

Mission Possible



Roberta Domos

(425) 882-2035

<http://hmeconsulting.com>

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)**

Phone: 425-882-2035 ♦ Fax: 425-636-8208

16405 NE 95th St. C-312 ♦ Redmond, WA 98052

Email: robertad@hmeconsulting.com

On the web: <http://hmeconsulting.com>