

*Healthcare
Solutions*

REVENUE CYCLE MANAGEMENT

Northland Medical Managers Luncheon
July 14, 2009

Presented by:

Janet Gordon – CBIZ MHM, Healthcare Services

Leslie Reardon – Commerce Bank, Treasury Services

Staci Nichols – Commerce Bank, Merchant Services

CBIZ



 **Commerce Bank**
Member FDIC

What is the “Revenue Cycle” ?

Revenue – the inflow of assets, usually cash or receivables, from performing medical services or other activities that constitute the major ongoing operations of the business entity

When a physician provides medical services to a patient, a complex multi-step process is initiated to ensure the physician is paid for the services rendered. This is the **revenue cycle**.

Revenue Cycle = Complexity

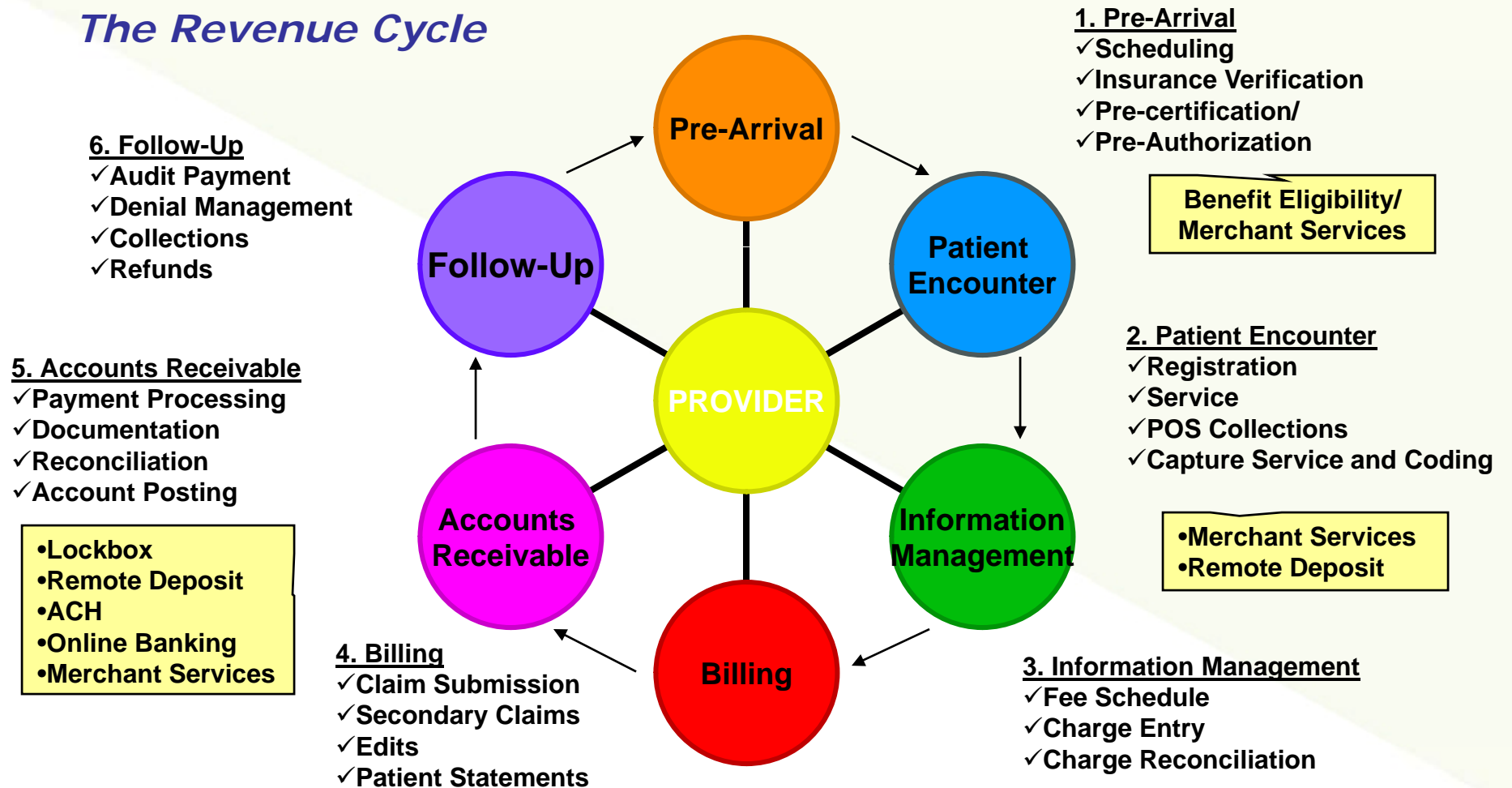
In a group's revenue cycle, there are many people:

- Utilizing multiple systems
- Performing a variety of tasks
- Interacting with patients
- Managing and communicating separate pieces of information.

Any breakdowns throughout the cycle can lead to missed charges, erroneous or un-transmitted claims and delayed or uncollected payments.



The Revenue Cycle



Solutions For Revenue Cycle Management

- Front Office
 - Pre Arrival
 - Patient Encounter
- Back Office
 - Information Management
 - Billing
 - Accounts Receivable
 - Follow-Up

*Healthcare
Solutions*

FRONT OFFICE

CBIZ



Commerce Bank
Member FDIC

Pre-Arrival



- Scheduling (Have you maximized your appointment template?)
- Data collection
- Insurance verification
- Is referral necessary?
- Pre-certification
- Pre-authorization

Many healthcare providers are discovering that the best chance to improve the revenue cycle is at the *beginning* of the process—when first capturing the data while scheduling and registering patients.

