

Revenue Cycle Management



Here's What You'll Learn

- Introduction to Revenue Cycle
 - Concept Zero to Zero
 - Departments & Functions
 - Process
 - Key Definition & Metrics
- S330 PR#13 Billing and Collections
- S330 PR#7 Sliding Fee Discount Program
- Modern Day Bounty Hunters
- Sliding Fee Discount program and Charity Care
- Future with Health Care Reform

Program Requirement 13 - Billing

- Health center has systems in place to maximize collections and reimbursement for its costs in providing health services, including written billing, credit and collection policies and procedures.
- Related PRs: PR #7, PR #13, PR #17
- PAL 2011-04 “Process for Becoming Eligible for Medicare Reimbursement under the FQHC Benefit”
 - <http://bphc.hrsa.gov/programrequirements/policies/pal201104.html>
- HRSA PIN 2014-02 “Sliding Fee Discount and Related Billing and Collections Program Requirements”
 - <http://bphc.hrsa.gov/programrequirements/policies/pin201402.html>

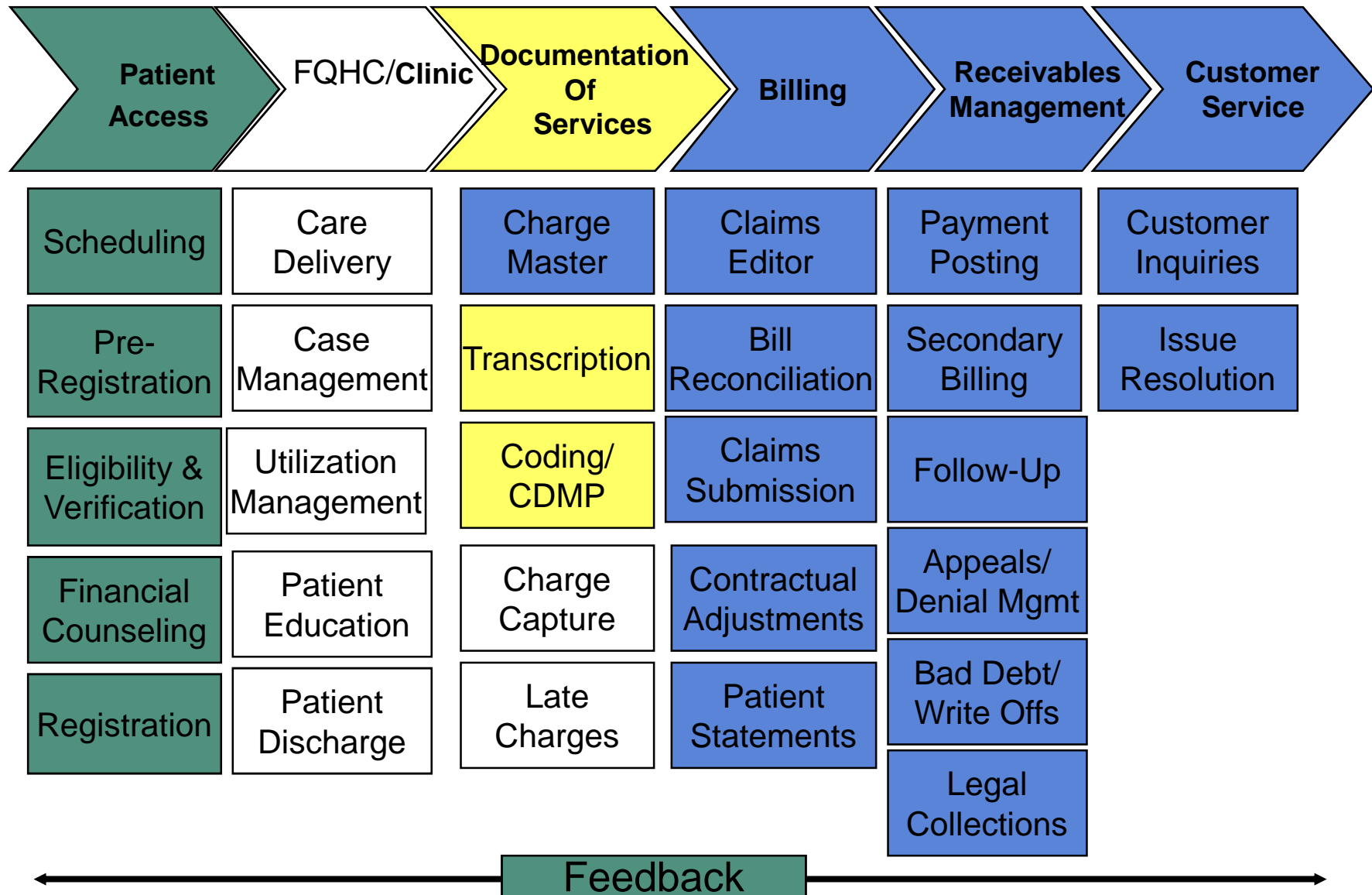
What is Revenue Cycle?

