Optimizing Revenue through Revenue Integrity

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Presented to the

Massachusetts Association of Patient Account Management - MAPAM

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Objectives for Learning

- Revenue Integrity Definition
- Evolution of Revenue Integrity
- Key Performance Indicators (KPIs) for Revenue Integrity within Revenue Cycle
- Revenue Integrity – Integration with Revenue Cycle

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Revenue Integrity Defined

- Prevent recurrence of issues that can cause revenue leakage and/or compliance risks through effective, efficient, replicable processes and internal controls across the continuum of patient care”
- Original Goal – Ensure Regulatory and Contractual Compliance
- Emerged 2010-2012 and has grown and evolved since!

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Revenue Integrity Regulators

- Office Inspector General (OIG) Compliance Guidance
- Center for Medicare Medicaid Services (CMS)
- Medicare Administrative Contractors (MACs)
- American Health Information Management Association (AHIMA)
- HealthCare Compliance Association (HCCA)
- Association of Clinical Documentation Improvement Specialists (ACDIS)

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Revenue Integrity - The Evolution

- Why? REVENUE IMPACT
- Healthcare CFOs and Revenue Executives that have Revenue Integrity Programs reported:
  - ❖68% Increase in Net Collection Rates
  - ❖61% Higher Gross Revenue Capture
  - ❖61% Decrease in Compliance Risk

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Revenue Integrity - The Evolution

- Original Focus of Revenue Integrity
  - ❖ Health Information Management
  - ❖ Compliance
  - ❖ Utilization Review
  - ❖ Clinical Documentation Improvement
- Evolved Focus
  - ❖ ***DATA***
  - ❖ Clean Claims
  - ❖ Denials
  - ❖ Proper Payments

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Revenue Integrity

Integration in Revenue Cycle

Revenue Integrity & Revenue Cycle Blend

- Proactive
- Connects Revenue Cycle Operations, Clinical Operations, and Compliance
- Clean and Complete claims
- Correct Revenue Capture
- Accurate Revenue Received
- Impacts: Provider, Patient, and Payor

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Revenue Integrity Revenue Cycle Collaboration

Front-End Processes

Pre-Authorization

Provider Credentialing

Midcycle Processes

Clinical Documentation Improvement (CDI)

Charge Capture

Charge Description Master (CDM)

Back-End Processes

Billing - CCI, MUE

Clean Claim Submission

Denials

Reporting Financials

Payer Contracting

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Revenue Integrity Helping the Revenue Cycle

- Improved Clean Claim Submission
- Reduce Unbilled Days
- Reduce Manual Intervention for Claims Processing
- Improve Cash
- Ensure Accurate Charge Capture
- Ensure Accurate Coding
- Eliminate Repetitive Problems by Identifying and Correcting Claim Edits and Errors
- Decrease Compliance Audit Risk

Many of us “Do” Revenue Integrity – we just don’t call it that!

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Revenue Integrity

Key Performance Indicators

Revenue Cycle Key Performance Indicators

Accuracy

Productivity

Reconciliation

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KPI Accuracy

Accuracy

- Coding and Charging
- Auditing - Translation of documentation to Diagnosis and Procedure Codes
- Claim Elements: Patient disposition, dates of procedures, provider of care

Defined “Accuracy” KPIs

- Error Rates:
  - ❖Claim Scrubber/Claim Holds
  - ❖Clean Claims
- Missed Charges:
  - ❖Missing Drugs, Implants, or Supplies
  - ❖Late Charges

KPI Accuracy

- How Do We Determine?
  - ❖Coordinate with Health Information Management (HIM) for Payor versus Coding Needs
  - ❖System set-up to improve charge capture
  - ❖Clarify Payor and Financial reporting Needs
  - ❖Clean Claims – what is triggering the “unclean” claims?
  - ❖Held Claims – What is Wrong?
  - ❖Others???

KPI Productivity

Productivity

- Timeliness of Coding
- Timeliness of Claims
- Number of Claims Generated (define timeframe)

Defined "Productivity" KPIs

- Discharged, Not Final Billed (DNFB)
  - ❖What is Missing?
    - Charging
    - Coding
    - Documentation
- Working With No "Backlog"
- Workflow, Training, Staffing??

