Creating a Revenue Integrity Culture for Revenue Maximization while ensuring Compliance

- Micky Allen, MBA
- Director of Revenue Integrity
- UMC Health System Lubbock, TX

Vision: To serve our patients in the best teaching hospital in the country.

Mission: The mission of UMC consists of 3 equal and distinct, but interrelated elements. These are: the provision of safe high quality health care, the clinical and financial support of graduate medical education, and the maintenance of a strong financial base for UMC through prudent and conservative business practices.
UMC Health System At-A-Glance

• UMC Health System is comprised of 3 elements
  1. University Medical Center (opened 1978)
     ▪ Primary teaching hospital for Texas Tech University Health Sciences Center in Lubbock
     ▪ Lubbock EMS – providing service since 1975
     ▪ Southwest Cancer Treatment & Research Center – opened 1988
     ▪ UMC Home health – opened in 2000
     ▪ UMC DME – opened in 2001
     ▪ 4 Level East Tower – Birth center/NICU – smart construction. April 2012
  2. UMC Foundation (founded 1979)
     ▪ Focus on fund raising - Children’s Miracle Network (CMN)
  3. Physicians Network Service (founded 1996)
     ▪ 40 locations – urgent care, specialty, minute and rural clinics

UMC Health System At-A-Glance cont.

• UMC is Debt Free and has the lowest tax base in Texas
  – 413 Licensed beds - fully accredited by JCAHO
  – Level 1 Trauma Center - first in Texas and only one in region
  – Timothy J. Harnar Burn Center— only unit of it’s kind between Dallas and Denver, service up to OK City and west to Albuquerque
  – Level 4 NICU – 1st children’s hospital to have NICU and PICU
  – Southwest Cancer Treatment and Research Center
  – Breast Care Center - accreditation received 2011
  – Primary Stroke Center - JCAHO certified 2010
UMC Health System At-A-Glance cont.

UMC FY2012 Volume Statistics

- 25,014 adult and neonatal admissions
  - 58% of UMC’s total admissions presented through the Emergency Center
- 2,420 babies delivered
- 77,434 emergency room visits
- 14,410 operating room procedures (IP and OP)
- 261,043 UMC Hospital outpatient visits
- 389,665 PNS clinic visits
### UMC Health System Revenue Statistics

- **Gross Revenue 2012**
  - Hospital: $1.58 Billion
  - Physician: $86 Million

- **Net Revenue 2012**
  - Hospital: $405 Million
  - Physician: $45 Million

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### UMC Health System Payer Mix 2012

- Based on Gross Revenue
  - Medicare: 36.1%
  - Commercial: 25.1%
  - Medicaid: 20.0%
  - Self-Pay/Charity: 14.4%
  - Government: 4.4%
Software Application Mix

- IDX(GE) – Patient financial services system
- SSI – Electronic billing system
- EasyID – patient identification / labeling / pre-printed forms
- Lawson / Kronos – financial
- Clinical Systems
  - Cerner – RHO in 2010
  - PathNet - 1996
  - PowerChart – 1998; PowerChart Maternity and Surginet in Family Birthing Center OR – April 2012
  - RadNet - 1998
  - PharmNet – 1998; Pyxis - 2000
  - FirstNet (Emergency Center)– 2006
  - CVNet – 2008; New Xcelera
  - Surginet: 2012
- WITT/XPER – Cath Lab
- MedView (PACS); going to Cerner PACS 2013.
- ProVation (GI Lab)

Rise of the Phoenix

- Working in Clinical IT implementing EMR
  - Emergency Center (EC) & clinics
  - Process mapped all EC processes
  - Identified no defined accountability for revenue house-wide
- Developed a business case for a revenue cycle manager
- Initiated EC revenue capture research
  - $1.2 million after first year in Emergency Center
  - Three day payment window (non-diagnostic preadmission services)
  - Injection and infusion charges
  - Coding and charging for critical care
  - Trauma activation charges
### Revenue Integrity Action Plan

- Alignment between revenue cycle objectives and organizational strategy
  - Establish a Revenue Integrity Department
  - Assessment of revenue cycle policies
  - Define a revenue cycle road map
- Proactive, integrated & automated chargemaster management
- Performance improvement focused charge capture
- Reconciliation between pharmaceutical purchases and pharmaceutical revenues
- Continuous monitoring with Business Intelligence based Key Performance Indicators

### Revenue Integrity Department

- Started concept in 2008 and department in January 2009
  - Primary focus was improving net revenue.
- CDM specialist brought in 2009
- RAC/Audit coordinator brought in 2010
- Additional Audit coordinator brought in 2011.
- Future plans for expansion
  - Denial management and optimal reimbursement
  - Clinical charge analyst
  - Continue to improve on BI processes
    - Order / Result / Charge reconciliation
Revenue Integrity Department

Revenue Cycle Roadmap

- To help us in identifying and implementing our revenue cycle initiatives, the Revenue Cycle Academy has been a valuable resource
  - Helping us map out our process (as you can see here)
  - Utilizing benchmarks to evaluate performance and identify opportunities
  - Providing best practice research, case studies, governance tools, etc. to help us drive initiatives

Source: Academy of Healthcare Revenue. Mike Doyle
Established Proactive CDM Maintenance

- Develop, a proactive CDM maintenance process
  - Engage stakeholders throughout the organization
  - Ensure seamless communication
  - Provide for easy access to and frequent delivery of relevant reference information
- Produce a CDM maintenance policy that defines accountabilities, task schedule and performance metrics
- Reduces Compliance Risk, Denials, Rejections, and Return To Provider (RTP).

