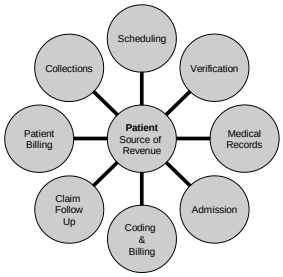
Re-evaluating Your Revenue Cycle

October 26, 2012
19th Annual Ambulatory Surgery Centers Conference
April Sackos, Vice President of Revenue Cycle, ASCOA

Functions Within the Business Office of ASCs



Separation of Duties

- Separation of duties is one of the key concepts of internal control
- Its function is the prevention of fraud, theft and errors
- This is achieved by dividing the tasks among staff members to insure checks and balances

Evaluate Your Processes

- Start at the beginning:
  - Insurance verification
    - A solid benefit verification system must be in place
    - Schedulers must work closely with the surgeons offices to obtain accurate demographic information
    - You must pre-determine co-insurance and deductibles, and ensure that the surgical procedure will be reimbursed

4

Verification

- Establish a Policy on Benefit Verification
  - Make a list of questions for employees
  - Don't verify too far in advance
  - Always document who you spoke with and date/time
  - Website vs. speaking to live person when verifying benefits
  - Authorization … if in doubt, call
  - If out-of-network with carrier try to determine if center will be paid enough to perform the case
  - Call patient and inform them of their *estimated* financial responsibility

5

Insurance Verification Tools

- Create a matrix to include a list of procedures that are non-covered in an ASC setting
- It is important that your staff understand the cases that can and cannot be performed in your facility
- Provide effective tools for your staff to use such as:
  - Calculator to determine deductible/coinsurance
  - Updated insurance matrix

6

Calculator Tool

7

Managing Outsourced Tasks

- Have system in place for tracking operative report deficiency:
  - Call transcription if op note not back within 24 hours
  - If no dictation received, business office manager calls surgeon
  - If no dictation in 48 hours, administrator calls surgeon
  - Can be a quality reporting event
- Have system in place for tracking pathology report receipt:
  - Log
  - Reports should be received within 24 to 48 hours unless special testing required

8

Admission

- Verify registration information with patient and make corrections immediately
- Reprint demographic sheet
- Copy or scan insurance cards front and back
- Copy or scan patient photo ID
- Ensure that information is entered into software system

9

Admission

- Collect patient responsibility…copay, co-insurance deductible
  - Best chance to collect the patient portion
  - If patient needs payment plan, have all papers signed at admission
  - Bill immediately after surgery for the estimated amount they owe

10

Payment Options

- Explanation of patient responsibility communicated to patient pre-date of service
- Provide a variety of payment options
  - Visa, MasterCard, Healthcare Credit Card
  - Personal checks, cash
  - Automatic Monthly Debit
- Set clear expectations with patient
  Set up payment plans prior to the date of service

11

Coding and Billing

- Internal vs. external coding
  - Audit at least annually for accuracy
  - Audit if change in staff or coding company
  - If physicians code also audit their coding
- Have a benchmark in place for when claims should be billed…i.e. within 48 hours of the date of service
- Electronically file as much as possible
  - Monitor transmission reports for errors after transmitting claims
  - Watch that payor accepts claim
  - Correct errors immediately and resend
  - Have several people knowledgeable on how to transmit claims electronically

12

Workers Compensation

- Obtain name and contact information of adjuster prior to date of service
- Verify billing address
- Obtain WC claim/file number
- Obtain authorization if necessary and what process is if codes change
- Negotiate payment prior to services being rendered if self funded or non regulated
- Claim in paper
- Operative Note and Implant invoices attached to claim

13

Insurance Contracts

- Know the facility's contracts
  - Do you have the carrier's claims processing manual?
  - Does your contract pay for implants?
    - Are you to use an implant supply company?
    - Nursing's role
    - What is the $ threshold if any…
    - What revenue code is to be used for billing certain HCPCS codes…
    - Is/are the implant/s to be marked up so that the facility will be paid correctly…
    - Are invoices required…
  - Do you have a system in place to know if you are paid correctly?

14

Claim Follow Up

- Have system in place for regular and consistent claim inquiry: System reports, tickler list etc.
- Initial follow up no more than 15 days after submission of claim
  - Ensures claim is there and processing
  - Detection of errors
  - If no claim
    - Check card to ensure information correctly entered
    - If checking through website call customer service
    - Check billing address or if claim transmitted electronically

15

Claim Payment

- Watch payment posting
- Has the insurance company paid according to contract?
- If out of network is payment adequate? Does it need to be appealed?
- Is this an overpayment or a duplicate payment? Is a refund due to the patient?
  - Always check the payors website for instructions on refunds
  - Have a system in place for communicating refunds to the person

16

Payment Posting Continued

- Sign up for ERA and electronic funds transfer (EFT) with all payors
- Most patient billing systems have the ability to auto-post if you are receiving an ERA from your payors:
  - Cut down on staff costs
  - Keep your AR down
  - EFT will ensure that funds get to your facility faster
  - EFT helps prevent fraud or lost checks
- Generate on-demand statements at the time of payment posting

17

Patient Payment Plans

- Bill patient immediately after surgery for their part
- Use service or obtain debit/credit card information so payments can be automatically deducted per agreement
- Aggressively monitor payment plan
- Call and speak with patient if payment is delinquent

18

Collections

- Collections process is occurring daily and you are receiving daily updates on activity and performance
- Verify you are collecting co-insurance and deductibles prior to surgery
- Following up on open claims after 15 days with insurance carriers
- Make collection calls to patients
- Monitor your AR days which is the average number of days to collect on a claim

19

Collections Goals

- Set goals
- Expect 100% upfront collections
- Reward high collections
- Review goals frequently

20

Special Circumstances

- When working with repricing companies: always try to achieve 80-90% of billed charges
- Seasonal Opportunities:
  - Income tax refund time
  - Christmas Club check distribution time

21

Daily Reconciliation

A process that must occur daily whereby transactions made in surgery center's software system for money collected on patient accounts is tied to the deposits made into the bank/accounting program

22

AR Days

- Factors Which Impact
  - Volume
  - Case Mix
  - Payor Mix
  - Aging per Payor
  - Number of CPT codes per Case
  - Collections

23

Adequate Follow-up

- Key points to achieve effective follow-up:
- Create a relationship with provider representatives
  - Getting claims overturned
  - Assist with processing of claims
- Consistently work all accounts
- Respond to correspondence received from the payor daily
- Identify denial trends and areas that need improvement

24

Payor Data

- Make the proper notation in your patient accounting system:
  - Name of the payor representative you are speaking with
  - If possible, obtain a direct number of the representative in the event you need to follow-up again
  - When was the claim received? Status of payment?
  - When was the check cut? What was the payment amount? What is the check number and date sent?

25

Communicate Expectations

- Set collections goals and post results
- Set expectations for performance with staff
- Reward staff for meeting or exceeding goals

26

Prioritize Accounts

- Following up with third-party payors on outstanding accounts receivable (A/R)
  - should occur within 15 days after the initial claim has been generated
- Review your AR aging weekly to ensure account are being worked
- Know your contracts: timely filing clauses; don't miss the window
- Every accounts should be worked
  - Detailed notes should be placed in the patients account…. Notes must be clearly recorded….. If it is not recorded, it did not happen

27

QUESTIONS?

Thank You!

April Sackos
Vice President of Revenue Cycle Management
ASCOA
781-733-4525
asackos@ascoa.com

29