

The "Profitable" Compliance Plan

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How Effective Compliance
Programs and Chart
Abstractions/Reviews Increase
Productivity and Revenue
(& Other Hidden Benefits)

Focus:
Improving efficiency, accuracy
and effectiveness

Opportunities and Challenges

- Inpatient vs Outpatient
- Inpatient
- No new positions allowed
- Reprioritizing work
- Using technology
- Talented and flexible staff

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Opportunities and Challenges

- Inaccurate data
- Correct data
- Determining effectiveness
- Parallel systems
- New billing system
- Charge entry dumped into the departments

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Unique Features of AHCs that Complicate Compliance Implementation

- involvement of GME residents and students in patient care
- complex missions intertwined (clinical, education, research)
- high proportion of un/underinsured patients in payer mix
- multiple sites operated (inpatient & outpatient)
- multiple specialties with different compliance environments (clinics, OR, ICU, etc.)

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IMPACT System

Internal Medicine Patient Charge Tracking System

- Systematic tracking of inpatients
- Access database
- Download registration and discharge data
- Download charges into billing systems
- Compatible with multiple billing systems
- User friendly
- Fast

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“UBDOC”

(The Unbillable Code)

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Fee Abstraction Team Focus:

Inpatient E & M charges
Minor “bedside” procedures

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Educating the Abstractors

- Prior knowledge of ICD-9 and CPT coding
- Familiarity with professional billing
- Consulted with experts in the field
- Physicians as teachers
- Consulted with experts in the field—The Sequel

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Issues

- Workload
- Availability of Medical Records
- Monotony
- Pressure to meet deadlines
- Long admissions
- Working with the providers

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Physician Feedback and Education

- Timely
- Reality based
- Brief and to the point
- Continuous Monitoring
- Reporting

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Provider Compliance Issues

- Denial
- Anger
- Bargaining
- Depression
- Acceptance

Benefits of Fee Abstraction

Benefits of Fee Abstraction

1. Protection From Liability/Decrease Audit Liability
 - 100% concurrent review
 - Insulates physician
 - Physician disapproval system

Benefits of Fee Abstraction

2. Improve the Accuracy of CPT and ICD-9 Coding

- Ensure process controls
- Maximize educational effectiveness

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Benefits of Fee Abstraction

3. Efficient means of handling changes

- Rules and regulations
 - Codes
 - Interpretations
- Personnel

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Benefits of Fee Abstraction

4. Increase accuracy of data entry

- Coordinate with Registration
- Reduce keying errors

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Benefits of Fee Abstraction

5. Ensure that all professional charges are billed

- Charge Lost and Found

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Benefits of Fee Abstraction

6. Ensure that all professional charges billed are paid

- Decrease backend denials
 - Lack of documentation
 - Inaccurate coding
 - Elimination of concurrent care

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Benefits of Fee Abstraction

7. Reduce lag days

146 → 14

2 months

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Benefits of Fee Abstraction

8. Ability to Self-regulate and Enforce Sanctions

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Revenue Maximization

- 50% decrease in department personnel involved in billing/charge entry

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Revenue Maximization

- 100% decrease in CBO participation in charge entry process

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Revenue Maximization

- Dramatically improved cash flow immediately and over the long term

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Revenue Maximization

- Keep revenues generated from operations
 - Short term
 - Long term

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Revenue Maximization

- “Free” compliance program

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Revenue Maximization

- \$1.5 Million increase in revenue in first year in one department
- Improved gross collection rate immediately and over the long term

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Results of Implementation

- fewer lost charges (“unbillables”); increased E/M encounters
- greatest impact in high revenue divisions (GI, Cardiology)
- higher coding for complex services

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Unexpected Results & Responses

- capacity to apply a single standard to all payers
- sustained benefit once fully operational
- uniqueness to high volume/high complexity department (exportability?)

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Opportunities for Compliance and Revenue Enhancement Through Fee Abstraction

- uniform use of patient encounter templates (paper, electronic)
- awareness increases faculty billing discipline & productivity
- operational billing efficiencies (reduced lag days, etc.)
- recognition of focused effort (initial visit, discharge day management)
- lost charges are “recaptured” (fewer unbillables)

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Compliance Truths – the Four Cornerstones

1. From both revenue recovery & risk reduction perspectives, compliance is a **GOOD LONG-TERM PRACTICE INVESTMENT** strategy.
2. To be optimized, there must be a corporate **COMMITMENT OF RESOURCES TO CONTINUOUS LEARNING** in the subject area.
3. The common thread of implementation success is the dual requirement for **CEO LEVEL COMMITMENT & GRASSROOTS SUPPORT**.
4. As with any **EVOLVING BEST PRACTICE**, the value of compliance is only realized through continuous review & improvement.

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What can you do?

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