All the administrative and clinical functions, processes, and software applications that contribute and manage the registration, charging, billing, payment and collections tasks associated with a patient encounter.

Revenue Cycle is the process that begins when a patient comes into the system and includes all those activities that have occurred in order to have a zero balance

In other words, think... Zero to Zero!

Process Flow by Department



Patient Access

- The “Front Door” to the FQHC and the first step in the revenue cycle process for the majority of patients.
- The important functions and information gathered in Access include:
 - Scheduling services
 - Verifying of Insurance
 - Obtaining Authorizations and certifications
 - Gathering patient demographics and insurance information
 - Pre-Services/Point of Service collections
 - Identifying the referring physician
 - Informing the patient on instructions for the date of service, referral process, etc.
 - Informing patient of referral process
 - Financial Counseling
 - Sliding Fee Discount Eligibility/Medicaid Eligibility/Charity Care
 - Responsible for 50% of claims data

Health Information Management (HIM)

- Health information management (HIM) is the practice of maintenance and care of health records by traditional and electronic means in the physician's office clinics, health departments, health insurance companies, hospitals and other facilities that provide health care
- The important functions and information gathered in HIM include:
 - Providing and Managing Transcription Services
 - Coding services documented by Physicians
 - CPT codes (procedures)
 - ICD-10 (diagnosis)
 - HCPC (supplies, drugs, etc.)
 - ASC Codes (as appropriate)
- Ensure Codes accurately reflect patient services
- Acts as a Liaison between all areas
- Serves as Subject Matter Experts in HIPAA, Documentation and Coding
- Educates, presents, and trains on opportunities to improve
 - Case Mix Index (CMI)
- Oversees and responds to Defense Audits
- Manages storage and retrieval of medical records
- Implementation of Electronic Health Record System
- Building the Compliant Documentation Management Program (CDMP)

Patient Financial Services (PFS)

- Patient Financial Services is the “cash machine” of the Health Center.
- The important functions and information gathered in PFS include:
 - Charge Master/Revenue Integrity
 - Billing
 - Overseeing Claims Edits to ensure “Clean Claim Submissions”
 - Employing tools to ensure accuracy in charge capture
 - Follow-Up with Insurance companies
 - Appeals
 - Denials
 - Un-paid Claims
 - Customer Service
 - Collections
 - Cash Posting
 - Subject Matter Experts
 - Government Billing
 - Commercial and Managed Care Billing
 - Employs and Oversees systems and vendors to enhance
 - Services provided to patients
 - Revenue
 - Cost to Collect

