ASC Billing Process Improvement 101

- All work is a process
- Metrics
- How to achieve continuous improvement?
  - Improvement cycle
“Process Improvement 101”

Biggest challenge
- Allow time to understand the tools and start collecting the data needed for continuous improvement
- This isn’t a “one time” event or a “silver bullet”

“Buzzwords”
- SPC: Statistical Process Control; TQM: Total Quality Management; Six Sigma; Lean; Lean Six Sigma

Purpose: use continuous improvement techniques to eliminate waste in your center
- Waste = anything that stifles staff or patients; or that results in lost time, productivity or waiting for something to happen
- Work smarter, not harder
- Focus on the end-to-end process, not just a piece of it
How do we Improve?

“Plan, Do, Check, Act” (Deming cycle)

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

Business (financial)
- Days in A/R
- Net Collections
- Etc.

Process
- Traditional: “cycle time” and “defects”
- Measure key processes over time = baseline performance
- Include client (patient) satisfaction for customer-facing processes
- Consider employee satisfaction for internal processes
  - The employee is the customer!

“You can expect what you inspect.”
“In God we trust, all others must bring data.”
-- W. Edwards Deming
Examples of Process Metrics

- **Staff &/or Physician discuss payment**
- **Collect insurance info (or send forms), check eligibility, advise patient of co-pay**
- **Verify Insurance info & eligibility; collect co-pay, deductible, co-insurance**

**% of patients**
Target = 80%

**100% accurate ins. info** from 75% of patients
- Insurance Card
- Referrals
- Pre-certifications

**Eligibility check** for 50%

**Advice on co-pay** etc. to 50%

90% of calls complete w/i 5 minutes

**100% accurate ins. info** from 97% of patients

**Eligibility check** for add’l 30%

**Collect** 99% of co-pays, 60% of deductible & co-Insurance

95% of check-ins complete in 10 minutes

85% of patients rate check-in as excellent or very good
Examples of Process Metrics

- **Op Report**
  - Code
  - Prepare, Scrub Claim
  - Bill Secondary or Patient
  - Identify Discrepancies
  - Resolve with Payor or Patient

- **Payment, EOB**
  - Post Payments

- 97% of reports coded w/i 24 hrs
  - Defects < 5%

- 99% of claims filed w/i 24 hrs
  - Defects < 1%

- 98% of payments posted w/i 24 hrs
  - Defects < 2%

- 97% of secondaries filed w/i 24 hrs
  - Defects < 2%

- 99% of denials assigned w/i 24 hrs

- 95% of denials worked w/i 36 hours

- 90% of underpayments identified w/i 4 bus days

- 95% of underpayments worked w/i 36 hours
Plan: Where/What to Improve?

Identify a key business problem to solve
- e.g. Days in A/R are too high

Which processes are the “root cause”?
- Root cause analysis (80/20 rule)
- Impacts overall (end to end) effectiveness
  - e.g. inaccurate insurance information

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

“The problem is at the top; management is the problem.”
--W. Edwards Deming
“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 reviews the data and agrees to the 50% target
   - Team had the option to change the target
3. Team looks at metrics to identify “root causes”: discussion and research of root causes shows
   • Scheduling is done by a temp 2 days a week
     ▪ Insurance info from 22% of patients vs. 55% on other days
   • Front desk has significant 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 recommends actions:
   • **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 agrees 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
Implement the Trial

- 3 month trial after a 2 week training period; starting on the first of the month
  - Process Improvement Team encouraged to monitor progress and take notes regarding the process
Check the Results: What Did We Learn?

- 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” 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
Which process improvements should become permanent?

The team’s hypotheses were

- Using the same temp with training will improve results
  - Make this a permanent change; or
  - Consider other options to test: e.g. part-time employee

- Scheduling patients earlier at the beginning of the day will improve accuracy
  - Abandon this experiment
  - Look for other ways to improve the process
Improvement Cycle

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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?
- Abandon staggered start

Repeat: Plan, Do, Check, Act
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References

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