

# CAH Finance and Operations Webinars

March 9, 2023

## A Systems Approach: Maintaining a High Functioning Revenue Cycle Department

*The mission of the Oregon Office of Rural Health is to improve the quality, availability and accessibility of health care for rural Oregonians.*

*The Oregon Office of Rural Health's vision statement is to serve as a state leader in providing resources, developing innovative strategies and cultivating collaborative partnerships to support Oregon rural communities in achieving optimal health and well-being*



## Webinar Logistics

- Audio muted and video off for all attendees.
- Select to populate the  to populate the chat feature on the bottom right of your screen. Please use either the chat function or raise your hand  on the bottom of your screen to ask your question live.
- Presentation slides and recordings will be posted shortly after the session at: <https://www.ohsu.edu/oregon-office-of-rural-health/resources-and-technical-assistance-cahs>.





## Upcoming CAH Operation and Finance Webinars

**Mar. 30, 12 p.m. - 1:00 p.m.**

*PIEC 101: Transitioning to a Performance Improvement Executive Committee*

**Apr. 20, 12 p.m. - 1:00 p.m.**

*Ensuring Long-Term Success Today: 2023 Revenue Cycle Strategies*

**May 11, 12 p.m. - 1:00 p.m.**

*CAH Reimbursement Heuristic: Using Medicare Cost Report to Reveal Opportunities*

**June 8, 12 p.m. - 1:00 p.m.**

*10 CAH Revenue Cycle Priorities: What to Review Immediately*

**July 13, 12 p.m. - 1:00 p.m.**

*The Post-Acute Care Lever: Hospital Swing Beds*

**Aug. 3, 12 p.m. - 1:00 p.m.**

*How to Build Revenue: Front-End Competencies*

**Aug. 31, 12 p.m. - 1:00 p.m.**

*The No Surprises Act: Revenue Protections and Transactional Compliance*

**Sept. 14, 12 p.m. - 1:00 p.m.**

*Fund Your Mission: Practice Steps to Move from Volume to Value*



Carrie Bova has over 15 years of experience managing revenue cycle operations. Carrie is an expert in optimizing revenue cycle operations and improving cash flow in rural healthcare organizations. She has a proven record of accomplishment of increasing revenue cycle efficiencies, reducing expenses, establishing compliance, and developing growth strategies in a constantly evolving industry. Prior to joining Wintergreen, Carrie worked for multiple rural organizations. Carrie was instrumental in successfully turning one rural hospital that she worked for over ten years into a Critical Access Hospital Top 100 organization.

# Maintaining a High Functioning Revenue Cycle

March 9, 2023



**Organizations are facing a new health care landscape post-pandemic and traditional methods to manage and improve revenue cycle performance have become antiquated**

**While these practices still offer value, they fall short at optimizing revenue cycle**

**Recognition that rural health facilities must react quickly to survive financially is evident**

**New strategies are required to achieve optimal performance and these strategies are critical to the foundation of both short- and long-term success**