Additional "staff" will not fix "production" issues

KPI Productivity

- How Do We Determine?
  - ❖ “Dashboard” Monitoring
  - ❖ DNFB Monitoring
  - ❖ DNFB Root Causality
  - ❖ Late Charges
  - ❖ Decreases/Increases in Claim Volumes
  - ❖ Decreases/Increases in “Held Claims”

KPI Reconciliation

Reconciliation

- Denials
- Write-Offs
- Under-Payments

Defined “Reconciliation” KPIs

- Denials Breakdown
  - ❖Clinical
  - ❖Administrative
    - Pre-Authorization (New Services Added!)
    - Patient Access – Registration Errors
    - Missing Information, Mismatch
- Write-Offs
  - ❖Should be 2-5% Net Patient Revenue
  - ❖Assigned Categories for Reconciliation

KPI Reconciliation

- How Do We Determine?
  - ❖Anticipated to Actual Revenue
  - ❖Monitor Write-Off Categories
  - ❖Underpayments – Auditing and Communicating Results
  - ❖Underpayments – Contractual Impact/Contract Renewals
  - ❖Charge Description Master (CDM)
    - Patient Care = Charge Capture
    - CDM accuracy

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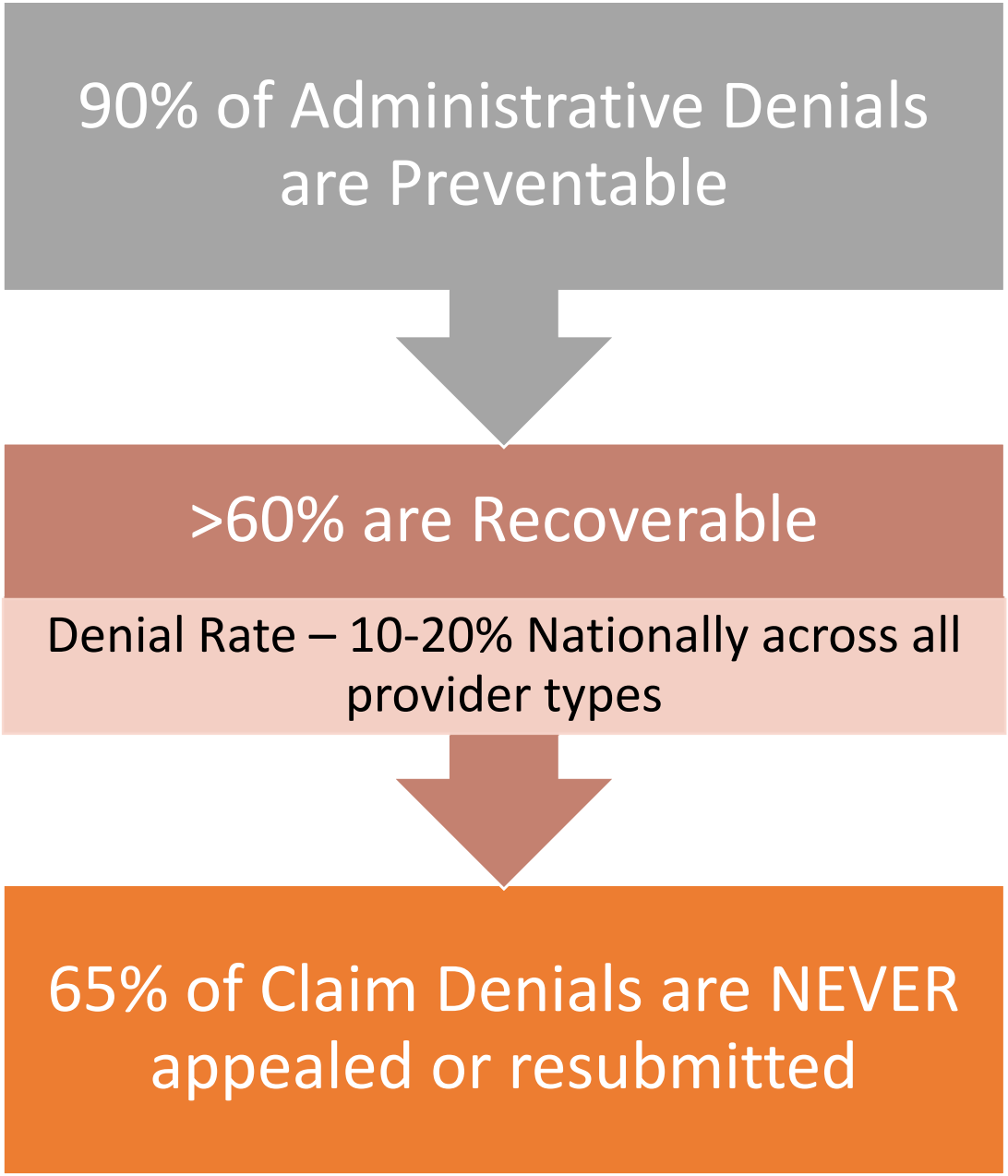
Revenue Integrity

