Internal Audit: Leading Revenue Cycle Improvements and Providing Value

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Lidiya Ter-Markarova, Director of Coding/Clinical Documentation/CDM
Palomar Pomerado Health District
Agenda

1. A little about PPH and the Audit Dept
2. Integrating Continuous Monitoring into the Audit Philosophy
3. The ROC Formation
4. Secrets of Success
5. The Future is What We Make Happen
1. Palomar Pomerado Health District
Palomar Pomerado Health is California’s largest healthcare district, serving communities of Inland North San Diego County.
“One of the Top 100 Best Places to Work in Healthcare by Modern Healthcare”
“One of California’s Best Places to Work by the Employers Group”
Building the Healthcare Center of the Future
INTERNAL AUDIT DEPARTMENT

Administrative Assistant
### TYPES OF AUDITS

![Pie chart showing the distribution of types of audits.]

- **Financial Audit**: Independent evaluation performed for the purpose of attesting to the fairness, accuracy, and reliability of financial data.
- **Operational Audit**: Policies and achievements related to organizational objectives. Internal controls and efficiencies may be evaluated during this type of review.
- **Information Systems (IS) Audit**: Reviewing a data center, an operating system, a security software tool, or processes and procedures (such as the procedure for controlling production program changes).
- **Compliance Audit**: Is a comprehensive review of an organization's adherence to regulatory guidelines.
- **Clinical Audit**: A quality improvement process that seeks to improve patient care and outcomes through systematic review of care against explicit criteria and the implementation of change.
- **Continuous Control Monitoring (CCM)**: Is the process and technology used to detect compliance and risk issues associated with an organization's financial and operational environment.
- **Fraud Audit**: Preventive measure to reduce business risk.
AUDIT RESOURCE ALLOCATION

Available Project Hours: 63%

- **Administrative Tasks:**
  - Tasks include Internet web-page and Intranet updates and preparing for the Audit Committee meetings.

- **Meetings:**
  - PPH Education/meetings/events, Departmental Meetings/Training.

- **Professional Development:**
  - Includes future certifications and training possibilities. Seminars, webinars, local meeting and workshops.

- **Special Projects & Requests:**
  - Special assignments or investigations brought to Internal Audit from an internal department.

- **PTO:**
  - Vacation holiday/sick days taken into account for projects.

- **Available Project Hours:** Include all the audits planned for the current year plus Reviews/Follow ups (Report Follow ups) and the audit not completed last year due to time.

- **Special Projects and Requests:** 7%
- **PTO:** 7%
- **Administrative tasks:** 13%
- **Professional Development:** 2%
- **Meetings:** 8%
Advance notice is provided to key stakeholders who may include Department Directors and their Executive Management Team ("EMT") sponsor, vendors, or PPH affiliates. This is typically in the form of an "Engagement Letter" for formal audits. In situations, where fraud or illegal activities are suspected, some projects may have little or no notice.

For new projects, this phase includes gathering preliminary background information, developing audit approach and developing audit programs. For ongoing activities, such as long-term construction activities, planning has been established globally but specific review or adjustment of audit scope may be warranted to reflect the particular uniqueness or relevance to the auditee or trade.

An entrance conference is usually held to discuss the purpose, procedures, goals, schedule, scope, timing of the audit and any issues that management may have related to the audit. This dialogue may be conducted along with the presentation of the engagement letter. Attendees will include the relevant stakeholders, which may be vendor representatives: EMT executive or designee, department director, department manager and key personnel as appropriate.

The auditors may request documentation from auditee management prior to beginning or during fieldwork. Such items include: organizational charts, contact information, financial records, transaction files, access to data, policy and procedures, contracts, etc.

This phase is what is typically thought of as the audit work. During this phase, the auditor(s) may perform work both on and off site.

IAS discusses all observations with the auditee management before fieldwork is completed. Auditees are given draft findings to review before the formal audit report is issued.

After completing fieldwork and validating findings and observations with auditee management, the auditors will develop a draft report.

Closing conferences are held for each audit engagement to clarify and validate findings and resolve any concerns the auditees may have about the audit report. Comments regarding the audit and observations noted in the draft report will be discussed at this meeting. Attendees are typically those who also attended the entrance conference.