# Agenda

**Understanding the  
Revenue Cycle**

**Analyze and Identify  
the Opportunities**

**Revenue Cycle  
Shared  
Responsibilities**

**Revenue Integrity  
and Reimbursement  
Strategy**

**Denials  
Management**

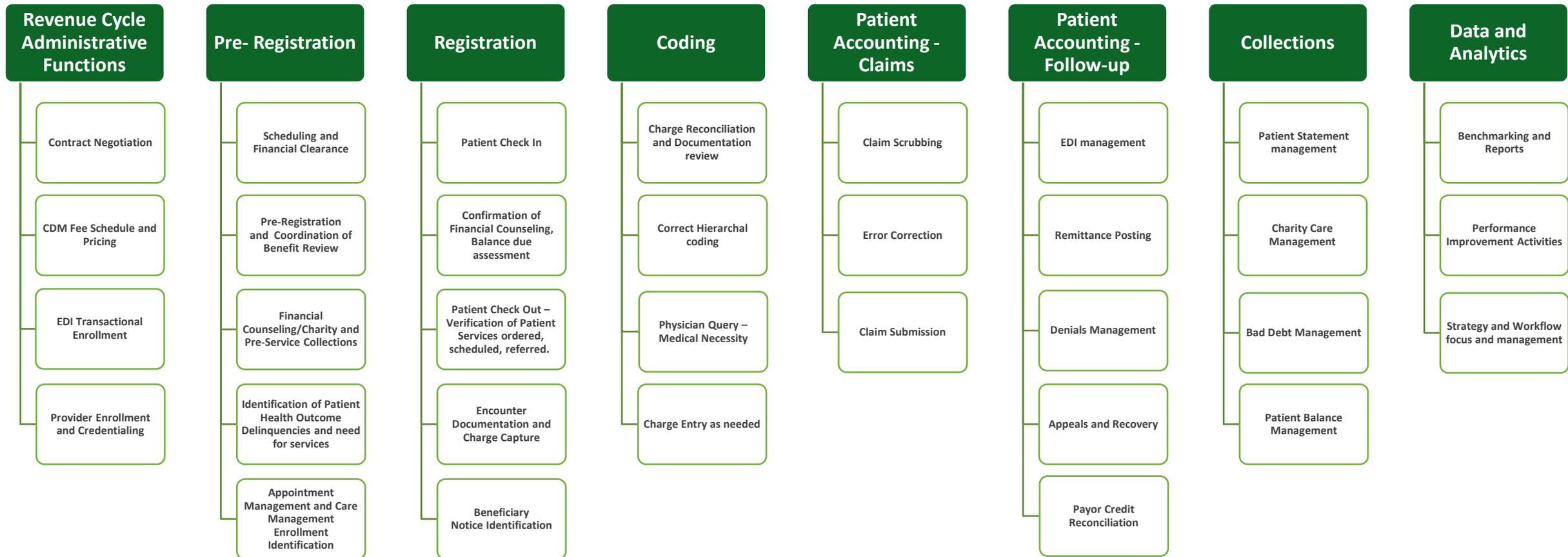
**Data Analytics and  
Benchmarking**

# Understanding the Revenue Cycle

# Optimize Revenue Cycle Tasks and Functions



- Evaluate and improve revenue cycle functions by ensuring a fair distribution of work, clearly defined roles and task automation or improvement
  - Make sure no matter how tasks are divided among departments, core task elements are incorporated and monitored



**Analyze and Identify the Opportunities**

# Analyze Current State and Identify Opportunities

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- An analysis must be performed to identify the strengths, weaknesses, opportunities, and threats associated within the current Revenue Cycle Operation
  - The analysis must involve staff beyond revenue cycle and is really an opportunity to identify shared responsibility mapping
  - For example, organizations could use a SWOT analysis or other methodology to assist facilities in identifying priorities on an individual basis
- Establishing workflow priorities, task distribution, etc. is the first step in both identifying pitfalls and optimizing Revenue Cycle processes

# Key Areas of Focus During Analysis

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- Identify Short- and Long-term goals and then define responsibility
- Organizations must ensure the analysis includes the following:
  - **Contracting**
    - Immediately identify if there are payors who offer incentive contracts and request amendment.
    - Identify services in which the adjustment is more than what was paid. Are your charges too high or is your contract costing you money? Most payors are required to renegotiate terms at the request of the hospital if there are negative financial impacts to serving the payor's membership. Inflationary expenses must be identified and considered in our contract management.
    - Costs associated with service delivery, including both salary and non-salary expenses are often poorly managed/considered in contract review.
    - Anything coming via paper, checks or remittances. EDI transactions are the new norm and expanding. Anything you are doing via paper MUST be eliminated and these changes have a significant impact on cash flow.

