



OTANI CONSULTING GROUP, INC.

1

HFMA - Northern California

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Module 2: Departments that Impact Accounts Receivables

- Clinical and Technical Departments that impact Account Receivables
 - Financial Clearance (FC) Centralized Units
 - Case Management
 - HIM
 - IT
 - Nursing
 - Surgery/Diagnostic (MRI, GI)
 - Pharmacy
 - Scheduling

How can a clinical and/or technical department impact accounts receivables?

- ▶ Last minute surgery add-ons without financial clearance
- ▶ Nursing impacts by lacking complete documentation could result in a medical necessity denial
- ▶ HIM impacts if there are documentation, coding accuracy and/or delay issue
 - ▶ CDI

How can a clinical and/or technical department impact accounts receivables?

- ▶ Case Management not completing and/or providing timely clinical reviews
- ▶ Surrogacy
- ▶ High cost pharmacy drugs ordered and provided without the required pre-authorization
 - ▶ IVIG
 - ▶ Chemo drugs
- ▶ One type of diagnostic test authorized but a different test is performed
 - ▶ i.e. MRI w/contrast vs. MRI w/o

How can a clinical and/or technical department impact accounts receivables

- ▶ Charge Description Master aka CDM
 - ▶ Rev codes not properly associated to ICD-10, CPT or HCPCs
 - ▶ Modifiers- add them or not to add them to the CDM
 - ▶ Invalid or deleted codes not properly termed
 - ▶ Missing charge items or untimely additions
- ▶ IT impacts system functionality
 - ▶ Interface issues
 - ▶ Crosswalk issues
 - ▶ Work queues not built and/or functioning as intended
 - ▶ Charge capture

How can a clinical and/or technical department impact accounts receivables

What do you know about Condition Code 44?

- ▶ When this situation occurs and is not handled timely and/or properly we cannot bill for all services provided resulting in loss of revenue

WHAT IS CONDITION CODE 44?

Condition Code 44 and Its Use

In some instances, a physician may order a beneficiary to be admitted as an inpatient, but upon reviewing the case later, the hospital's utilization review (UR) committee determines that an inpatient level of care does not meet the hospital's admission criteria

In these cases, the hospital may change the beneficiary's status from inpatient to outpatient and submit an outpatient claim, provided that all of the following conditions are met:

- ▶ The change in patient status from inpatient to outpatient is made prior to discharge or release, while the beneficiary is still a patient of the hospital; The hospital has not submitted a claim to Medicare for the inpatient admission;
- ▶ The practitioner(s) responsible for the patient's care concurs with the UR committee's decision; and
- ▶ That concurrence with the UR committee's decision is documented in the patient's medical record.

Condition Code 44 cont. -

If all of the above conditions are met, the hospital should submit an outpatient claim (type of bill 13x or 85x) with condition code 44. Observation services require a physician's order for observation. It is not appropriate to bill observation from the inpatient hospital admit date using condition code 44. Observation services would be billed once a physician's order for observation was received. Outpatient services prior to that order are billable, however, observation is not. All services provided during the stay should be reported on one outpatient claim. Providers should not "split bill".

If not all of the requirements are met, the hospital may bill for Part B inpatient services only (type of bill 12x).

Condition Code 44 Process

- ▶ Develop Admission process by partnering with Case Management
 - ▶ Case Management review of all admission orders prior to the patient's admission
 - ▶ Case Management determines if the inpatient admission meets inpatient criteria
 - ▶ Case Management contacts patient physician to review patient admission status and obtain new order
 - ▶ Case Management informs Patient Access
 - ▶ Patient Access populates condition code 44 in the registration module

How can a clinical and/or technical department impact accounts receivables

Medicare 1 day stays

What does this mean?