After the exit conference the final draft is issued to management. We typically request that management write responses to recommendations made in the report. Management is typically given two weeks to submit written responses to audit findings and recommendations.

A final report, including management responses, is presented to the management of the areas, along with other appropriate stakeholders or EMT members, and to the Audit and Compliance Committee.
2. Integrating Continuous Monitoring into Internal Auditing
BENEFITS OF AUDIT AUTOMATION

• Reduced audit staff time, costs
• Increased ability to mitigate risk
• Increased confidence in financial results
• Reduce financial errors - potential for fraud
• Eliminate recurring control assessments
• Sustainable, integrated control system
BENEFITS OF AUDIT AUTOMATION
(Continued)

• Proactive – Not Reactive Approach
  ◦ Identify, quantify, remediate

• Cost Savings
  ◦ Automate manual tasks
  ◦ Reduce waste, misuse, fraud

• Management Confidence
  ◦ Assurance that controls are working

• Regulatory Compliance
  ◦ Demonstrable and auditable
BENEFITS OF AUDIT AUTOMATION

(Continued)

Allows auditors to:
- Build customized analytics to test key controls
- Run tests automatically on a regular basis
- Identify and quantify exceptions and anomalies
- Embed best-practice control rules and parameters
- Provide easy, secure access
BENEFITS OF AUDIT AUTOMATION

(Continued)

Allows auditors to:

• Efficiently investigate abnormal results and suspicious transaction
• Trend and analyze historical results
• Transfer knowledge of auditing, monitoring to management/staff
• Create a positive organizational culture change
Examples of ACL Applications in Place

- Case Management
  - Medicare INPs & OBS
  - Complex Cases
  - Daily Unit Discharges

- Clinical Utilization
  - Lab & Rad

- Compliance
  - Excluded Providers

- Finance
  - Duplicate Invoices
  - Discount Pricing
  - Price Differences
  - Department Expenditures
  - Unclaimed Refunds

- Managed Care
  - Contract Performance

- Internal Audit
  - Information Security
  - Process Automation
  - AX Admin
  - Audit Analysis
  - Process Admin

- PFS
  - PFS Dashboard

- Performance Excellence
  - Daily Census

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ACL Configuration at PPH

**Efficient Data Access**
- EBCDC
- ASCII
- PDF
- Print Image
- Flat Files
- Delimited
- Informatica ETL

- ODBC
- DBF
- CSV
- Excel
- Access

**Auditors & Dept Specialists**
- Establishes data access protocols
- Creates/distributes standard tests
- Ensures data integrity

**Department Managers and other users**
- Up-to-date results
- Customize needs

Performs Ad Hoc Analysis

Review/Monitor test results

Automated Data Acquisition

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3. The ROC Formation

“Revenue Optimization Committee” at Palomar Pomerado Health
Revenue Optimization Committee

1. **Formed a multi-disciplinary ROC**

   - Medical Staff
   - Case Management
   - Coding
   - Quality Review
   - Managed Care
   - Patient Access
   - Patient Financial Srvs
   - Internal Audit
   - Revenue Cycle
   - Nursing
   - Case Management

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Revenue Cycle
Tim

Assistant
Leondra

Revenue Cycle Analytic
Melissa
(Sandy)

Case Mgmt/UM
Crystal
(TBD)

HIM
Kim
(TBD)

IT
Prudence
(TBD)

Nursing
Joy
(TBD)

Reimbursement
Lyn
(TBD)

Coding
Lidiya
(Dawn)

PMC Patient Access
Caroline
(Gloria)

RAC
Marv
(Melissa)

Managed Care
Margie
(Michelle)

Patient Financial Services
Traci
(Cindy)

Charge Capture
(Gil)

POM Patient Access
Gloria
(Caroline)

Chart Audit
(Terry)

Underpayment Mgmt
(Michelle)

Billing
(TBD)

Clinical Documentation
(Marv)

Financial Clearance
(Maria)

Collection
(Cindy)

Charge Master
(Lorraine)

Denial Mgmt
(TBD)

Note: () denotes secondary responsibility
# Revenue Cycle Dashboard

**Billing WIP Total**

|---------|---------|-----------|-----------|-----------|----------|----------|------|