# Key Areas of Focus During Analysis

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- **Roles and Responsibilities**
  - Identify tasks that could be automated or tasks that could be expanded to avoid labor lift
  - Often two roles are doing very similar work, or the process is manual and outdated
  - Identify solution for automation to make the most effective use of subject matter expertise
- **Schedule Resource Utilization**
  - Is your organization making the most of the time that it has, are provider preferences for appointment times driving lower than standard volumes, etc.?
  - Finding a way to make optimal use of scheduled hours and staff is an extremely important revenue growth initiative
  - Use telehealth opportunities and Care Management as means to mitigate no show lost revenue or underutilized hours
- **Expense Reduction or Reassignment**
  - Often eliminating duplication of software doing the same tasks or similar tasks can be identified through the analysis and the expenses related to software can be reinvested into revenue generating software or contracts

- Payor contracts contain fee schedules and reimbursement requirements, as well as the conditions payer must meet for timely reimbursement
  - Therefore, payer contract management is key to ensuring payors reimburse practices and hospitals the correct amount each time a claim is submitted
- In many instances the staff assigned to negotiating and reviewing the payer contracts are not always familiar with the reimbursement methodology and designation privileges that could be leaving money on the table
- Many third-party payer contracts have begun to specify revenue codes and impose increasingly difficult coverage guidelines and medical policies
- By performing an immediate review of the existing contract structure, you can help to improve net patient revenue

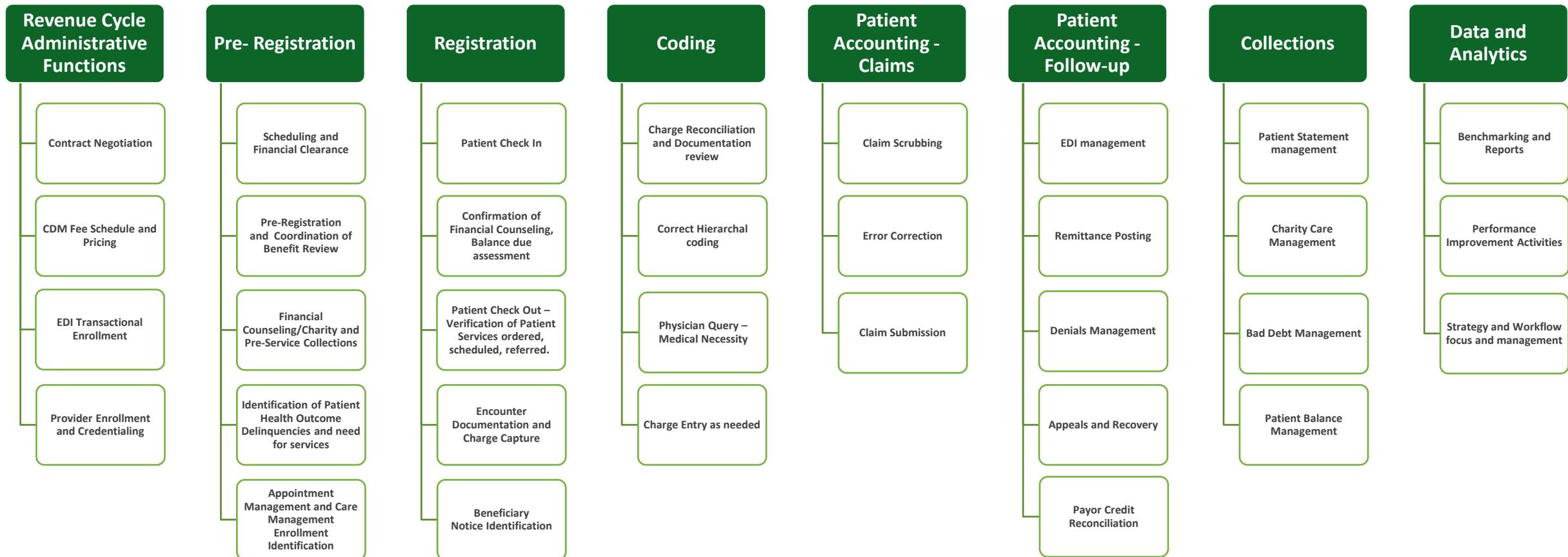
## Revenue Cycle Assessment Key Discoveries

