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## ASC Billing Process Improvement 101

- All work is a process
- Metrics
- Where/what to improve?
- Improvement cycle

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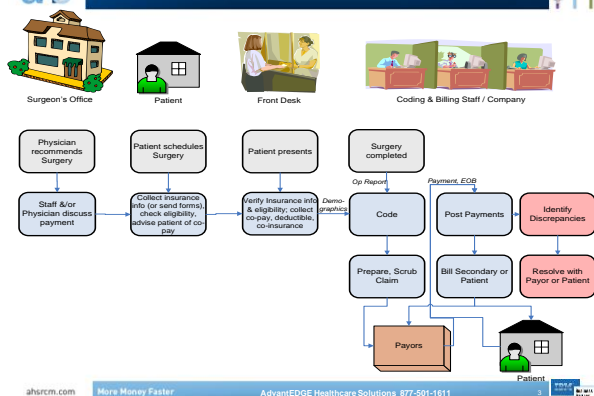
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## "All Work is a Process"




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## Metrics (Measurements)



### Business (financial)

- Days in A/R
- Net Collections
- Etc.

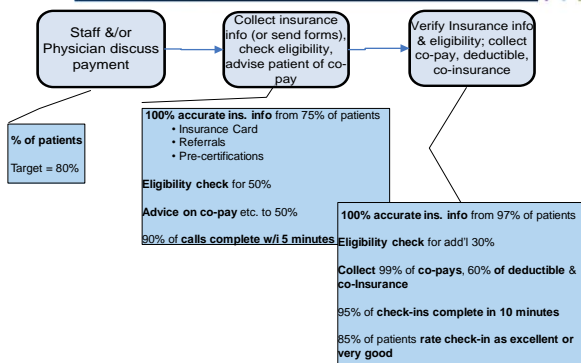
### Process

- Traditional: "cycle time" and "defects"
- Measure key processes over time = baseline performance
- Can include client (patient) satisfaction for customer-facing processes

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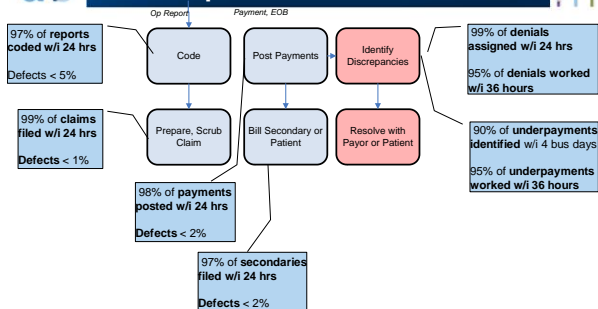
## Examples of Process Metrics



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## Examples of Process Metrics



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## Where/What to Improve?



### Which metrics are “out of control”?

- Not following a consistent trend
- Trending downward
- Impacting overall (end to end) effectiveness
  - e.g. inaccurate insurance information

### Identify a key business problem to solve

- e.g. Days in A/R are too high
  - Root cause analysis (80/20 rule)
- Create a “Process Improvement Plan”
  - Involve someone from each affected process
  - Have the team determine what process changes are needed
  - Track “before and after” process metrics

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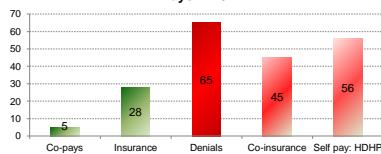
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## Example



Days in A/R



- Days in A/R analysis conclusion: focus on denials
  - Root cause analysis (80/20 rule): 70% of denials from inaccurate insurance info
- Describe/quantify potential benefits of reducing denials
  - Accelerate cashflow, improve A/R by reducing claim and payment delays
  - Avoid \$ in older A/R “buckets” where collectability declines dramatically
  - Reduce time of billing staff
    - Researching denial, calling patient, resubmitting claim, etc.
  - Avoid manual “re-work” which can introduce errors

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## Example (cont'd)



- Management Goal is to reduce inaccurate insurance by 50%
- “Process Improvement Plan” created by a “Process Team”
  1. Team formed representing each affected process
    - [Scheduling](#), [Front Desk](#), [Billing \(A/R\)](#), [Surgeon's office](#)
  2. Team reviewed the data and agreed to the 50% target
    - [Team had the option to change the target](#)
  3. Team looked at metrics to identify “root causes”
  4. Team recommended actions based on metrics and root causes
  5. Management accepted the team’s recommendations

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## Example (cont'd)



3. Team discussion and research of root causes showed
  - Scheduling is done by a temp 2 days a week
    - Insurance info from 22% of patients vs. 55% on other days
  - Front desk has too much turnover
    - Training is limited and doesn't focus on insurance details
    - Insurance info accuracy varies widely by individual ("out of control")
  - It is time consuming to update insurance information in the system
  - Front desk is rushed at the beginning of the day
4. Team decided to focus on
  - Scheduling temp: request same temp each week, conduct more training, share accuracy comparisons weekly
  - Beginning of the day: schedule half of patients 15 minutes earlier to provide more time for each patient
5. Management agreed to recommended changes for 3 month trial
  - Compare insurance accuracy "before and after" (after requires 45 day lag)
    - Plus process metrics and costs
  - Publish insurance accuracy (as measured by claim acceptance) weekly

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## Example (cont'd)



- At the end of the trial:
  - Inaccurate insurance reduced by 40%
  - Days in A/R over 90 from 22% to 15%
  - Billing staff overtime reduced by 80%
- Was this "Process Improvement Plan" a success?
  - Yes: real, bottom-line benefits
  - No: missed the target for 50% denial reduction
- Analysis of results needs to be deeper
  - Scheduling accuracy (100% accurate insurance info) is now 57% with little variation across days
    - Same temp and training a definite success
  - Front desk accuracy (100% accurate insurance info) little changed
    - Additional 15 minutes not a success

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## Improvement Cycle



### Traditional "Plan, Do, Check, Act"

- Plan: 80/20 analysis, develop process improvement plan, etc.
- Do: run the test (small scale): defined timeframe, measures
- Check: study the results, what did we learn?
- Act: adopt changes, abandon changes or try something else



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## In our example



### Plan

- Days in A/R analysis showed denials needed focus
- Process Improvement team and plan
  - 2 "process changes" (temp, staggered start to the day)

### Do

- 3 month trial

### Check

- Temp changes positive, staggered start wasn't

### Act

- Make changes to temp process permanent

**Repeat: Plan, Do, Check, Act**

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## References



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By Bill Gilbert, Vice President of Marketing, and Brice Voithofer, Vice President of ASC and Anesthesia Services  
As published in *Becker's ASC Review*, February 10, 2010

<http://www.ahsrcm.com/drive-asc-denials-down-revenue-up>

### 3 Common Surgery Center Billing, Coding and Collection Mistakes

Becker's ASC Review interview covers common ASC billing mistakes.

[www.ahsrcm.com/3-common-asc-billing-coding-mistakes](http://www.ahsrcm.com/3-common-asc-billing-coding-mistakes)

### 3 Steps to Improve ASC A/R Performance

As originally published in *SurgiStrategies*.

<http://www.ahsrcm.com/3-steps-to-improve-asc-ar>

### Use Reporting and Data Mining to Improve Profitability at your ASC: 4 tips from Advantedge Healthcare Solutions

Becker's ASC Review interview shows how data can be used to drive profitability.

<http://www.ahsrcm.com/improve-asc-profitability-with-data>

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