Integrated CDM Management

- Developed a closed-loop, automated process from CDM initiation to creation in the billing system
  - Charge requests are entered via UMC’s intranet
  - Active maintenance solution allows immediate resolution of all issues before the service code is created
- Benefits of an automated, closed loop solution:
  - Decrease incidents of miss-keys
  - Decrease incidents of non-compliant billing
  - Immediately identify associated items missing from the CDM
  - Maintain a centralized, easily accessible audit trail
Prioritized Charge Capture Integrity

- Constructed a performance improvement cycle for charge capture
  - Prioritize charge capture gaps
  - Recruit clinical areas in charge capture improvement and simplification
- Established a periodic review cycle for all outpatient claims
- Implemented a solution that provides custom edits to shift the balance in your favor
  - Medicare and other payers edit in their favor, not yours

Charge Capture Integrity

UMC's focus
- Job One is to find issues of high return
  - Link Issues, Radiopharmaceutical Issues, Drug Administration Issues, Imaging Services Issues, Fee Schedule Issues
- When the issues are identified, we coordinate with the department as to why it was billed as it was
- If further action is needed we coordinate with all pertinent departments for quick resolution
- INCLUSION with ACCOUNTABILITY is KEY!
- It is possible to run Bill Analyzer prior to billing (as a secondary scrubber).
Pharmacy Expense to Revenue Integrity

- Shifted focus to other high-cost services areas
- Implemented an automated solution to eliminate the gap between pharmacy and finance
  - Ensures medications administered to patients are accurately priced, billed and reimbursed at an optimal level
  - Maintains linkages between the facility purchase history of pharmaceuticals and the chargemaster.
- Allows UMC to identify revenue opportunities and helps you create defensible pricing strategies.
  - Seamless integration with CDM solution

Business Intelligence (BI) Push Reports

Microsoft (MS) Enterprise Organization – using MS BI and Cognos BI

- Nursing Electronic Charge Sheet Audit - sent to units to review
  - Move to electronic charge sheets increased gross revenue 125%
- Very Large charges – high dollar >$10,000
- Too many units – units > 10 (also keep eye on contrast)
- Charge type for MUE edits
- Charge preprocessor
- High Dollar inpatient stays in-house (> $250K)
- Hold Bill – old visits (10th of each month)

Push reports are a great way to monitor problem areas on a continual basis
Nursing Electronic Charge Sheet

Electronic Charge Sheet Detail - Previous day (push report)
BI Review of EMR setup

- Work with IT analytics BI team to reconcile systems
- Very important with EMR clinical system from compliance and revenue standpoint:
  - Found $209,000 in net revenue on 1 incorrect charge code/CPT setup
  - No reconciliation process in the past
- Looking for Charge code and CPT mismatch compared to billing system

Accountability is Key!

- Need clinicians accountable for revenue in their departments
- Only they know what they do and how they do it
- Want clinical system to match billing – corrections made by staff to ensure clinical system in sync and staff educated on errors
- Intranet error report worked by departments
- Staff very involved in revenue capture – remind them of steady pay checks, merit raises, addl employees and equipment.
- We speak at council meetings and orientation on the importance of charge capture
- Improved employee satisfaction leads to improved patient care.
Revenue Integrity Innovative Ideas

- Creative with billing system hold bills
- Post processor programming to automate charge entry
- Holding micro culture/genome testing visits based on clinical order status to allow charges for results.
- Charge batch monitoring – BI cube pivot table
- BI allows to be smart enough to compare clinical charges and billing system CDM
- Monthly report of unused/never used charges
- Monthly report of hold bills on the previous months visits.
  - A billed claim is the only way to get it paid.

Revenue Integrity Hold Bills
Revenue Cycle Dashboard

Case Mix Index
Revenue Integrity Culture Results

- CDM Maintenance
  - Substantial efficiencies in charge creation process
- Automated integration
  - Efficiencies in charge setup and maintenance
  - Signification reduction in errors and rework
- Charge capture integrity
  - ~$700,000 in net revenue discovered first year
- Pharmacy revenue integrity
  - Found $75,000 due to Solaris not being charged

ROI Analytic Process

- Areas of strength:
  - Daily tracking of revenue/compliance findings
  - IP vs. OP reimbursement – very different
  - Medicare and your state Medicaid program
  - Managed care contracts – UMC matrix
  - Knowledge to query data or have resources to query for you
- Results of previous 4 Years:

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<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tr>
<td>Total Net Revenue Found</td>
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<td>$2,391,586</td>
<td>$2,773,868</td>
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Some final points to ponder....

- We use a decentralized approach to put accountability in the revenue generating departments – ACCOUNTABILITY is KEY!
- Continual training of the staff on charge processes is a must
- Revenue cycle challenges increasing – RAC prepayment audits
- Cost initiatives aren't enough, harder to get the $$, so go after it
- Have to be goal oriented and monitor performance (lean SS)
- This stuff is HARD! Need technical help.
- Have to be innovative and creative
- Comprehensive (and compliant) charge capture needed to survive
- The truth is in the data….its your data so use it!
- Have some fun in the process!

Today’s Speakers

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