- Failure to identify afforded principals based upon designation
- Failure to amend contract with language that is nonspecific
- Failure to monitor and maintain provider services and demographics with payors
- Failure to appropriately identify pharmacy and supply reimbursement
- Failure to recognize provider-based departments/technical components

# Optimize Revenue Cycle Tasks and Functions



- Evaluate and improve revenue cycle functions by ensuring a fair distribution of work, clearly defined roles and task automation or improvement
  - Make sure no matter how tasks are divided among departments, core task elements are incorporated and monitored



# Identify Duplicity and Redundancy



- Optimizing organizational technology for clinical documentation templates, workflow automation and electronic record incentives have led to duplicity of people, processes and software performing or underperforming the same tasks
- The duplicity can have significant organizational expense
- Identifying key stakeholders such as department heads, information technology and software vendors to review task assigned roles, software implementation and failed or partially failed implementation, can help your bottom line

**Start with a Software Analysis identifying software used and their functionality**

**Engage software vendors to request an optimization assessment and report**

**Identify key stakeholders while evaluating processes to reduce costs**

**Establish routine monitoring and updates**  
**Look for enhancement priority downloads, etc.**

## Revenue Cycle Assessment Key Discoveries

- Failed implementation – Lack of feature utilization, adding manual reporting lift as opposed to reevaluating or supporting the software
- Duplication of services – Eligibility Platform purchased when clearinghouse platform also had eligibility
- Same organization – Different EMR. Different Charges due to lack of software updates.
- Similar reporting across multiple organizational roles that could be streamlined

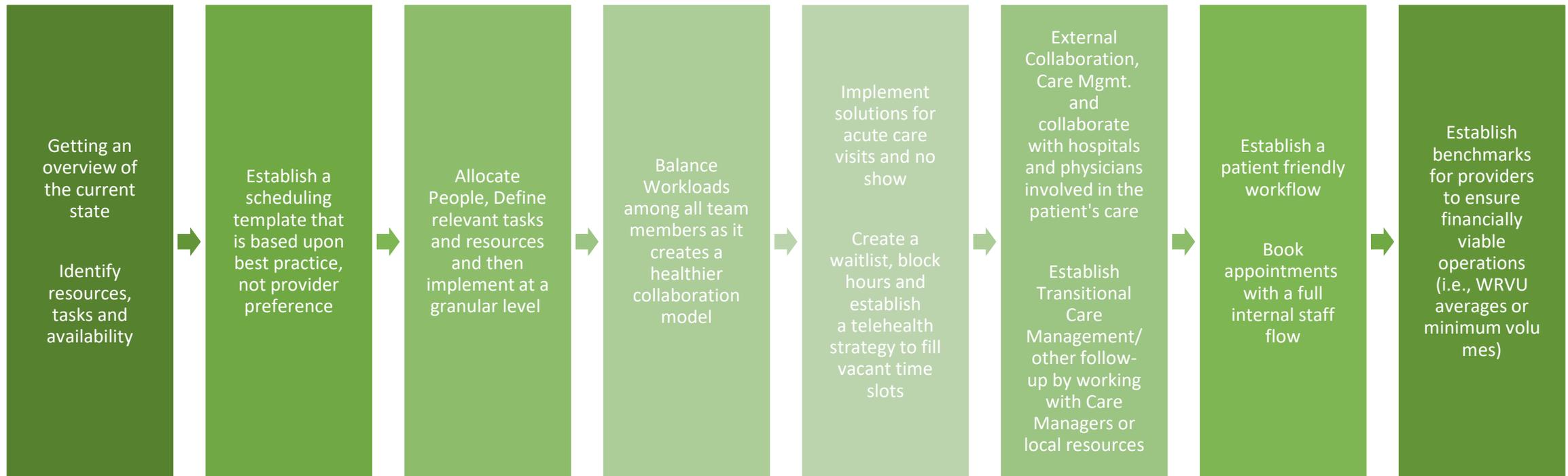
# Revenue Cycle Shared Responsibilities

- Successful leaders and executives will look for opportunities for collaboration and communication both internally and externally to learn and grow from external stakeholders that will have an increasing impact on revenue cycle functions
- Communication is critical to both revenue generation and revenue retention.
- Clinical leaders must identify and educate themselves on accurate understandings of costs, staff time, resource use and communication
- Revenue Cycle leaders will need to keep a tight grip on service awareness, increasing payor complexities and defining resources needed to do more with less