**Billing/Collections**

**Holds**

**Access**

**Document Validation**

**Denials**

**Defense Audits**

**Capitated**

**Follow Up WIP Total**

**DNFB Total**

**Aging Total**

**In House**

- 0-30
- 31-60
- 61-90
- 91+

**Volume**

**Credits**

---

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## REVENUE CYCLE DASHBOARD

### A/R Statistics as of August 12, 2011

<table>
<thead>
<tr>
<th>Days</th>
<th>Change</th>
<th>Balance</th>
<th><strong>Daily Averages as of August 12, 2011</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revenue</td>
</tr>
<tr>
<td>AR</td>
<td>44</td>
<td>$8,346,673</td>
<td>$5,566,840, $4,977,389</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cash</td>
</tr>
<tr>
<td>Unposted</td>
<td>$190,454</td>
<td>$753,109</td>
<td>$1,565,051, $1,762,017</td>
</tr>
<tr>
<td>Credit Balances</td>
<td>1</td>
<td>$(486,416)</td>
<td>Cash Factor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$(7,160,273)</td>
<td>0.31, 0.35</td>
</tr>
</tbody>
</table>

### Revenue Optimization Pillar Team - Key Performance Indicator as of July 31, 2011

<table>
<thead>
<tr>
<th>Charge Services</th>
<th>Current</th>
<th>Goal</th>
<th>Trend</th>
<th>FY11 Cash Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely Charge Entry Rate</td>
<td>94%</td>
<td>90%</td>
<td>MTD</td>
<td></td>
</tr>
<tr>
<td>Case Management</td>
<td>Minor Procedures Done as Inpatients (Monthly)</td>
<td>27</td>
<td>17 / Month</td>
<td></td>
</tr>
<tr>
<td>Patient Access</td>
<td>POS Cash Collections (Monthly)</td>
<td>$639k</td>
<td>$642k</td>
<td></td>
</tr>
<tr>
<td>Coding</td>
<td>DNFB</td>
<td>3.83 Days</td>
<td>6 Days</td>
<td></td>
</tr>
<tr>
<td>Patient Financial Services</td>
<td>Denial Rate</td>
<td>20%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>RAC</td>
<td>Hospitalist 1-Day Stays (Monthly)</td>
<td>14</td>
<td>7 / Month</td>
<td></td>
</tr>
<tr>
<td>Managed Care</td>
<td>Underpayment Recovery</td>
<td>78%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Health Information Services</td>
<td>CPD1 Turn-Around Time</td>
<td>1.19</td>
<td>1.3 days</td>
<td></td>
</tr>
</tbody>
</table>

### July FYTD

- **FYTD**: 42.0
- **Actual**: 33.8

(Bar chart showing comparison between FYTD and Actual for July)
## Revenue Cycle Dashboard

### Current ATB by Aging as of August 12, 2011

<table>
<thead>
<tr>
<th>IH</th>
<th>0-30</th>
<th>31-60</th>
<th>61-90</th>
<th>91+</th>
<th>Total $</th>
<th>Total Vol</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10K &amp; Above</td>
<td>$21,762,759</td>
<td>$60,280,797</td>
<td>$18,782,009</td>
<td>$9,770,544</td>
<td>$39,209,855</td>
<td>$149,805,964</td>
</tr>
<tr>
<td>$1K - $9,999K</td>
<td>$2,399,199</td>
<td>$22,633,977</td>
<td>$8,786,041</td>
<td>$5,063,515</td>
<td>$18,135,487</td>
<td>$57,018,219</td>
</tr>
<tr>
<td>&lt; $1K</td>
<td>$278,761</td>
<td>$2,604,300</td>
<td>$1,460,639</td>
<td>$911,920</td>
<td>$5,086,542</td>
<td>$10,342,162</td>
</tr>
<tr>
<td>Totals</td>
<td>$24,440,719</td>
<td>$85,519,073</td>
<td>$29,028,688</td>
<td>$15,745,980</td>
<td>$62,431,884</td>
<td>$217,166,345</td>
</tr>
</tbody>
</table>

