Successful Revenue Cycle Management is a crucial piece of any healthcare organization’s strategy to protect their bottom-line. For Ambulatory Surgery Centers (ASCs) in particular, the absence of a standardized edit system often leads to coding and billing complexities that, if performed incorrectly, could lead to loss of revenue.

Through our experience in implementing Revenue Cycle Management (RCM) services for ASC and as part of our continuing efforts to minimize revenue loss, AdvantEdge has identified some common trends that can have a substantial impact on the financial performance of ASCs.

In this Issue Brief, Brice Voithofer, Senior Vice President of Anesthesia and Corporate Accounts, shares what AdvantEdge has learned during implementation of revenue cycle management programs for ASCs. Theses learnings have led to solutions that, when implemented, can plug revenue leaks and capture lost income.

**#1 - LACK OF AUTOMATED MANAGEMENT SYSTEM**

One of the most common - and fixable - issues is the lack of tracking and trending in denials from payers.

“Most surgery centers will fix the individual denial, resubmit the claim and, in many cases, eventually receive payment,” says Voithofer. “But they don’t aggregate these denials in a report to see what the root causes of the denials are.”

By developing a new system that detects causes of these denials, surgery centers would be able to look at denials by payer, surgeon, referring physician, procedure, and others. What AdvantEdge has learned is that the system can help ASC’s enhance the communication between billers and medical professionals as well as properly manage denials through reports.

“(ASC’s) can use these reports to pinpoint where errors and omissions that most frequently result in denials occur,” says Voithofer. “Then (we) can attempt to reduce those mistakes through education.”

Through this system, ASCs will also be able to gather data on the dollar amounts of denials and additional information when discussing problems with payers or surgeons. Voithofer explained that, for example, if a payer is consistently denying claims, a meeting
should be arranged to change the activity. Take precautions when resubmitting them with quick fixes. Also, be aware of payers who routinely disregard claims.

**#2 - NUMBER OF TASKS OUTWEIGH THE NUMBER OF STAFF**

Overly lean operations staff in critical positions can result in a measurable negative financial impact to ASCs. Less is not necessarily more. Voithofer explained that errors can occur due to the heavier workload upon supervisors. Even though there are ASCs that work just fine with that system, there are others that need a larger staff.

“Typically, centers find one or two employees to perform all functions, and they expect that single person to be an expert in all of them,” Voithofer notes. “This rarely works. We typically see that they will excel at some, but fail at others; a Jack of all trades is a master of none.”

AdvantEdge understands that hiring more staff members can help maintain office functions. The more supervisors means that they can get back to their main priorities. Outsourcing some operations can also mean less suffering in compliance or cash collections. Efficiency will increase and financial results will improve.

**#3 - INACCURATE DICTATION LEADS TO INACCURATE BILLING**

When bills are put together, the first thing surgeons, coders, and patients look at is the cost. The dictation comes second, overlooked yet crucial.

“Dictation and transcription are often done quickly so they can get to billing,” Voithofer says. “However, ASCs can take these missed add-ons as opportunities to educate staff members and find more revenue.”

However, coders and surgeons should meet every six months and go over reports. By locating missed add-ons, AdvantEdge helps ASCs understand the purpose of these analyses: to address deficiencies in documentation and not to look for opportunities to “pile on the charges.” Overbilling and under-billing is common but can be avoided just as easily.

“The coder can say to the surgeon, ‘When you do this procedure, you missed these steps in the report,’” says Voithofer. “Or the coder can help to point out trends in the surgeon’s procedures. By looking over the reports, the coder and the surgeon can try to create a thorough report so that centers are not over- or under-billing.”

In conclusion, the revenue cycle for ASCs is hard to manage in a transitioning healthcare environment. The transition from fee-for-service to risk and value-based payments creates tension. ASCs, specialty physicians, and other providers are also being suffocated by Medicare, Medicaid, and payers by reducing the cost of care. This process involves reducing reimbursement via the fee schedule or denials.

The solutions to the most common ASC billing mistakes can seem simple but are far more complex in undertaking and changing the organization to realize fundamental improvement.

*For more information regarding how AdvantEdge Healthcare Solutions can help solve your revenue cycle management challenges, visit [www.ahsrcm.com](http://www.ahsrcm.com) or call 877 501 1611.*

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