

Re-designing your Revenue Cycle Department for Continuous Improvement

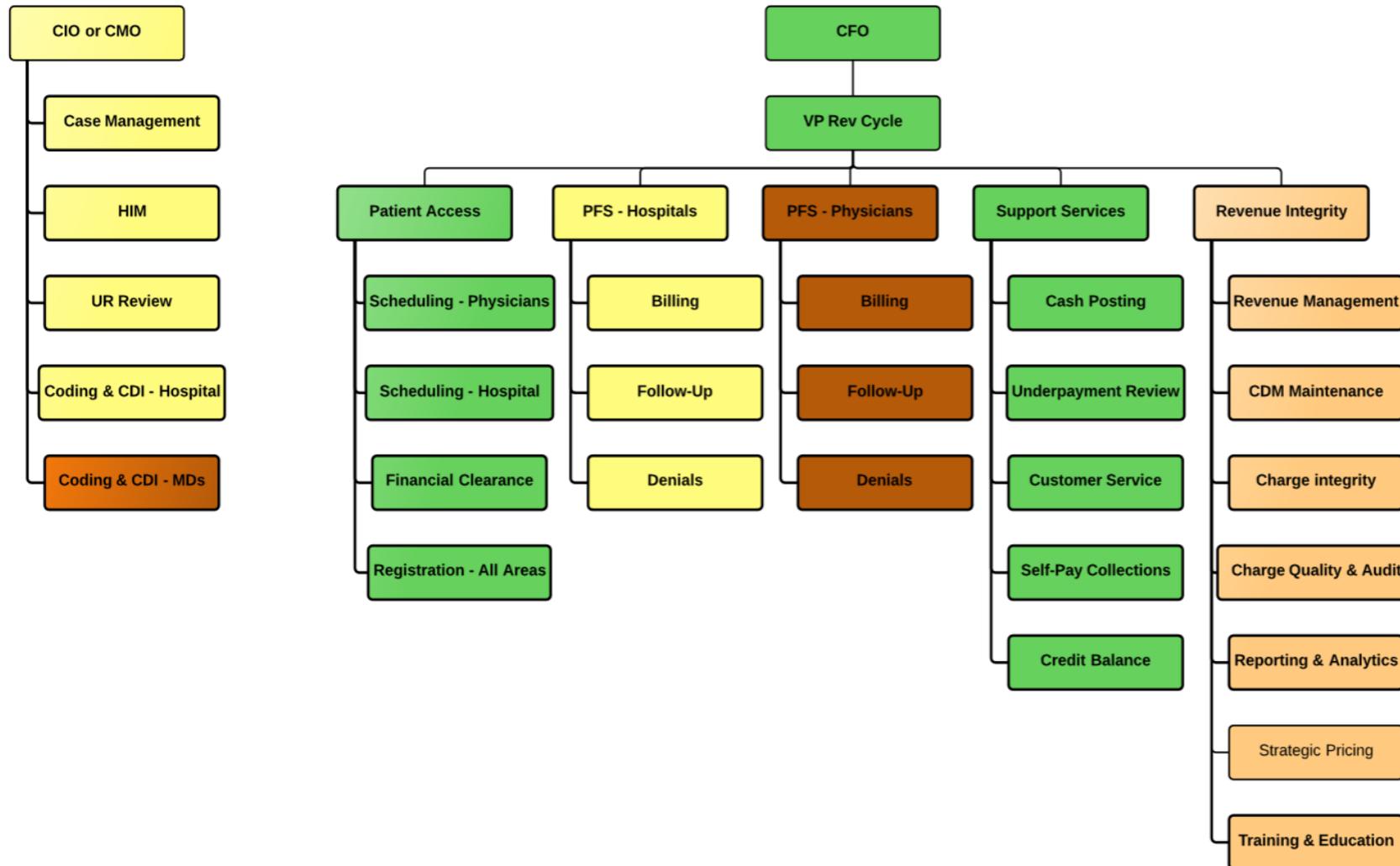


Revenue Cycle Opportunities

- Success in the Revenue Cycle depends upon the holistic perspective of the entire Revenue Cycle



Revenue Cycle Best Practice Department Structure



Revenue Cycle Reporting Organization

□ Patient Access

- Centralized Scheduling Unit
- Pre-Registration/Financial Clearance/Insurance Verification
- Pre Authorization
- Financial Counselors
- Cashiering
- Centralized Registration
- Admissions

□ Centralized Business Office

- Billing and Claim Submission
- Guarantor Billing
- Payment Posting
- Credits and Variances
- Insurance Collections/Follow Up
- Guarantor Follow Up
- Denial Management
- Customer Service

□ Revenue Integrity

- Charge Capture/Reconciliation
- CDM Maintenance
- Education Team
- Quality Team (standards and accountability)
- Analytics Team

- ❑ When a revenue integrity program is appropriately designed and implemented, organizations can expect a higher clean claim rate, proactive identification and resolution of claim issues, and improved financial results.
- ❑ A sustainable revenue cycle integrity program depends on the involvement of stakeholders from every part of the organization. For that to become a reality, an organization needs to make a commitment to transparency. By promoting communication throughout the hospital, leaders will begin to see how their view of revenue integrity meshes with that of other stakeholders.
- ❑ Regular Revenue Integrity meetings across the operations should be implemented
 - Bi-Weekly may be Hospital and Ambulatory specific focus meetings
 - Monthly needs to be key representation across both Hospital and Ambulatory to address issues that cross the entities
 - Need to develop Lean-like/Six Sigma type tendencies and to have clear follow-up responsibilities and timelines.

- ❑ An effective Revenue Integrity program that focuses on A/R management, audits and education can:
 - Reduce the amount of aging A/R and un-billed days
 - Reduce the number of claim hand-offs and claim edits that require manual intervention
 - Manage un-billed dollars by prioritizing high dollar claim follow-up
 - Expedite cash flow by better managing claim edits and denials
 - Identify issues that require education with action plans and process modifications throughout the organization
 - Eliminate repetitive problems by tracking claim edits
 - Ensure accurate charge capturing
 - Foster continuous improvement of revenue cycle processes through education
- ❑ It is important to have a team that has a strong analytical background and project management like skills
- ❑ The team functions require daily, weekly and monthly reporting, along with longer term trending

Getting Started in Developing your Revenue Integrity Department

- ❑ An effective Revenue Integrity program must be comprehensive and include such functions as reviewing compliance billing edits, department charge capture and compliance auditing, ongoing education, and trend analysis.
- ❑ A few steps to get started in your department development are:
 - Build a responsibility matrix containing each function, the staffing resources that currently perform the function, the department(s) these resources report to and the number of resources involved. You will easily see which areas require consolidation and which functions are missing.
 - Determine how the team will be managed within the organization. Based on lessons learned, the recommended organizational structure has these resources reporting to the leader of revenue cycle
 - Ensure there is are well-defined productivity and quality expectations and implement a monitoring system. Be sure to include the tracking/trending/analysis function. The data produced from these tasks is critical to understanding the financial picture of the organization.

□ Develop a Dedicated Denial Management Team

- Highly experienced staff with top carriers
- Certified coder to work coding denials
- High-balance Denials prioritized
- Root cause analysis
- Denial Management specific workqueue assignments
- Underpayments and full denials are identified at time of cash receipt and promptly addressed
- Proper controls and monitoring tools are in place for write-offs
 - Appropriate write-off codes have been established for valuable reporting
- Reasons for nonpayment or underpayment (denials) are known, appropriately summarized, monitored and quickly resolved
- Host regular meetings to review root cause analysis with departments



