MEETING TODAY’S REIMBURSEMENT CHALLENGES:

A CASE STUDY FOR SUCCESS
Presented by

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TYPICAL SIGNS OF A TROUBLED CENTER

- Days in A/R ↑
- Revenue ↓
- Non-compliant
- Inefficient

- A/R increasing
- Not collecting all available revenue
- Worried about compliance
- Behind in billing

ASC STEVENS POINT
CENTER HISTORY

- When evaluated, Center open less than a year
- Multi-specialty
- Two operating rooms
- Medicare certified
- 100 cases/month average
- Clinic and ASC same site
SPECIALTIES

- Orthopedics
- Ophthalmology
- Pain Management
- Urology
- Podiatry
- General Surgery
- Plastic Surgery
• The ASC of Stevens Point requested that our company perform a reimbursement cycle evaluation to determine if:
  1) their processes are efficient
  2) their reimbursement is optimized
  3) they are meeting compliance guidelines
EVALUATION
FINDINGS AND RECOMMENDATIONS
• Open for 10 months
• Semi-rural area
• Solely owned by physician and non-physician partners
• Average case volume – 80-100 month
• Physician clinic same building
• Clinic staff doing billing – payroll reimbursed by ASC
PAYER MIX / RATES

• Payer Mix

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<thead>
<tr>
<th>Medicare</th>
<th>Medicaid</th>
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<td>BCBS</td>
<td>W/C</td>
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<td>PPOs</td>
<td>Indemnity</td>
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• Contract reimbursement mixture of:
  - percentage of Medicare groups
  - discount off billed charges
FINDINGS AND RECOMMENDATIONS

PROCESSES

• Using practice software
  - Recommend purchasing ASC software

• No CMS list of ASC covered services or matrix of insurance contracts
  - Recommend providing both to scheduler and insurance verifier

• No up-front collections
  - Recommend notifying patient of financial responsibility before DOS
REIMBURSEMENT

• Billing not up-to-date
  - *Recommend hiring additional staff or outsourcing*

• Coding inaccuracies identified
  - *Recommend coding audit by certified coder – rebill where necessary*

• Not following up on submitted claims
  - *Recommend audit to determine timely filing, refunds, resubmission claims*
COMPLIANCE

• Receptionist making patient contact calls
  - *Recommend moving these calls to back desk for HIPAA reasons*

• No notification to payer of OON
  - *Recommend notifying payer at time of verification and again at claim submission*

• No advance notice of financial policy to patient
  - *Recommend providing written policy prior to DOS via phone or brochure*
OTHER RECOMMENDATIONS

- Review fee schedule
- Contact insurance network to request insurance contracts
- Changes in staffing tasks
- More separation between Clinic and ASC
BOARD DECISIONS
PLANNED CHANGES

• Revise fee schedule
• Request copies of payer contracts
• Outsource coding and billing
• Appoint new administrator
• Discontinue leasing employees
• Adopt business office recommendations
“WIN-WIN” RELATIONSHIP

- Teamwork
- Common goals in improving reimbursement
- Excellent communication
- Desire to grow the center
- Value compliance
Presented by Becky Ziegler-Otis
Administrator
CHALLENGES

• Practice software not meeting all ASC needs
• Billing outsourced to clinic billing staff resulting in:
  - overwhelming volume
  - increase in errors due to lack of ASC billing knowledge
• Revenue stream reduced to trickle
CHALLENGES

- Days in A/R escalating
- Claim backlog growing
- Denial rate climbing
- Cost of staffing and supplies as a percentage of revenue continuing to increase
- Non-compliance concerns mounting
CHOICES TO BE MADE
1. Have center evaluated for efficiency and compliance

**AFTER EVALUATION DECISIONS**

- Outsource coding and billing
- Incorporate suggestions received from evaluation
CHOOSING A BILLING COMPANY

- Specializes in ASC billing
- Experienced in your facility’s specialties
- Reputation within the industry
- Uses only certified coders
- Understands and follows current compliance regulations
- Has up-to-date programs for HIPAA, Red Flag and RAC audits
- Performs internal audits
- Fees based on productivity
- No off-shore outsourcing
CHANGES WE MADE

- Appointed separate ASC Administrator
- Changed to ASC software
- Revised fee schedule
- Acquired copies of payer contracts
- Initiated use of bank lockbox
• Created new insurance verification position
• Established process to collect co-pays
• Developed financial policies to handle self-pay patients, payment plans, financial hardship cases, etc.
• Made changes in business office task responsibilities
• Outsourcing company uses experienced billing staff whose only tasks are coding and billing
• Eliminates billing calls to center
• Reduction in front office staff results in:
  - less payroll and benefits
  - less computers and desks
  - more space
OUTSOURCING ADVANTAGES

- Allows ASC staff to concentrate on other tasks
- No worries about billing staff coverage for vacations and employee turnover
- Decreased A/R dollars and days
- Regular revenue stream
- Reduced compliance concerns
- Daily interaction with billing company
RESULTS - ONE YEAR LATER

- Outsource date - January 1, 2008
- 100 cases per month
- Days in A/R decreased from 79-44 (25%)
- Over 120 decreased from 22% to 8%
- Average Collections increased from $160,000 to $250,000 per month
- Average Gross Charges increased from $353,860 to $584,055
- Meeting compliance guidelines
EVOLUTION OF OUR RELATIONSHIP
THREE-STEP PROGRAM

1. Reactionary
   - “just get us through it all”

2. Educational / Informative
   - learning curve
   - details important to ongoing survival

3. Advice / Consultative
   - payer input
   - compliance input
   - collaborative team
“WIN-WIN” RELATIONSHIP

- Teamwork
- Center able to focus on patient care
- Adding new physicians
- Increasing caseload
- Daily communication with billing company
- Billing company provides worry-free billing services
- Assists with business policies and procedures where applicable
NEED MORE INFORMATION?

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Certificate of Participation

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Name

Meeting Today’s Reimbursement Challenges: A Case Study for Success – Webinar

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