### Current ATB by Percent to Total AR as of August 12, 2011

<table>
<thead>
<tr>
<th>IH</th>
<th>0-30</th>
<th>31-60</th>
<th>61-90</th>
<th>91+</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10K &amp; Above</td>
<td>10.0%</td>
<td>27.8%</td>
<td>8.6%</td>
<td>4.5%</td>
<td>69.0%</td>
</tr>
<tr>
<td>$1K - $9,999K</td>
<td>1.1%</td>
<td>10.4%</td>
<td>4.0%</td>
<td>2.3%</td>
<td>26.3%</td>
</tr>
<tr>
<td>&lt; $1K</td>
<td>0.1%</td>
<td>1.2%</td>
<td>0.7%</td>
<td>0.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Totals</td>
<td>11.3%</td>
<td>39.4%</td>
<td>13.4%</td>
<td>7.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
# Revenue Cycle Dashboard

## Billing Work in Progress as of August 12, 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Current #</th>
<th>Current $</th>
<th>Change #</th>
<th>Change $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing/Collections</td>
<td>85</td>
<td>$100,04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holds</td>
<td>50</td>
<td>$9,32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access</td>
<td>60</td>
<td>$176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Document Validation</td>
<td>39</td>
<td>$866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denials</td>
<td>5</td>
<td>$3,68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense Audits</td>
<td>12</td>
<td>$104</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitated</td>
<td>92</td>
<td>$48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$4,68</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Follow Up Work In Progress as of August 12, 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Current #</th>
<th>Current $</th>
<th>Change #</th>
<th>Change $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCMC</td>
<td>39</td>
<td>$137</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gov’t</td>
<td>99</td>
<td>$186</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self Pay</td>
<td>96</td>
<td>$49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denials</td>
<td>22</td>
<td>$27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credits</td>
<td>2</td>
<td>$95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor</td>
<td>58</td>
<td>$57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>$50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Customer Service as of August 12, 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Volume of Calls</td>
<td>870</td>
<td>42</td>
</tr>
<tr>
<td>Abandonment Rate</td>
<td>9%</td>
<td>-2%</td>
</tr>
<tr>
<td>% of Calls Answered</td>
<td>88%</td>
<td>3%</td>
</tr>
<tr>
<td>Open PT Complaints</td>
<td>19</td>
<td>1</td>
</tr>
<tr>
<td>Price Quote</td>
<td>30</td>
<td>(3)</td>
</tr>
</tbody>
</table>
### Revenue Cycle Dashboard

#### Billing Work in Progress

<table>
<thead>
<tr>
<th>Denials by Reason</th>
<th>Current</th>
<th>Top 5 Denials by Payer</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misc Other See EOB</td>
<td>$19</td>
<td>MEDI-CAL</td>
<td>$50</td>
</tr>
<tr>
<td>Non Covered Services</td>
<td>$44</td>
<td>CHG Medi-cal HMO</td>
<td>$24</td>
</tr>
<tr>
<td>Original Payment Decision Maint</td>
<td>$47</td>
<td>Pacificare HMO CHC</td>
<td>$36</td>
</tr>
<tr>
<td>No Authorization</td>
<td>$25</td>
<td>Blue Cross</td>
<td>$22</td>
</tr>
<tr>
<td>Timely</td>
<td>$87</td>
<td>Secure Horizons CHC</td>
<td>$64</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$102</strong></td>
<td><strong>Total</strong></td>
<td><strong>$95</strong></td>
</tr>
</tbody>
</table>

#### Denials Database - Clinical

<table>
<thead>
<tr>
<th>Denial Types</th>
<th>Current</th>
<th>Top 5 Denials by Payer</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMINISTRATIVE</td>
<td>$92</td>
<td>MEDICARE A AND B</td>
<td>$110</td>
</tr>
<tr>
<td>AUTHORIZATION</td>
<td>$28</td>
<td>BLUE CROSS PRUDENT BUYER</td>
<td>$47</td>
</tr>
<tr>
<td>CLINICAL/MED NEC</td>
<td>$97</td>
<td>BLUE SHIELD PPO</td>
<td>$26</td>
</tr>
<tr>
<td>DOCUMENTATION</td>
<td>$93</td>
<td>MEDI-CAL</td>
<td>$13</td>
</tr>
<tr>
<td>TECHNICAL</td>
<td>$30</td>
<td>CIGNA OPEN ACCESS POS</td>
<td>$73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$40</strong></td>
<td><strong>Total</strong></td>
<td><strong>$69</strong></td>
</tr>
</tbody>
</table>