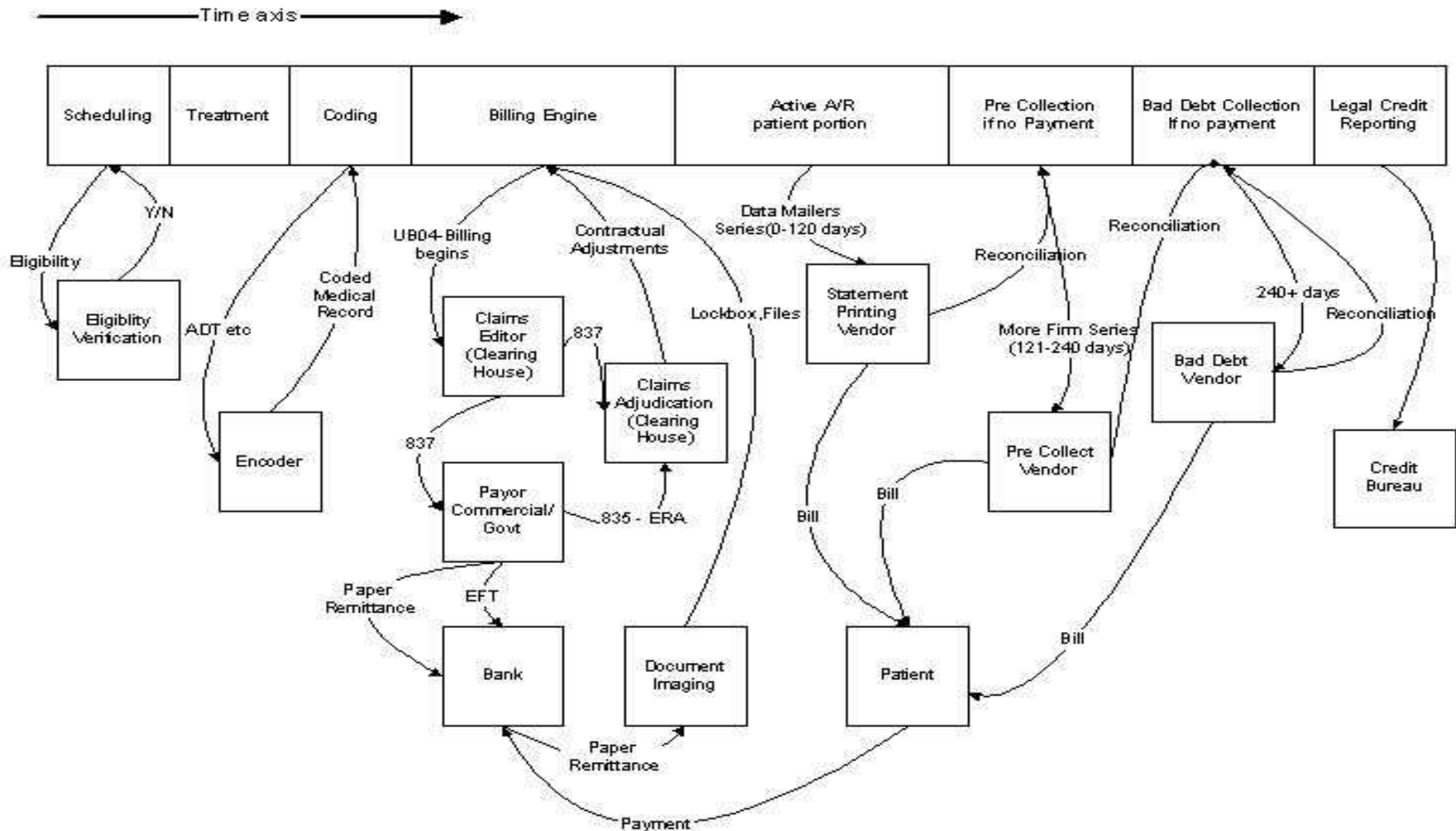
Charge Master

- A comprehensive listing of Health Centercharges
- The Revenue Integrity team are a critical component to billing compliance and charge capture and is often considered the "life blood" to a Health Center's Revenue Cycle by touching almost every department within the facility.
 - Standardization of charge master
 - Management review of all processes and charges to ensure all billable charges are represented on the CDM
 - CDM reviews and updates to ensure compliance for all payors
 - Market pricing, transparency and defensibility strategies
 - Revenue cycle system mapping to ensure charge capture and compliant billing
 - Acuity-based charging methodology development and implementation
 - Maintenance strategies, controls and tools for maintaining an accurate and compliant CDM
 - Educational and training tools

