automated chargemaster management

• Performance improvement focus on charge capture

• Continuous monitoring with Business Intelligence
  – Charge reconciliation reports
  – Key Performance Indicators

• Identification and correction of processes and systems leading to lost revenue opportunities

• Oversight to ensure that chargeable procedure, item or service is documented, captured, coded, billed and paid accurately
Identifying the Need: Background

- Experience in EMR implementation demonstrated the need and opportunity to improve revenue performance
  - Primarily recognized first within Emergency Dept.
  - Process mapped all Emergency Dept. processes
  - Was difficult to identify accountability for revenue house-wide
- For clinical staff, complete and accurate documentation and charge capture will always be of secondary importance to patient care. We recognized opportunities to positively impact several areas:
  - Incomplete documentation for charge capture reconciliation
  - Missed and late charges
  - Root cause of denials
  - Overall reimbursement due to incomplete charge capture
- By developing a revenue integrity department or initiative, an organization will be able to implement and manage revenue cycle improvement initiatives across the health system and clinical departments, ultimately resulting in improved compliance and increased revenue
Identifying the Need: Buy-In

- To secure administrative approval for the revenue integrity program, a business case for a revenue integrity department or initiative needs to be developed
  - Business Manager for all revenue generating departments
  - Responsible for CDM maintenance and internal charge audit functions
  - Focused on improving net revenue while ensuring compliance
  - Remove silos and get all areas of revenue cycle communicating and cooperating
- Prepare to start in areas with greatest potential for charge capture improvements and provide preliminary findings back to administration
  - Emergency Center
  - Cath lab
  - Pharmacy
  - Surgery
  - Or areas where there are known concerns
Identifying the Need: Objectives

• Improve charge practices at the department level.
• Provide resources for maintaining charge accuracy
• Educate on charge, compliance and denial issues
POLLING QUESTION #1
Managing
Revenue Integrity Operations
Managing: Staff & Structure

• After making the business case and obtaining executive approval begin assembling the department or initiative
  – Primary focus: improving net revenue or “money being left on the table” and compliance

• A good staffing example for a Revenue Integrity 4-member team at a single teaching facility (approx. 450 beds):
  – Director, Revenue Integrity
    • Oversee the development, coordination and implementation of the revenue integrity efforts
  – CDM Specialist
    • Oversees all aspects of charge creation, not just in the patient accounting system but all ancillary systems as well.
  – RAC/Audit Coordinator
    • Oversees the coordination of all external audits both government and commercial. Coordinating with necessary departments to mitigate risk.
  – Internal Charge Auditor
    • Coordinates monthly charge audits working closely with the CDM specialist and clinical areas to improve the efficiency and effectiveness of charge capture and compliance.
Example Org Structure

Revenue Cycle VP

- Director Patient Access
- Director Fin. Assistance Office
- Director HIM
- Director PFS
- Director Revenue Integrity

Chargemaster Specialist

- **Chargemaster Coordination**
  - Leads CDM maintenance efforts
  - Connects with dept liaisons, interprets rules & incorporates into CDM
  - Ensures clean CDM

- **Billing & Compliance Coordination**
  - Remains up-to-date on changes in LCDs & NCDs
  - Educates staff
  - Ensures clean claims

- **Charge Integrity**
  - Analyzes department charges
  - Identifies & implements charge improvement strategies
  - Helps depts reconcile charges

Audit Coordinators (2)

- **Audit Coordination**
  - Conducts & analyzes hospital audits
  - Both external & internal

- **Denials Management Coordination**
  - Monitors & trends denials
  - Identifies root causes
  - Provides departmental feedback

- **Reimbursement Coordination**
  - Ensures we have correct tools to measure reimbursement accuracy
  - Provides feedback & analysis to ensure best possible reimbursement
Example Org Structure – St. Joseph’s / Candler

**Director of Patient Accounts**

- **Denials Manager**
  - Monitors charge rejection reports
  - Assists with CDM review
  - Performs departmental charge audits
  - Resolves billing edits

- **Patient Accounts Manager**

- **Pre-Service Manager**

- **Registration Manager**

- **Revenue Integrity Manager**

- **Revenue Integrity Analyst**

- **Charge Auditor**
  - Reviews late charges
  - Reviews charge interface daily for ‘gross’ errors
  - Assists with supply and implant price-to-cost information for CDM maintenance
Managing: Resources and Monitoring

• Resources
  – Compliance Office
  – Internal Audit
  – Department Directors

  – Monitoring – involve clinicians
    • Charge Rejections
    • Revenue Integrity Meeting
    • Denial Management Meeting
Managing: Involving Clinicians

• Utilizing a physician champion on projects is beneficial when possible
  – Assists in gaining physician buy-in and demonstrating importance of initiative
  – Champion for all clinicians involved
  – Big picture up front is a must, champion critical in spreading the goal