#### Zero Balance Variance Weekly

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Previous</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access Opportunity</td>
<td>$1</td>
<td>$2</td>
<td>$-1</td>
</tr>
<tr>
<td>Avega Opportunity</td>
<td>$1</td>
<td>$2</td>
<td>$-1</td>
</tr>
<tr>
<td>Claim Pd Per Contract, less Pt R</td>
<td>$6</td>
<td>$5</td>
<td>$1</td>
</tr>
<tr>
<td>PFS Opportunity</td>
<td>$2</td>
<td>$3</td>
<td>$-1</td>
</tr>
<tr>
<td>PFS Timely</td>
<td>$1</td>
<td>$1</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9</td>
<td>$8</td>
<td>$1</td>
</tr>
</tbody>
</table>
REVENUE CYCLE DASHBOARD

Collection Agency Score Card

<table>
<thead>
<tr>
<th></th>
<th>PMS</th>
<th>AMCOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Placements</td>
<td>Recovered</td>
</tr>
<tr>
<td>Feb-11</td>
<td>#####</td>
<td>$8,000,000.00</td>
</tr>
<tr>
<td>Mar-11</td>
<td>###</td>
<td>$6,000,000.00</td>
</tr>
<tr>
<td>Apr-11</td>
<td>###</td>
<td>$4,000,000.00</td>
</tr>
<tr>
<td>May-11</td>
<td>###</td>
<td>$2,000,000.00</td>
</tr>
<tr>
<td>Jun-11</td>
<td>###</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>Jul-11</td>
<td>###</td>
<td>$0,000,000.00</td>
</tr>
</tbody>
</table>

Total 6 Months of Placements: ###
Average 6 Months of Placements: ###

Total collections against placements: $-
Average % of recovery: 0.00%

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## REVENUE CYCLE DASHBOARD

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th></th>
<th></th>
<th>FY11</th>
<th></th>
<th></th>
<th>FY12</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>FYTD</td>
<td>Actual</td>
<td></td>
<td>Month</td>
<td>FYTD</td>
<td>Actual</td>
<td></td>
<td>Month</td>
</tr>
<tr>
<td>July</td>
<td>38.8</td>
<td>39.2</td>
<td></td>
<td>July</td>
<td>40.0</td>
<td>37.1</td>
<td></td>
<td>July</td>
</tr>
<tr>
<td>August</td>
<td>77.6</td>
<td>79.8</td>
<td></td>
<td>August</td>
<td>80.0</td>
<td>73.9</td>
<td></td>
<td>August</td>
</tr>
<tr>
<td>Sept</td>
<td>116.4</td>
<td>115.4</td>
<td></td>
<td>Sept</td>
<td>120.0</td>
<td>107.7</td>
<td></td>
<td>Sept</td>
</tr>
<tr>
<td>Oct</td>
<td>155.2</td>
<td>152.9</td>
<td></td>
<td>Oct</td>
<td>160.0</td>
<td>145.5</td>
<td></td>
<td>Oct</td>
</tr>
<tr>
<td>Nov</td>
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<td>188.8</td>
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</table>

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If at first you don’t succeed...

- Prior attempt to improve revenue cycle
- Consultants, Consultants, Consultants
  - Meetings, Meetings, Meetings
- Creation of Revenue Cycle Department
  - Hiring of Staff
- Establishing Protocols
- Creating and marketing a Brand
PROVEN SECRETS TO SUCCESS

• ROC Core Membership
  ◦ Patient Access,
  ◦ Charge Services,
  ◦ Coding Services,
  ◦ Case Management,
  ◦ Patient Financial Services
PROVEN SECRETS TO SUCCESS

- ROC Ad-Hoc Participation
  - Internal Audit
  - IT
  - Physician Advisors
  - Nursing
  - Quality
  - Ancillary Departments
PROVEN SECRETS TO SUCCESS

• Effective Leadership and Authority
  ◦ Regular Weekly Meetings
  ◦ Be there or send a competent designee
  ◦ Maintain law and order
  ◦ Challenge Processes (not people)

• Meaningful Action Items
  ◦ Set agenda items
  ◦ Establish Urgency
PROVEN SECRETS TO SUCCESS

