Mission Possible

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Your Mission

- To provide quality patient services, and be FULLY reimbursed for the services you provide!

Seems like *Mission Impossible* some days…..

- RAC Audits
- Cert Audits
- ZPIC Audits
- “Healthcare Reform”
- “Competitive” Bidding
- Closed private insurance networks = more MC / MA dependency

To prosper, your reimbursement processes must be…..

- Highly effective – they "just work"
- Productive / efficient – no labor wasted
- Automated – reduce manual processes
- Well managed – consistent management oversight

Global Management Rule #1

- Expect what you inspect!
  - **If it DOESN'T matter to you it will NOT matter to your employees**
  - **You must understand a process to manage it effectively**
  - **Audit your reimbursement operations as least yearly – be involved in the process**

Common Challenges

- **Lack of defined processes / inefficient processes / processes that have not been redesigned to keep pace with revenue growth –**
  - Assess every 3 yrs, or at 50% revenue growth
  - Assess all reimbursement related processes – intake, documentation, billing, collections
  - Interview your staff – how does the process work in real terms?
  - What are the bottlenecks?
  - Build a flow chart if necessary to understand all aspects of the process

Common Challenges

- **Automation of processes**
  - Order confirmation – scanners and bar-coding
  - Electronic claim filing – all payers as available / clearinghouses
  - Batch cash posting
  - Secondary claim / EOB preparation
  - Electronic prescriptions
  - Document imaging

Common Challenges

- **Process for follow-up on documentation**
  - Send documentation request within 1-2 days of receipt of verbal order
  - Use software system reports to track outstanding documents – require staff to work the report daily
  - Follow up every week until returned
  - Hand carry if necessary (21 days) - train sales staff to recognize incorrectly completed documentation

Common Challenges

- **Knowledge deficits among staff / lack of educational or instructional resources**
  - Effective job training / orientation – software system and payer coverage criteria / rules (HUGE ROI)
  - DMERC webinars and email updates
  - Medtrade / State Association / Consulting Seminars
  - MOST IMPORTANT – a resource person / knowledgeable supervisor or manager that receives / reviews updates

Common Challenges

- **Defined job responsibilities – when it's everyone's job it's no one's responsibility**
  - Review job descriptions annually – adjust as job duties change
  - Set appropriate expectations and provide management oversight
  - Base annual reviews and wage increases on specific job duties and how well they are carried out

Common Challenges

- **Out of control patient co-pays and deductibles**
  - Follow up is time consuming
  - Set the tone during the intake process – discuss co-payments with responsible party / patient / family member at time of intake when delivery is being arranged
  - Accept or reject financial hardship at time of initial service – do not book co-pays you have already agreed to waive based on hardship
  - Document reasons for waiver – routine waiver is not allowed

Global Management Rule #2

- **The proactive manager maintains an *Executive Dashboard!***
  - Assess your dashboard daily / weekly / monthly
  - Rapidly respond to metrics that are outside sustainable or ideal limits
  - Know your anticipated revenue – manage based on that number (avoid large contractual adjustments at posting by maintaining correct contract pricing in system)

Proactive – What’s on your executive dashboard?

- DSO = < 70 days (50-60 days is goal)
  - Total AR / Avg Days Sales = DSO
- Unbilled revenue = < 30 days (14-21 days goal)
- % billing converted to cash = / > 93%
- Adjustment totals by reason code – drill down
  - Write-off = preventable (management focus)
    Adjustment = expected

Proactive – What's on your executive dashboard?

- Aging by days (30, 60-90, 90-120, over 120)
  - Goal = no more than 15% of your AR over 90
  - Goal = no more than 10% of your AR over 120
- Aging by payer – do you have slow or problem payers?
- Payer mix – broad mix preferred DIVERSIFY
- Product mix – dependent on business model / strategy
- Rentals versus sales

Intake / Documentation Daily

- ☐ Order intake / insurance verification / initial prior authorization
- ☐ Data entry / delivery ticket preparation
- ☐ Confirm orders of tickets returned signed from the previous day's deliveries
- ☐ Prepare and send new documentation requests
- ☐ Track, receive, **QA**, and log documentation into billing system that has been returned

Intake / Documentation 1 to 2 x per week

- ☐Run expiring CMN, physician order, and prior authorization reports to be worked daily
- ☐ Prepare / send renewal documentation requests for expiring documents
- ☐ Run unconfirmed orders report /follow-up on unconfirmed deliveries (non-returned tickets)
- ☐ Follow-up on documentation still pending in accordance with company defined timelines (resend / hand carry, etc.)

Billing and Collections - Daily

Observe the 80/20 rule! – 80% of time spent on collections; 20% spent on billing

- ☐ Run electronic billing
- ☐ Post cash as payments are received
- ☐ Work denials as they are received – hold recurring claims that have denied until they are fixed!
- ☐ Work accounts receivables – over 90 days and high dollar down

Billing and Collections - Daily

- ☐ Review EMC transmission error reports and make necessary corrections
- ☐ Generate secondary claims for those that do not crossover, and mail to payers with necessary EOBs
- ☐ Larger companies - QA and review documentation that has been received by intake staff

Billing and Collections - Monthly

- ☐ Generate and review month end reports – billed; posted; AR aging; executive reports; adjustment / write off; etc.
- ☐ Generate and mail private pay and commercial account bills
- ☐ Work private pay collections
- ☐ Generate and mail collection / dunning letters – follow-up on co-pays and deductibles

Bonus Tips

- Require PT/OT Evaluation for any PMD billed to Medicare!
- Recommend a PT/OT with experience in MC/MA PMD evaluations
- Ask physician to refer to PT/OT evaluation when creating F2F evaluation notes
- Ask physician to print name under signature – or create exemplar file on initial referral

It's not a good referral source if you can't get paid!

Services Offered

- HME Start-ups
- Accreditation Preparation / Policy and procedure manuals
- Outsource HME Billing
- HME reimbursement training
- Process Assessment (Reimbursement & Operations)

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