USING QUALITY IMPROVEMENT TO IMPROVE ASC COLLECTIONS: 4 TIPS FROM ADVANTEDGE HEALTHCARE SOLUTIONS

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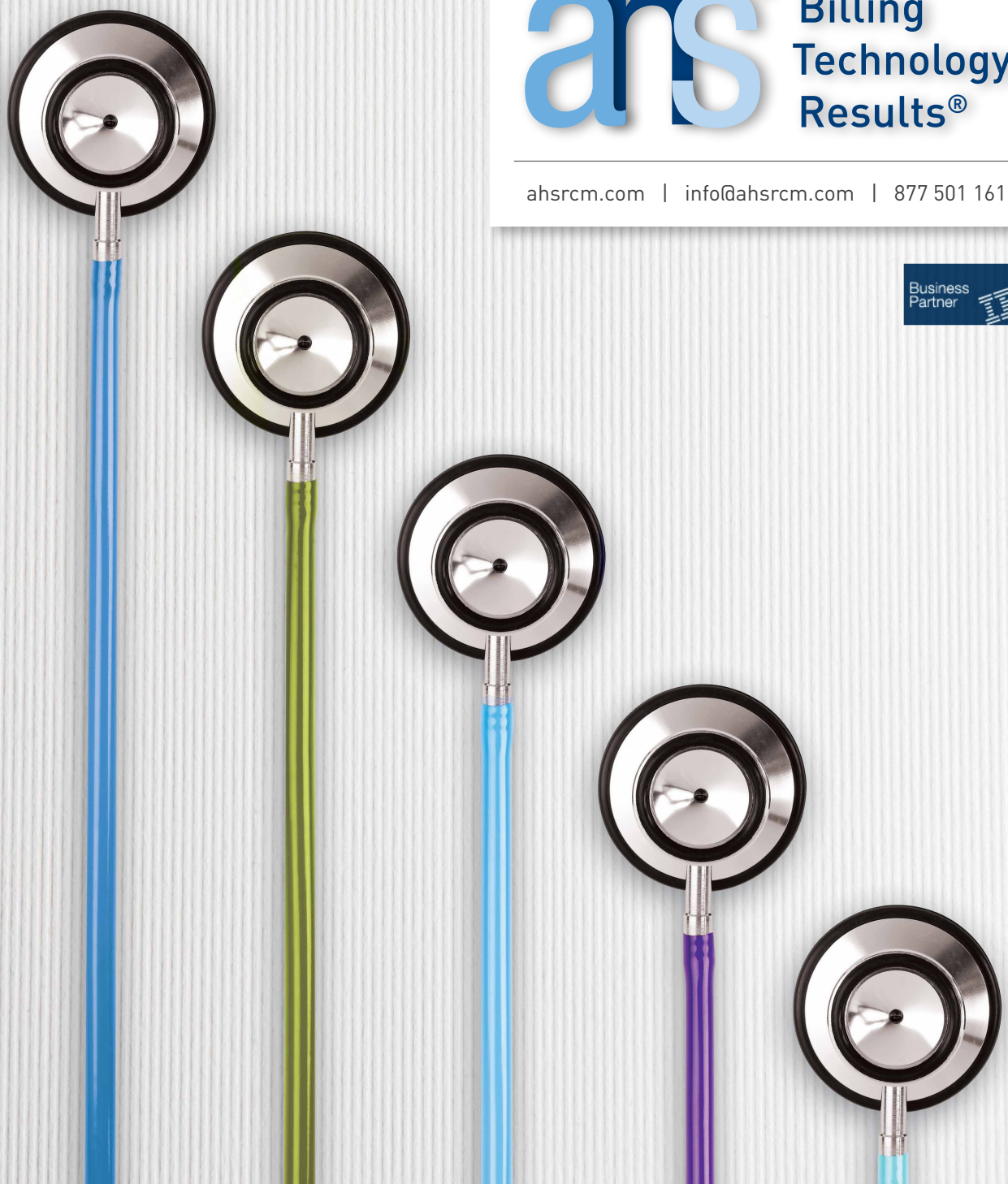

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Over the past few years, many healthcare facilities have taken a page from manufacturing to make processes more efficient. For surgery centers, one area that is often affected by inefficient processes is billing and collections. Time lost in collections often translates to dollars lost for the ASC.

Here, Bill Gilbert, vice president of marketing, and Brice Voithofer, vice president of ASC and anesthesia services for AdvantEdge Healthcare Solutions (AHS), provide four tips for using quality improvement steps to improve collections at ASCs.

AT A GLANCE:

1. Ensure you collect enough information at pre-registration.
2. Educate surgeon's on the coding and billing process.
3. Treat each case as worker's comp.
4. Use a bonus plan to reduce errors.

1. ENSURE YOU COLLECT ENOUGH INFORMATION AT PRE-REGISTRATION.

Healthcare workers have a tendency to think of their jobs in terms of departments or silo's. Surgical, technical, administrative staff — each focuses his or her individual part in the area of the surgery center in which they are assigned. However, it is the interactions, or lack thereof, between departments that often are the source of inefficiencies that can affect the ASC's overall revenue cycle, according to Mr. Gilbert.