- Maintain “HIGH PRIORITY”
- Sustain Success
- Continued Visibility
- Support from Executive Team and Board
PROVEN SECRETS TO SUCCESS

• Absolute Accountability
  ◦ “NO EXCUSES”
  ◦ “NO POINTING BLAME”
  ◦ “NO DELAYS”

• Everyone is part of the same team
  ◦ Don’t let each other down
  ◦ Help each other achieve success
  ◦ Work collaboratively without “Silos”
  ◦ Welcome criticism and new ideas

• Sustain Success
Objectives Accomplished

- Eliminated Coding Backlog
- Improved Clinical Documentation
  - Increase Reimbursements
  - Minimize Denials
- Improved clean claims more than 100%
- Increased Cash Collections $3.5M over goal!
  - Despite a bad economy
- Net Operating Income increased by almost $20M in 2 years
Objectives Accomplished

- Billing Edits Reduced by two-thirds
- Review Medicare one-day stays  
  - From 0% to 100%
  - ACL report identifies accounts daily
- Created Ambulatory Surgery Charge Ticket =$1M
- “No Authorization” on date of service eliminated
VHA Award - Beverly Hills
novation in Revenue Cycle Improvement
Revenue Cycle Tasks

- **Revenue Cycle Dashboard**
  - Dashboard for monitoring key operational data by populating fields with values extracted from various billing systems:
    - Aged Trial Balance, Accounts Receivable statistics, Emergency Department Level charges and Denials data

- **Charge Capture Validation**
  - ACL on ad hoc basis to analyze accounts and identify areas with potential charge discrepancies.
Revenue Cycle Tasks

- **Medicare Admissions Vs. Observations**
  Analysis identifies patients for case management review with the potential for compliance issues or misclassification.

- **Conversion of legacy Print-Image reports**
  Data converted to allow analysis and interaction with data on recurring basis by auditors and system-wide analysts. Results in a level of detail not otherwise available for critical processes.

- **Late Charge Analysis**
  Automation of routine task with ACL scripts to effectively monitor the timeliness of charge-capture processes and clearly identifies sources of problems. Saves hours of staff time and minimizes risk of manual errors.
Medicare Admissions Vs. Observations

Educate members:

◦ Obtain information from CMS, HFMA, VHA, AHA, Consultants
Reported Medicare Payment Errors

- Medically Unnecessary Service/Setting: 62%
- Other Inpatient Overpayments: 18%
- Incorrect Discharge Status: 14%
- DRG Change; Wrong Diag Code/Principle Assignment: 14%
- DRG Change Due to Wrong Procedure Code: 12%
Medicare Admissions Vs. Observations

Evaluate Current Processes

Scheduling/Preregistration

Insurance Verification

Admission Registration

Emergency Admissions

Bed Assignment

Services Provided

Charge Capture

Discharge
“Medically Unnecessary Setting”

Admission or Observation Patient?

The ACL script extracts vital data from our patient accounting system for admissions which occurred the past 24 hours.

The daily report contains all Medicare admissions with the reason for admission (chief complaint).
<table>
<thead>
<tr>
<th>FIN nbr</th>
<th>MRN</th>
<th>FirstName</th>
<th>LastName</th>
<th>Room/Bed</th>
<th>MedService</th>
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Report: PMC/POM
“Medically Unnecessary Setting”

Admission or Observation Patient?

The ACL script runs automatically at 7:15 AM and sends an email to Case Management and bed assignment staff so they can audit the validity of inpatient status.
“Medically Unnecessary Setting”

Admission or Observation Patient?

RESULTS:

✓ Timely notification
✓ Efficient use of resources
✓ Any discrepancies are corrected
✓ Compliance errors are minimized
Other ACL Healthcare Applications

- **Contractual Allowances and Zero Balance Accounts**
  Performs summary analysis on Zero Balance Accounts and Bad Debt Write-Offs on a monthly basis.

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Other ACL Healthcare Applications

- **OIG LEIE Excluded Provider Test**
  Automated process developed to meet a CMS compliance requirement - replaced less-effective, manually intensive process
  Employee, physician and vendor master files are harmonized monthly and compared with list of excluded providers and entities

- **Added Benefit**
  Wrote ACL script to create and distribute (via email) current list of physicians to patient billing staff who use it for reference and confirmation.