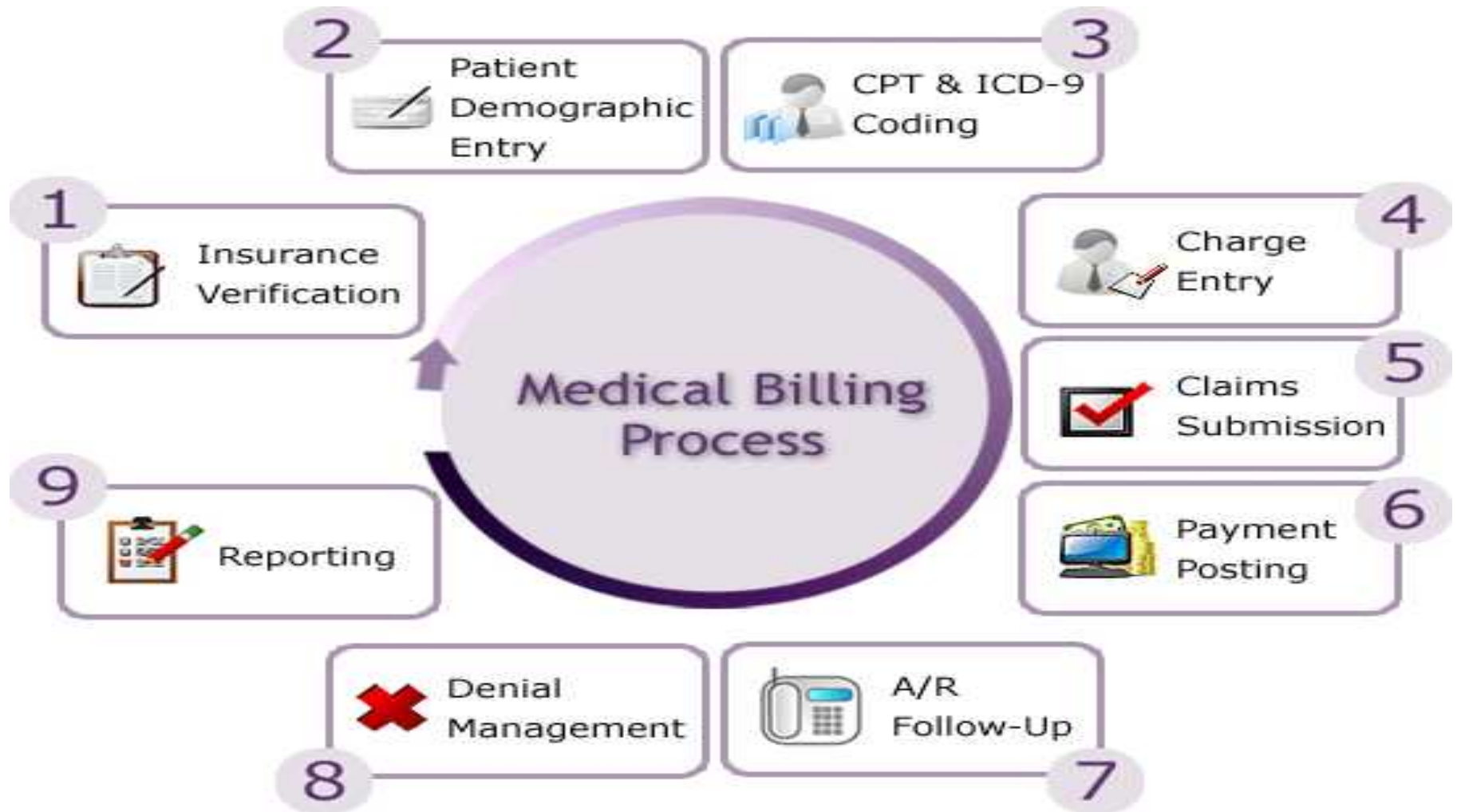
The Importance of Charge Capture

- A key part of the Revenue Cycle but does not report to Revenue Cycle
- “Bill what you do” – the process where services provided are entered into the system; charges and expected reimbursements are calculated
- The important functions and information gathered in Charge Processing include:
 - Keyers and coders enter data automatically from a charge master or manually input
 - Claims Manager software scrubs entries for correctness
 - Problems sent to department work file for processing or corrections
 - Reconciliation performed to insure all entries received and entered into the system
 - Accuracy of service and charge
 - Appropriate edits to scrub data
 - Charge entered timely for prompt payment
 - Daily Charge Logs Reviewed

Process Flow: For Real?



Process Flow Overview



Access: Metrics

- Registration accuracy rate
- Denials
 - No Authorization
 - Not Eligible
- Telephone Statistics
 - Hold Times
 - Abandonment Rates
 - Other
- Point of Service Collections
- “Red Flags” – Incorrect Claim Demographics

HIM: Metrics

- Discharges Not Final Billed (DNFB)
- Turnaround Times
 - Dictation/Transcription/Medical Chart input
- CDMP
 - Queries Rate
 - Response Rate
 - Agreement Rate
- RAC
 - Audits & Timeliness
 - Responses

PFS: Metrics

- Cash Expected Reports
- Days in A/R
- Aging Analysis by Payer
- Unbilled Accounts Receivable
- Late Charge Postings by Service Area
- Claim Denial Volumes / Amounts / Types
- Bad Debt / Bad Debt Recovery Levels
- Cost to Collect