## Revenue Cycle Assessment Key Discoveries

- Collaboration and Routine meetings with clinicians can help improve service revenue
  - Often, providers simply need the education of if..., then....
- This can mean recognizing procedures through better documentation and provider understanding of their billing
- Equally, Revenue Cycle leaders can often learn more of what the providers are performing to enhance charge capture and additional or add on procedures

# Steps to Improved Resource Utilization



# **Revenue Integrity and Reimbursement Strategy**

# Evaluate Revenue Integrity

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- Revenue Integrity often has similar but different meanings in the industry
  - Revenue Integrity is ensuring that all appropriate charges for service and supply are recognized, billed service revenue is returned and has been billed in a compliant manner, mitigating and eliminating risk of future audit/recovery and charges and codes applied are accurate and truly reflect the services being performed
- Charge Reconciliation at the Department Level
- Routine Billing and Coding Audits
- Service Line Contribution and Accountability Analysis

# Establish Charge Reconciliation Process

- Charge Reconciliation is the act of comparing charges captured to the services provided
  - This process is critical to ensure timely and accurate charge capture
- Charge Reconciliation processes can reduce charge lag while improving charge cash flow and improve revenues overall

1

Establish a standard of acceptable charge lag limit when entering charges  
Best practice 48 hours.

2

Establish accountability at a department level, ensure departments reconcile frequently and track missing charges

3

Maintain and review an up-to-date Charge master with departmental review and input

