

The Reality of Revenue Cycle Management: Creating a Successful Outcome

By Elizabeth W. Woodcock, MBA, FACMPE, CPC

Speaker Background

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- MBA, Wharton School of Business, University of Pennsylvania
- BA, Duke University
- Fellow, American College of Medical Practice Executives
- Certified Professional Coder
- Author, 6 textbooks and more than 50 Articles
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Agenda

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- Coding opportunities
- Audit
- Denial prevention
- Open Invoices
- Pre-visit collections
- Time-of-service collections
- Payment monitoring
- Collections cycle
- Technology
- People

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Coding Opportunities

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•Code based on time

- Counseling and/or coordination of care
- Prolonged care
- Smoking or alcohol cessation/Preventive counseling

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Coding Opportunities

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New v. Established Patient

- Three years
- Professional services
- All places of service
- By specialty, even within the group

Why? CMS discontinued payments for consultations as of January 1. Please remember to "crosswalk" consults for Medicare as a secondary payer. Do not stop coding them for commercial payers!

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Audit

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- Easy to blame poor performance on the payers
- Easy to "hide" poor performance via adjustments

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Audit

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1. Choose a single date of service nine months ago
2. Query for all open invoices
3. Randomly choose 50 of them
4. Pull all activities and notes associated with the invoices
5. Evaluate

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Audit

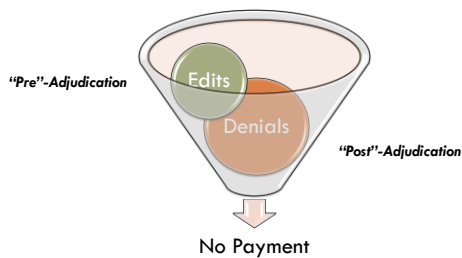
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- Remember, this is a biased sample...
- Who was responsible for non-payment?
 - Were appropriate and timely actions taken?
 - Were appropriate adjustments taken?
 - Is the invoice in the hands of the correct financially responsible party?
 - Did the notes explain the employee's actions?

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Denial Prevention

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Denial Prevention

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Registration

- Insurance eligibility
- Address verification

Medical necessity*

Pre-certification

- Obtain them; better safe than sorry

Timely filing

- Reliant on beneficiary (i.e., guarantor)

*www.ama-assn.org/ama1/pub/upload/mm/368/mmcc_4th_suppl_1.pdf

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Denial Prevention

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Additional information

- Transfer to guarantor responsibility at 30 days

Duplicates

- Avoid automatic rebilling

Non-covered

- Charge at time-of-service

Coding/bundling

- Stay current on rules

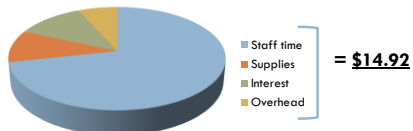
Carbon copy the guarantor (patient or spouse/parent/guardian)...
and the insurance commissioner, if applicable

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Denial Prevention

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Cost of denial



*"Staff time" includes 20 minutes of billing staff time at \$22 per hour, plus 10 minutes of another staff member's time (for example, front office) valued at \$20 per hour.

**"Interest" calculated on \$200, at 10%, compounded monthly, for 30 days

***"Overhead" includes management, equipment, space and other fixed costs.

© Walker, Woodcock, Larch, 2009, as published in The Physician Billing Process by MGMA

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Denial Prevention

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3-Step Approach to Denial Management

1. Does this claim need to be written off?

If yes, write it off... but use appropriate adjustment codes

2. Does this claim need to be corrected?

If yes, correct it and resubmit it

3. Does this claim need to be appealed?

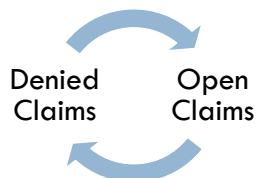
If yes, develop your case and appeal it (per the payer's process)

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Open Invoices

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How is the business office managing both types of outstanding invoices?

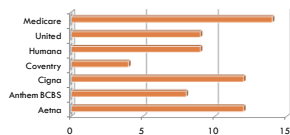


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Open Invoices

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- o Run an 'open claims' report
 - o At minimum, every 60 days
 - o Best practice: follow payer payment cycles, in hierarchical order



Source: 2009 National Health Insurance Report Card, AMA. Response time based on first remittance, median days. <http://www.ama-assn.org/ama1/pub/rgpl/ood/med/368/2009-ahr-long.pdf>

- o Use on-line claims status

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Open Invoices

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- o Prompt payment law
 - o Tennessee
 - o ERISA/self-funded plans

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Pre-Visit Collections

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Financial clearance

- Set expectations during scheduling
 - Initial call
 - Reminder calls
- Collect “due” balances
- Financial policy in writing

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Pre-Visit Collections

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- Insurance coverage and benefits eligibility
- Pre-service collections/deposit on scheduled procedures and surgeries
- Pursuit of eligibility for social programs

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Time-of-Service Collections

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- Basic scripting
“How would you like to take care of...?”
“How much more time do you need...?”
- Signage
“Your insurance company requires you to pay your copayment.”

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Time-of-Service Collections

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- Guarantor lending – “patient financing”
- Rebilling fee*
- Kiosk
- Financial “advocate”

**check with your payer contracts to make sure this isn't disallowed*

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Time-of-Service Collections

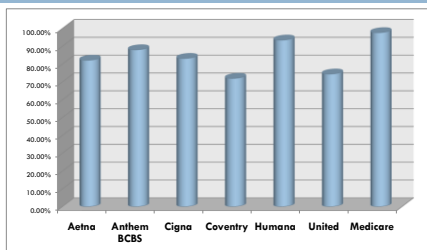
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- Remote deposit services (RDS)
- First statement
- Minimum deposit

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Payment Monitoring

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Source: 2009 National Health Insurer Report Card, AMA, "On what percentage of claim lines does the payer's allowed amount equal the contracted fee schedule rate?"

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Payment Monitoring

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- Contracting
- Maintain a close watch on insurance payments
 - Downcoding
 - Blending
 - Linking
 - Bundling
- Match payments to reimbursement schedules
- Flag invoices paid at 100%

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Collections Cycle

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- Start at encounter
- Tighten it – 60 to 75 days
- Be consistent
- Insurance and demographic verification
- Phone calls
 - Combine with appointment confirmations
 - Predictive dialing

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Collections Cycle

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- Statements and letters
- Collections agency
- Small claims court
- Dismissal

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Technology

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- Automated eligibility systems
- Payers' websites
- Charge scrubbers (clearinghouse)
- Kiosks
- Electronic remittance/funds transfer
- Payment monitoring software
- Web-based patient portals
- On-line bill payment

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People

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Getting Bugged Down in the Details



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Contact

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