• Close interaction with non-physician clinicians is a vital role Revenue Integrity plays
  – Attend nurse director council meetings and nurse education meetings
  – Present metrics to illustrate revenue cycle impact
  – Emphasis on making nurses accountable for auditing previous days’ charges
  – Nurses will become engaged and help to identify/suggest process improvement opportunities on their own as well
Managing: Tools & Resources

• Through the Revenue Integrity department and a holistic approach, identify and implement tools and resources that are instrumental in achieving success:
  – Charge Master Review and Maintenance
    • Develop a closed-loop, automated process from CDM initiation to creation in the billing system
    • Active maintenance solution allows immediate resolution of all issues before the charge code is created
  – Charge Capture Integrity tool
    • To establish a periodic review cycle for all outpatient claims
    • Implement a solution that allows custom edits to shift the balance in your favor
    • Improve charge capture by identifying potentially missed charges and correcting errors at their source to ensure claim accuracy and compliance
  – Business Intelligence
    • Revenue Cycle Dashboard
    • Clinical subsystem linkage and usage review
    • Push reports for managing complete and accurate charge capture
Managing: New Business Projects

- New Business projects include Revenue Integrity
  - New Infusion Center
  - New Supply / Implant
- Revenue Integrity is part of the Value Analysis process
- Role of Revenue Integrity is to be sure Coding is aware of changes and to ensure Compliance is aware of the new service and any potential issues
Managing: Tools and Resources (cont.)

- Hospital Operating System for reports, checks
- Hospital Scrubber system for edits
- Websites
- Chargemaster tool
- Networking
- HFMA
Managing: Integrated CDM Management

- Developed a closed-loop, automated process from CDM initiation to creation in the billing system
  - Active maintenance solution allows immediate resolution of all issues before the service code is created
- Benefits of an automated, closed loop solution:
  - Decrease incidents of miss-keys
  - Decrease incidents of non-compliant billing
  - Immediately identify associated items missing from the CDM
  - Maintain a centralized, easily accessible audit trail
Managing: BI Review of EMR setup

- Work with IT analytics BI team to reconcile systems
- Very important with EMR clinical system from compliance and revenue standpoint:
  - Found $209,000 in net annual revenue on 1 incorrect charge code/CPT setup
  - No reconciliation process in the past
- Looking for Charge code and CPT mismatch compared to billing system
Managing: Business Intelligence Reports

• Using BI to “push” reports out in order to improve integrity:
  – Daily Charge Variance – to catch system issues
  – Electronic Charge Sheet Detail Previous day – for reconciliation
  – Very Large charges: high dollar >$10,000 – for charge entry errors
  – Too many units: units >10 – for charge entry errors
  – Exploding component charges that are deactivated
  – Charge type for MUE edits
  – Daily denials

• Revenue Cycle Dashboard
  – KPI Metrics used to monitor revenue cycle performance
  – Incorporate benchmarks to implement improvement goals
Managing: Charging via Electronic Documentation

- Requires discussion and close work with IT
- Requires clinicians who understand charging - what is allowed and what is not.
  - Emergency Dept. points vs Emergency Dept. charges
  - May require maintaining a cross-walk between the Clinical system and the Chargemaster
# Electronic Charge Sheet Detail - Previous day (push report)

## Bedside Procedure Audit

**Apr 13, 2013**  
**Misc Procedures**  
No data to display for the Misc. Procedures.

### Predefined Procedures

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<th>Form Date/Time</th>
<th>Performed By</th>
<th>Visit Number</th>
<th>Last Name</th>
<th>Performed Date/Time</th>
<th>Event Title</th>
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<th>Result Status</th>
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POLLING QUESTION #2
Conducting and Sustaining Revenue Integrity Improvement Initiatives: Achievements & Successes
RI Improvement Initiatives: CDM Management

- Established proactive CDM maintenance
  - Engaged stakeholders from throughout the organization
  - Produced a CDM maintenance policy that defines accountabilities, task schedule, & performance metrics
  - Reduces compliance risks, denials, rejections, & return to provider (RTP) issues

- Integrated CDM management
  - Developed a closed-loop, automated process from CDM initiation to creation in the billing system
    - Charge requests are entered via chargemaster tool
    - Active maintenance solution allows resolution of all issues before the service code is created
    - Identifies missing associated CDM items
    - Includes an easily-accessible audit trail
    - Improves billing compliance
RI Improvement Initiatives: Electronic Charge Sheet and Pharmacy

• Nursing: transition from paper to electronic charge sheets
  – Greatly improves revenue and process
    • Seen as much as 130% increase in gross revenue compared to paper process
  – Streamlined charge sheet audit process
  – Finding: Nurses prefer the electronic charge sheet and are much more involved

• Pharmacy: implemented software to improve revenue capture & reimbursement
  – Improves charge capture, pricing, and cost management
  – Integrates seamlessly with CDM software
  – Ensures medications are accurately priced, billed, and reimbursed
  – Identifies revenue opportunities and helps create defensible pricing strategy
Nursing Electronic Charge Sheet

Nursing Procedure Charges

Any nursing charges incurred?  
- Yes
- No
- N/A (form adhesive)

Please make sure you have an order in the chart and documentation to support any charges.