Two Midnight rule:

Inpatient admissions are considered reasonable and necessary for Medicare beneficiaries who require more than a one-day stay in a hospital or who need treatment specified as inpatient only. **2.** Stays lasting less than two midnights must be treated and billed as outpatient. From CMS.gov

How can a clinical and/or technical department impact accounts receivables

- ▶ Who's responsible?
 - ▶ Typically Case Management
 - ▶ House Supervisor prior to admit or designated clinician

- ▶ What tools are used to capture?
 - ▶ Custom reports or daily census
 - ▶ Work queue
 - ▶ Bill holds

- ▶ Is there a revenue impact?
 - ▶ Yes, if the patient does not meet criteria, inpatient services cannot be billed
 - ▶ Can trigger external audits

Clinical and Financial Roles

- ▶ Key clinical and financial roles include:
 - ▶ Scheduling
 - ▶ Pre- Registration
 - ▶ Insurance Verification
 - ▶ Financial Counselors
 - ▶ Admitting Case Managers
 - ▶ Department Check-in
 - ▶ Coders
 - ▶ CDI
 - ▶ Chart Auditor
 - ▶ IT Analyst

Open Discussion

What happens at your
place?

Actual Scenario of lost revenue due to technical issues

Issue: St. Elsewhere went through a system conversion.

- Accounts where not routing to the appropriate work queues
- Reports where not balancing
- A/R was grossly overstated
- Accounts were not netting properly
- Adjustment were reversing after payment posted
- High cost implants not captured
- Cash goals not being met

Actual Scenario of lost revenue due to technical issues

- Action: Created a real time Age Trial Balance report for reconciliation purposes
- Identified the issues
- Created a detail project plan with IT
- Each issue was assigned an owner and an estimated completion
- Begin meeting with IT and key departments to identify processes and affect change
- Provided real errors to the departments as training for process improvement
- Reviewed the high cost implants and determined that most were being entered as miscellaneous with a \$0.00 because the surgery team did not know how to enter the charge associated with implant.
- Utilized the ATB weekly to ensure all inpatient accounts were netted timely and properly also to measure the process improvement plan

Financial Clearance Centralized Unit – Best Practice

Financial Clearance Centralized Unit - Pros & Cons

➤ Pros:

- Dedicated staff
- Expertise
- Collaboration
- All staff housed in one location(when possible)

➤ Cons:

- Less staff
- Department morale (staff feeling they are not part of PA Department and v/v)
- Staff limited knowledge to only FC processes

Dedicated Financial Case Study Best Practice

Issue: Case Managers and Central Clearance Center

Lack of coordination between the departments

Technically challenged Case Managers

Delays in service due to the lack of communication

Case Managers performed other services

Different Managers (CCC vs. CM)

Action: Physically moved the Case Managers into the CCC

Trained Financial Case Managers on documentation and scanning

Held Financial Case Managers accountable for actions

Dedicated Financial Case Managers

- Pre centralization Job Functions
 - Physician orders are reviewed for medical necessity prior to patient's admission
 - Outpatient orders are reviewed for medical necessity and compliance
 - Aid in obtaining the correct CPT codes for orders
 - Ability to edit and write orders
 - Collaboration with Patient Access for authorizations
 - Aid in the financial clearance process to avoid billing delays and possible denials

Dedicated Financial Case Managers

- ▶ Post centralization of job functions
 - ▶ Document actions in PFS System
 - ▶ Scan authorization and/or clinical documents into PFS System
 - ▶ Assist CCC Staff with clinical requests for authorizations
 - ▶ Consistent and timely communication

Financial Clearance Centralized Unit Summary

- ▶ Centralization can reduce operational cost of maintaining staffing in multiple areas
- ▶ Encourage collaboration
- ▶ Increased efficiency
- ▶ Minimize duplication of work efforts
- ▶ Ability to cross train for optimal utilization of staff
- ▶ Reduces Redundancy
- ▶ Encourages timely responses to payers, peers, physicians, etc
- ▶ Goals of the unit are all consistent with the goals of the organization

Thank You

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