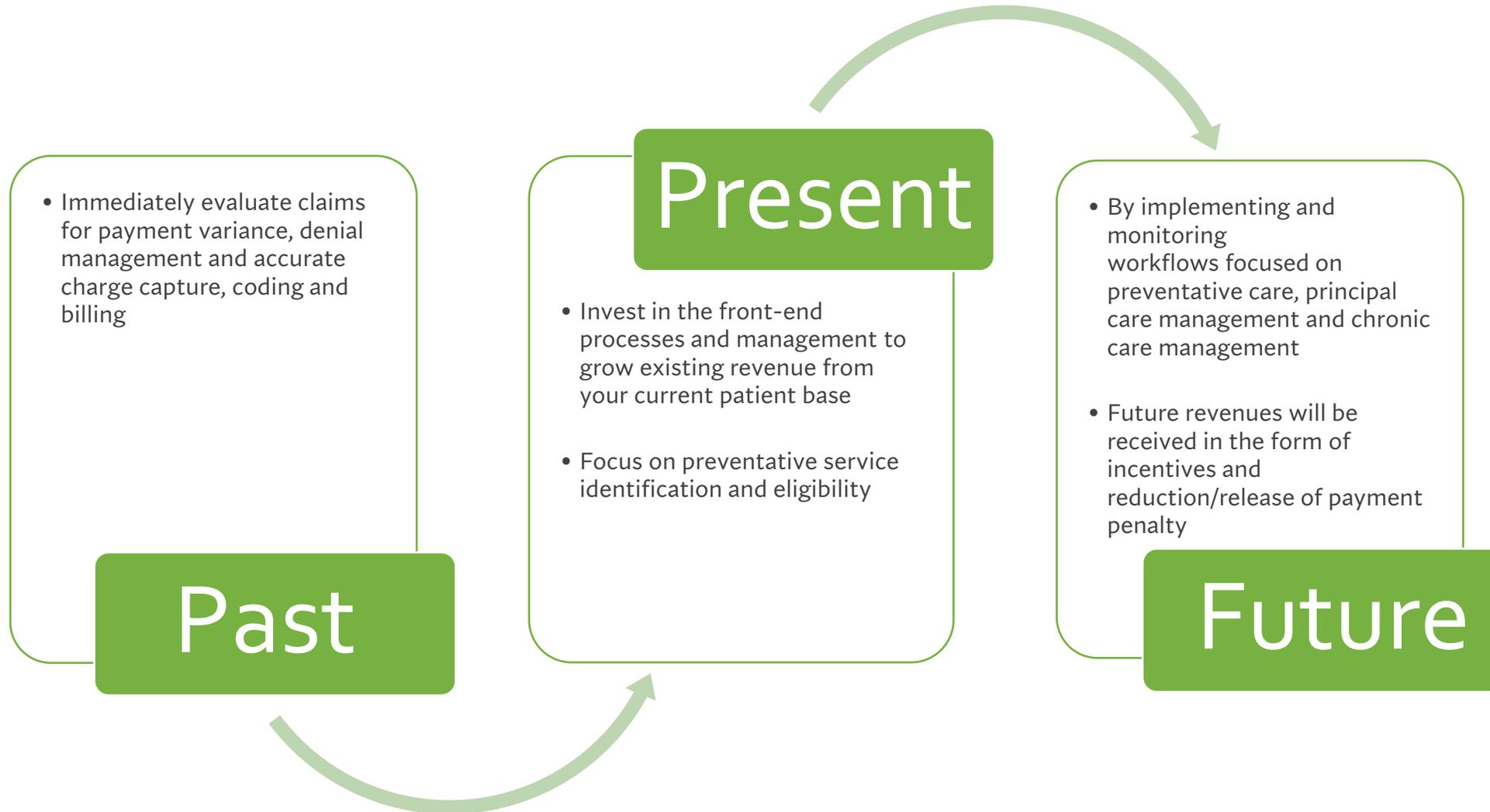
4

Establish routine monitoring and responsibility of a charge lag report

5

Educate departments, providers and key stakeholders on missed charges that are identified

# Reimbursement Strategies



# Reimbursement Strategy - PAST



Evaluate contract variances and work through underpayments and denials from a project scope

Run a report to identify denial trends and common errors

Evaluate Billed claims for expired CPT's and rebill accordingly

Evaluate bundling or inclusive denials for modifier application

Evaluate claims for diagnosis hierarchy and unspecified codes that lead to denials

Run billed and unpaid reports for timely review and turnaround of revenue

# Reimbursement Strategy - PRESENT



Establish front-end processes that identify quality gaps in preventative services and ensure that this is communicated to providers for upcoming appointments

This strategy can allow for immediate generation of ancillary revenues and improve quality and value-based care provisions

There are no patient cost shares for preventative services

Explaining this during the financial counseling process can help promote patient buy-in

Do not limit services to Traditional Medicare but implement across all payors

Focus on Point-of-Service collections

Identify additional revenue opportunities across the organization and pursue revenue capture

# Reimbursement Strategy - FUTURE



1. Pursue preventative services while making strategic advances towards educating staff and providers on quality measures as a revenue growth opportunity
2. Consider this a "grow as you know" approach

1. Educating and strategically communicating with patients will improve performance with minimal out-of-pocket cost, while improving patient care management and quality
2. Note: This will reduce cost to collect expense and you are beginning to build a rapport and marketable consumerism strategy for your patients.

1. Contract analysis, amendment and addendum will also create a more profitable future state

# Denials Management

# Denial Management

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- Healthcare organizations are fighting for financial sustainability due to increased operational costs associated with wages and inflation
  - Many organizations are still seeing pandemic driven lagging patient and/or service volume
- Payors continually changed reimbursement policies during the pandemic and organizations have seen a steep increase in claim denials over the past two years
  - According to an MGMA stat poll revealed an average 17% increase in claim denials in 2021 alone
  - Another startling statistic from the poll, only 40% of denials were resubmitted by the practice

# Denial Management Strategy



Establish

Establish a Team. Identify Resources to leverage expertise and input.



Organize

Organize Processes – Create an honest environment and routine reporting of denials.



Identify

Identify Trends and root causes. This is not a blame game but rather survival mode.