How Do We Optimize Revenue?

Denials Prevention vs. Denials Management



Optimization: Denials

Type of Denial

- Administrative/Technical
- Clinical

Denial Monitoring

- Claim Adjustment Reason Codes (CARC) or Explanation of Benefits (EOB) Codes
- Denials Tracking – Service Line, Payor, Procedure Code

Revenue Integrity/Revenue Cycle and Denials

- Root Cause Analysis
- Communication of Causality and Document Action Plan
- Document standard policies and procedures and train staff
- Avoid Silos

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Optimization: Write-Offs

Write-Off Code

- Automatic (System)
- Manual

Write-Off Trending

- Monitor write-offs by specific data elements
- ***Use the Data***

Revenue Integrity/Revenue Cycle and Write-Offs

- Root Cause Analysis (same as Denials)
- Communication of Causality and Document Action Plan (Same as Denials)
- Document standard policies and procedures and train staff (Same as Denials)
- Avoid Silos (see a pattern ☺)

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Optimization:

Charge Description Master (CDM)

Charge Description Master (CDM) Review

- Reconcile Coding of Charges in the CDM
- Review Department Services to CDM Line Items

Key Data Elements to Validate

- CPT/HCPCS, Revenue Codes, Description of Service, General Ledger/Accounting Info, Fee Schedules, Modifiers, Alternative Coding, Outliers, Pricing

Revenue Integrity/Revenue Cycle and CDM

- Payor Denials
- Write-Offs
- Alternate Coding by Payor

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Optimization:

Medical Record Auditing

Priority of Audits

- OIG Workplan/Corporate Integrity Agreements
- Payor Audits
- System or Office Compliance Plan

Medical Record Review Schedule

- Identify proactive medical record audit program for internal auditing

Revenue Integrity/Revenue Cycle and Medical Record Audits

- Standardization for Audits (Payor, OIG, Internal)
- Performance Standards (Percentages)
- Establish Internal and External Communication

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Optimization:

Medical Record Auditing

Standard Audit Set-Up and Preparation

- Establish and document audit procedures
- Replicate audit steps

Audit Results

- Communicate audit results with impacted clinical and technical areas
- Validate audit findings
- Implement changes or prepare rebuttals based on audit results

Corrective Action Plan

- Repayment Needed/Calculated
- Corrections/Improvements for charges and billing

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Optimization: Charge Capture

Charge Capture Execution

- Order Complete
- Charge Ticket
- Direct Data Entry

Work Queues or Worklists

- Errors versus Alerts
- Increased or decreased volume monitoring (spikes/dips)
- Technical or Administrative issues impacting charges

Revenue Integrity/Revenue Cycle and Charge Capture

- Charge Reconciliation
- Charge Errors Identified (over/under charging) and Corrections
- Communication of charge capture issues (internal or external alert)

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HOME STRETCH

Key Takeaways!

Pay Attention to "Hot Spots"

Use Your Data

- Revenue and Usage Reports
- Volume/Revenue Mismatch
- Payment Amount Fluctuations
- Denials
- Write-Offs

Annual Changes to Codes (CPT, HCPCS, ICD-10)

- October of Each Calendar Year (CPT)
- Quarterly HCPCS Changes (Pharmacy, Supplies)

Electronic Medical Record (EMR) Set-Up or Revisions

- Revised or New Modules

New Service Offerings/New Staff – EDUCATION!

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Take Aways

Integrate Revenue Integrity with Revenue Cycle Efforts

Best Practices vs. Your Practices

Revenue Integrity is a Mindset

Working to improve Revenue Integrity will Improve Cash!

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Thank You!

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