Benefit Eligibility Verification

Pre-Arrival

- Commerce Bank's MedData
 - PC Batch mode For future appointments
 - Credit card terminal for unplanned appointments
 - Provides effective and termination dates
 - Includes general co-pay and deductible information
 - Reduces collections after point of service

Patient Encounter

Patient
Encounter

- Registration
- **Explanation of practice's financial policies**
- **Financial counseling** (in situations where the patient will be responsible for a large dollar balance)
- POS/Time-of-service Collections (co-pays, deductibles, prior balances) – This is the time to collect the money! Establish self-pay collection policies and procedures.
- Service
- Capture Service and Coding (lots of regulations, medical record documentation plays an important role in professional fee billing)

ARRA of 2009 provides incentives for EHR adoption!

Patient Payment Processing

Patient
Encounter

- Merchant Services
 - Accept all payment types in a secure environment
 - Debit cards
 - Credit cards
 - Check (Verification and Conversion)
- Remote Deposit
 - Eliminates need for making photocopies of checks and making physical branch deposits
 - Captures images of checks at office locations
 - Items received by 7pm are deposited same-day
 - Online information and image viewing
 - Compliments lockbox solutions



“Focus on the Front”

- Take advantage of technology (EMR, registration “scrubbers”, insurance verification tools)
- Design (re-design) organizational structures for greater efficiencies
 - Back office and front office aren’t so separate anymore
 - The skills necessary for an effective front office staff person are different than they used to be
- Focus on staff training and development
- Establish benchmarks and incentives for registration people to “get it right” the first time
- Communicate to the patient *before* services are rendered.

*Healthcare
Solutions*

BACK OFFICE

CBIZ



 **Commerce Bank**
Member FDIC

Information Management



- Practice charge masters (establish and monitor)
- Third-party payor contracts
 - Keep your contracts organized
 - Know what the practice's costs are for providing a service
 - Use that knowledge to negotiate your fees
- Charge entry (not just data entry—may be a point of billing compliance review)
- Charge reconciliation (accounting controls, practice management systems have made this easier)

Billing

Billing

- Third party payor claim submission
 - Manage incomplete and "dirty" claims
 - Claims scrubbing software (stand-alone or integrated)
- Edits
 - Establish a solid EDI strategy (clearinghouse, stand-alone EDI tool or integrated EDI tool)
 - Use the edit reports! Ensure staff is incentivized to follow-through.
 - Ensure that the payor has received the claim
 - Follow-up, correct and re-submit
- Secondary claims
 - Auto cross-overs from Medicare (Is it happening?)
 - Still stuck on paper for some (blah!)
 - Are there billing system/clearinghouse set-up/integration problems?

Billing (cont'd)

Billing

- Patient statement and collections
 - Invoice communication should describe payment types
 - Accepts of all payment types through multiple channels
 - Website
 - Telephone
 - Mail
 - In-Person
 - Lockbox

Accounts Receivable

Accounts
Receivable

- Payment processing
 - Payment for clean claims should be made within 14-30 days
 - EFT is the norm
 - Utilize technology → lockbox
- Documentation
 - Scanned EOBs and payment support is the norm.
- Reconciliation (accounting controls, 3-pronged reconciliation)
- Account posting
 - Electronic Remittance Advice (ERA) – If you don't have it, you should
 - More than simply data entry—staff needs to research underpayments and submit appeals

Lockbox Solutions

Accounts
Receivable

- Processing for all payment types – patient payments and provider payments
- Data capture to automate accounts receivable posting
- Image capture to display invoices and EOB's via the web
- Secure environment for handling patient data
 - HIPAA compliance
 - SAS70 certification
- Reduced risk by outsourcing handling of payments
- Increased profitability through improved cash flow
 - Quicker receipt and access to funds
- Improvement in office management efficiency
 - Online information reporting & research
 - Reduction in paper dependency

Online Banking

Accounts
Receivable

- Integration of all cash management solutions
- Previous day balance and transaction information
- Current day access to wire transfers, ACH transactions, and merchant bankcard deposits
- Electronic reports, such as DDA statements and EDI
- Lockbox and remote deposit images
- Cleared check images and stop payments

Follow-Up

Follow-Up

- **Audit payment**
 - If you have your fee schedules loaded, most practice management systems produce edit reports that help you make sure you have been paid appropriately.
- **Denial management**
 - Review, correct, re-submit
- **Patient collections**
 - Establish a policy and communicate it
 - Many practice management systems have tracking mechanisms for managing accounts turned to collection
- **Refunds**
 - Manage your overpayments (Your Medicare, third-party and State laws for unclaimed property require it!)
 - Recent legislation is making overpayment management more important than ever!

Follow-up (cont'd)

Follow-Up

- Analyze performance (so you know what is working and what isn't)
 - Use benchmarking tools (collection rates, A/R turnover, A/R aging and credit balances, etc)
 - Establish goals for staff, measure and communicate the results ("If you can't measure it, you can't manage it.")
 - Practice dashboards (with both statistical and financial information) are great tracking and communication tools.

Revenue Cycle Management is an ongoing process!

Thank You

- **Janet Gordon – Manager/Consultant, CBIZ MHM Healthcare Services**
 - Tel: 913-234-1839
 - jgordon@cbiz.com
- **Leslie Reardon – Vice President, Commerce Bank Treasury Services**
 - Tel: 816-234-2940
 - Email: Leslie.Reardon@CommerceBank.com
- **Staci Nichols – Commerce Bank Merchant Services**
 - Tel: 816-234-2122
 - Staci.Nichols@CommerceBank.com