- Administration of Factor or Immune Globulin: Charge once for each administration session of Factor (Factor VII, VIII, IX) and/or Immune Globulin.
- Albumin Administration: Charge once per order, NOT per vial or injection.
- Arterial Line Blood Draw:
- Arterial Stick (NICU Only): Successful direct sticks only. A charge is NOT applicable for draws from an established arterial line(s) or draws performed by a respiratory therapist.
- Blood Administration: Charge once per order/per product. Right click on the Blood Administration field to refer the reference text for examples.
- Balloon Pump Per Day: One Charge Per Day (a day is from 0001 to 0000)
- Balloon Pump Set Up: One Charge Per Day (a day is from 0001 to 0000)
- Balloon Pump Removal: One Charge Per Day (a day is from 0001 to 0000)
- Bilirubin Total Transcutaneous:
- Bladder Scan:
- Blood Exchange: Newborn (NICU) or Other than newborn
- CAPD: One Charge Per Day (a day is from 0001 to 0000)
- Capillary Stick:
- Casting:
- Central Line Blood Draw:
- Chemo Infusion:
  - One Charge Per Day (a day is from 0001 to 0000)

Charting for Last 14 Hours

- No Balloon Pump Charting Found
- Last Daily Balloon Pump Charge: Not Found
- Last Balloon Pump Setup Charge: Not Found
- Last Balloon Pump Removal Charge: Not Found
- No Bladder Scan Charting Found
- No Blood Admin Charting Found
- No CAPD Charting Found
- Last Daily CAPD Charge: Not Found
- No Casting Charting Found
- Last Daily Chemo Charge: Not Found
- No CRRT Charting Found
- Last Daily CRRT Charge: Not Found
- Last Fluid Volume Resuscitation Charge: Not Found
- No Intubation Charting Found
- Last Monitor Fetal Strip Charge: Not Found
- No PICC Line Charting Found
- Intravascular Temperature Management Initial Charge: Not Found
- Intravascular Temperature Management Daily Charge: Not Found
- No Transcutaneous Bilirubin Charting Found
- No UVC Charting Found
RI Improvement Initiatives: Other Innovative Ideas

- Creativity with billing system bill holds and system routines
- Post-processor programming to automate charge entry
  - blood administration to blood products
- Holding microculture/genome testing visits based on EMR clinical order status to allow charges for results
- Charge batch monitoring at the department level
- Monthly report of unused/never used charges
- Monthly report of bill holds on the previous month’s visits
RI Improvement Initiatives: Other Innovative Ideas

• Use billing scrubber functions to update HCPCS codes for specific payers

• Report generation for missing charges from Billing System
  – ED Level charge missing from ED account
  – Blood administration charge without Blood product charge
  – Specific payer requiring specific CPT/HCPCS code
Managing: Bill Holds / System Routines

Get creative with our billing holds and system routines – use many code combinations (CPT, charge, dx, px..)

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<th>HB/Alert Description</th>
<th>Mnemonic Ty AC # Visits</th>
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<td>TRAU</td>
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<tr>
<td>940</td>
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<td>REV/MED NEC FOR CT SCA ECCT</td>
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ROI Analytic Process

- Areas of strength needed:
  - Daily tracking of revenue/compliance findings
  - IP vs. OP reimbursement – very different
  - Medicare and your state Medicaid program
  - Managed care contracts understanding
  - Knowledge to query data or have resources to query for you
  - Results of first Years:

<table>
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<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
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<td>$30,822,790</td>
<td>$28,845,464</td>
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<tr>
<td>Total Net Revenue Found</td>
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<td>$2,391,586</td>
<td>$2,773,868</td>
<td>$2,403,967</td>
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POLLING QUESTION #3
Some final points to ponder….

- Use a decentralized approach to put accountability in the revenue generating departments – ACCOUNTABILITY is KEY!
- Continual training of the staff on charge processes is a must
- Revenue cycle challenges increasing
- Cost initiatives aren't enough, harder to get the $$, so go after it
- Have to be goal oriented and monitor performance (lean SS)
- Have to be innovative and creative. Need technical help.
- Comprehensive (and compliant) charge capture needed to survive
- The truth is in the data….it’s your data so use it!
- Have some fun in the process!
Questions?