Implement

Implement solutions, identify clear and concise policies/ protocols to ensure recovery of current denials and prevention of future denials.



Analyze

Establish Analytics. Sometimes what is reported for denials, is not the entire picture. Ensure a standard data method to capture and report denials and internal controls for monitoring..



Act

Act Quickly. Timeliness of denial workflows is extremely important. Expectations should be clearly identified to billing staff and adherence must be monitored.



Celebrate

Celebrate Success and Build Team Confidence. Monitor recoveries and incentive staff. Staff that feel valued and that they are making positive contributions to the organization

# **Data Analytics and Benchmarking**

# Pulling it All Together



As you walk through the analysis, you will find that you are monitoring and improving revenue through a more sustainable and proactive workflow that leverages data analytics



These analytics will allow for your organization to choose what to measure and when  
Choosing the right Key Performance Indicators and building to a comprehensive KPI dashboard to evolve and continually optimize will drive revenue cycle improvement throughout the organization



Creating optimal workflows, patient satisfaction, quality care, and resolving revenue gaps can be achieved as your organization focuses on specific and actionable goals that apply to you



# Data Analytics and Benchmarking



- The analysis will identify action items and tasks with 30/60/90/etc. days tasks that can be prioritized
- It's important to focus on priorities and not too much at one time
  - Use Shared responsibility mapping to achieve these goals and establish analytics
  - Add different increments based upon priorities specific to your organization
  - Focus on initial priorities and completion to monitor and establish baseline and performance goals to best practice.

## 30 Days

1. Incorporate daily review of scheduled next day preventative services
2. Hold a collaborative team meeting to ensure the intent, objective and communication to providers is documented and understood

## 60 Days

1. Evaluate generated patient orders for ancillary services based upon the new process and identify a way to monitor generated revenue

## 90 days

1. Formally document processes and a standard operating procedure for staff education, onboarding, and continuing education

## 180 days

1. Evaluate how process has improved patient quality care
2. Use for performance improvement reporting to identify resolution of quality penalties or enhanced incentive payments

## 360 days

1. Re-evaluate the clinics service line contribution, wRVUs, etc. to show your continual progress and financial viability.

**Continually monitor progress to your goals and best practice, with monthly reporting and responsibility**

- Key Performance Indicators and best practice are always where you want your Revenue Cycle
  - However, multiple assessments have led to one conclusion, too much focus and not enough internal control can lead to incorrect priorities and place organizations at risk for compliance, audit, and recovery efforts
- While data analytics are an extremely useful tool, establishing a baseline and marked improvement targets that are customized to historical review at your organization's specific workflows
  - Defining a baseline, set expectations and ensure attainable goals for your revenue cycle. Expectations should be goal driven but ever benchmark not met should be analyzed to determine the "why"
- Too much pressure on management and Revenue Cycle leaders can lead to erroneous claim submissions, increased write off and lack of appropriate remedy actions
  - As rural healthcare providers, every dollar counts
  - Focus on gap analysis and process improvement metrics in conjunction with your key performance metrics and establish an reinvest in your staff and their job satisfaction.

# Questions



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# ORH Announcements

- [2023 Forum on Aging in Rural Oregon](#): May 15-17 in Seaside, Ore.  
\*Registration opened February 14\*
- **Save the date: 2023 Oregon CAH Quality Workshop**: May 16-17, 2023 in Seaside, Ore.  
\*Registration will open in March\*  
Questions? Contact Stacie Rothwell at [rothwels@ohsu.edu](mailto:rothwels@ohsu.edu) .
- **2022 Oregon Areas of Unmet Health Care Need Report** has been released on the [ORH website](#).
- **PIEC 101: Transitioning to a Performance Improvement Executive Committee**  
March 30, 2023 ([register here](#))  
Most health care organizations maintain a siloed management and monitoring structure that isolates finance, quality, and staff. This presentation explores the concept of a performance improvement executive committee and identifies a specific organizational model to remove silos, promote and express interdependencies, foster accountability and increase alignment between financial and clinical staff.

# Thank you!

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