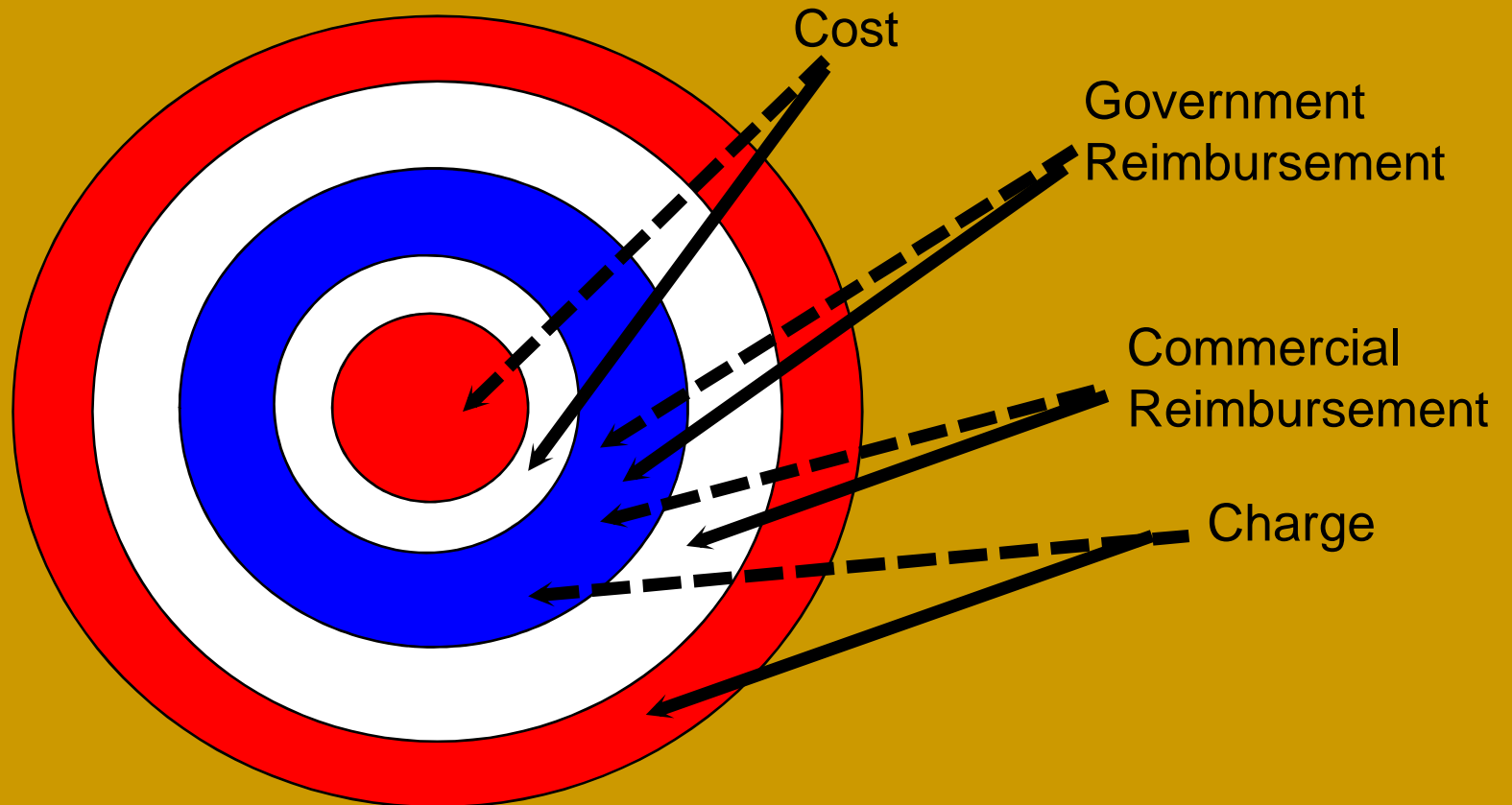
Charges, Payments, and Cost

- **Charges** are the amount the Health Center lists as the price for services. Very few pay this “sticker price.”
- **Payment or Reimbursement** is the amount the Health Center actually receives in cash for its services.
 - Private insurers, public insurers, Self Pay and the uninsured all pay different amounts for the same services. Payment can be either more or less than what it costs the Health Center to provide a given service.
- **Cost** is what it actually costs the Health Center to provide the services.

Reimbursement Methodologies

- Professional Services
 - Fee For Service discounts
 - Fee Schedules
 - Payment based on Resource Based Relative Value Based System (RBRVS)
 - Capitation
 - Withholds
 - Pools
 - Case Rates
 - PPS rates (wrap-arounds)

Subsidies and Payor Mix



Note: Solid lines are status quo; dashes represent future state with costs, reimbursement, and charges shifting.

Administrative Costs

- Pre-Authorizations
- Complex Benefit Designs
- Limitations of Network
- Denials
- Coordination of Benefits
- Audits



Importance of POS Collections

- Recent Studies on the “Tipping Point” – Financial Hardship Limit – found that when the total amount billed to the patient reached 3.5% of the family’s gross income, the likelihood of paying the bill dropped dramatically.

Modern-Day Bounty Hunters

- RAC: Recovery Audit Contractors
 - Medicare
- MAC: Medicare Administrative Contractors
 - The new Fiscal Intermediary
- MIC: Medicaid Integrity Contractors
 - Medicaid
- Managed Care Audits
- State Governments

Revenue Cycle Management Strategies

A CFO's Focus on Revenue Cycle

- ☑ Vendor Management
- ☑ Denials Management
- ☑ Technology Optimization
- ☑ Point of Service Collections
- ☑ Strategic Pricing
- ☑ Contract Management
- ☑ Compliance Documentation/Coding.

QUESTIONS