"Quality improvement is about those seams between groups and individuals, particularly hand-offs. I think it's human nature to concentrate on our jobs and not to think about, or even know what someone else does with our work," Mr. Gilbert says.

One area where these interactions can affect a surgery center's revenue is at patient registration. "Billing is affected as soon as the beginning of the whole [surgery center] process," Mr. Voithofer says. "If done correctly, everything moves smoothly; otherwise, problems can snowball through to the back end."

One of the errors the front desk can make when first registering a patient is failing to obtain vital pieces of patient data. For example, worker's compensation claims require detailed information, such as date of injury, case number and the company's insurer's name.

Mr. Gilbert says, "In many cases, the front desk will miss the date of injury or some other piece of data, and the claim will be billed out and then denied, or, repeated calls are made to the surgeon's office to obtain this data – further delaying claims submission. The back end, then, has to chase down the missing information. If the correct information was gathered at pre-registration or at registration, phone calls and rework could have been avoided by the collections staff." Mr. Voithofer notes, "It is much more efficient to have staff making calls to the insurance company or patients to resolve balances versus chasing data which should have been collected at the beginning of the process".

Mr. Voithofer notes that the longer the claim remains in accounts receivable, the more the collectability of the claim goes down, and the less the surgery center will probably collect on the claim. "Surgery centers are actually paying more [through additional staffing costs] to collect less," he says.

Mr. Voithofer suggests that surgery centers look at historical denied claims information and update the list of questions asked at scheduling and pre-registration to account for information often missed by the front desk.

2. EDUCATE SURGEONS ON THE SURGERY CENTER'S BILLING AND CODING PROCESS.

Another place information hand-offs can lead to inefficiencies in an ASC's revenue cycle is between surgeons' operating reports and coders. Coders depend on accurate surgical reports in order to code procedures to bill insurance companies.

Mr. Gilbert says, "This process requires understanding on the surgeon's part. It's a feedback loop [between the physician and coder] that can have a huge financial impact. Errors could lead to improper billing and even compliance risks."

Mr. Voithofer adds, "Most surgery centers deal with 5 to 15 different physician groups (unless the center is wholly owned by one group), and the employees of the ASC don't report to the surgeons, so the surgeons may not see the impact their work has on the center. They might not even know those involved in the billing department, and they won't see that a missed code or note in the report results in three additional phone calls and delays cash for the center."

Mr. Gilbert and Mr. Voithofer say that educating physicians about the impact incorrect or incomplete reports have on the center is an important quality improvement step. "This is not part of their training," Mr. Gilbert says. "Ninety-nine percent of their training is devoted to how to perform surgery and not to documentation."

3. TREAT EACH CASE AS THOUGH IT WERE A WORKER'S COMPENSATION CASE.

Typically, worker's compensation and motor vehicle accident cases require the largest amount of documentation and information, according to Mr. Gilbert. "These cases are more complicated, and typically, a case manager is assigned by the employer or auto insurance company. Some claims are even filed on paper. They are different than commercial payors and usually subject to more scrutiny," he says.

Mr. Voithofer adds, "Insurance companies for these cases are set up for the highest level of scrutiny because they don't want to pay for more than they have to. These claims require timely, accurate, well-monitored processes, and the claims won't be paid until every last item is checked and is correct."

For example, in knee surgery performed on a worker's compensation patient, payment won't be authorized if claims don't include the exact number of tendons or compartments operated on, according to Mr. Voithofer.

Although many orthopedics or pain management cases are worker's compensation or MVA cases, a surgery center may not immediately know up-front if this is the case, and as a result, they will have to backtrack and retrieve the required information and lose time. For this reason, Mr. Voithofer suggests that ASCs treat every patient that presents to the surgery center as a worker's compensation or MVA case.

"It should be a consistent process," Mr. Voithofer says. "If an ASC can get it perfect with worker's compensation, easier cases will see significant reductions in A/R."

4. INVOLVE STAFF MEMBERS IN A BONUS PLAN TO REDUCE BILLING ERRORS.

Another way to improve billing processes is to involve the entire staff in a bonus program that aims to reduce denied claims and billing errors. Surgery centers can do this by taking another page from the manufacturing industry.

Mr. Gilbert says, "One key measure in quality improvement is defect rate. Motorola, for example, can manufacture several million cell phones with only one defect. If a surgery center can set up processes to minimize defects for difficult cases, the error rate will be at least as low and probably lower in typical cases. Money is saved by reducing the time spent chasing errors."

Mr. Voithofer adds, "For surgery centers, 'reducing defects' is improving accuracy. ASCs can involve

all employees by putting them on a bonus structure; if they improve throughput while minimizing errors, they will receive a bonus. This will incentivize the staff and help them to see the impact of their behaviors on others at the ASC." Mr. Voithofer impresses upon his staff that it takes less time to do the job right the first time than it does to explain why it was done wrong, then perform the re-work.

He also notes to set attainable goals; 99.9 percent may be out of reach, but 98.5 percent accuracy might not be.

Mr. Gilbert says, "The notion of quality improvement and quality processes is well-known, perhaps taken for granted in other industries. Surgery centers can benefit from thinking along these lines. It is common sense, but many centers aren't thinking this way."

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