



REVENUE CYCLE MANAGEMENT

Improving the Bottom Line

National Medical
Billing Services

PROGRESSIVE
SURGICAL SOLUTIONS
A DIVISION OF BSM CONSULTING

KYLIE KACZOR,
SENIOR VICE PRESIDENT,
CLINICAL AND REGULATORY AFFAIRS

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KYLIE KACZOR, MSN-RN, CPCO, CPHRM, CASC, CMPE, CLSSBB, ACHE

- As SVP of Clinical and Regulatory Affairs, Kylie is responsible for the research, analysis and reporting of clinical and regulatory changes in the healthcare industry to keep National Medical and its clients in compliance
- Registered nurse for over 16 years specializing in intensive care nursing and outpatient surgery
- Executive Director, Spine Focused Ambulatory Surgery Center
- Kylie has specialized in several areas during her career resulting in certifications in ambulatory surgery center administration, medical practice operations, and healthcare risk management. She is a Certified Lean Six Sigma Black Belt focused on operational efficiency and practice improvement.
- Kylie serves as National Medical's Compliance Officer and remains active in Washington, DC visiting Capitol Hill and meeting with lawmakers to further healthcare reform efforts.
- MSN, Nursing: Leadership and Health Systems Management, Drexel University

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Effective RCM Processes



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IT IS INCREASINGLY IMPORTANT TO ENSURE THAT YOUR REVENUE CYCLE IS EFFICIENT, EFFECTIVE AND IS DESIGNED TO MAXIMIZE YOUR REVENUE BY UTILIZING BEST PRACTICES IN AREAS OF PROCESS IMPROVEMENT, TECHNOLOGY, AND TRAINING OF SKILLED PERSONNEL.

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RCM Processes to Review



You can't manage what you don't measure.

Dr. Robert Kaplan, Harvard Business School

- Front-end operations
- Reconciliation
- Chargemaster analysis
- Implant billing
- High dollar claims review

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Questions to Ask: Front-end Operations



1 How are incoming surgery requests received? What is the timeframe for receiving and providing information?



2 What is the best way to automate processes?

4 How do you train front-desk team on payer and regulatory updates?

3 Who is responsible for obtaining prior-authorizations?

5 Are there revenue delays or loss from inefficiency or inexperience?

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Insurance Verification: Financial Impact



- **Billed Charges:** \$160,805
- **Error Researched:**
 - Practice management system only reflected BCBS Federal plan.
 - Denial received stating "Not Covered by This Payer."
- **Research Reveals:**
 - Patient has Medicare Part A coverage only



REVENUE IMPACT: \$20,000

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**All numbers and names used are for hypothetical illustration only and do not reflect actual numbers, clients or events.*

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Insurance Verification: Financial Impact

- **Billed Charges:** \$161,855
- **Error Researched:**
 - Medicare plan loaded in practice management system for DOS 10/28/2021.
 - Claim denied "Patient Cannot Be Identified."
- **Research Revealed:**
 - Patient's policy termed 10/25/2021.
 - Updated policy number received from patient and claim resubmitted.

DELAYED REVENUE IMPACT: \$17,430

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Prior-Authorization: Financial Impact

- **Procedure:** Shoulder Arthroscopy
- **Billed Charges:** \$10,000
- **Prior-authorization Error:**
 - Payer contract requires prior authorization for shoulder arthroscopies, which was not obtained by the ASC
 - Claim denies for no prior-authorization


REVENUE IMPACT: \$3,000
(INCLUDING OVER \$1,000 IN IMPLANT COSTS)

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Prior-Authorization: Financial Impact




- **Procedure:** Cystourethroscopy
- **Billed Charges:** \$20,000
- **Prior-authorization Error:**
 - Authorization requested for CPT 52441 and 52442 based on the professional billing.
 - Procedure should be coded as C9740 for an ASC.

REVENUE IMPACT: \$7,200 LOST REVENUE

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Prior-Authorization: Financial Impact

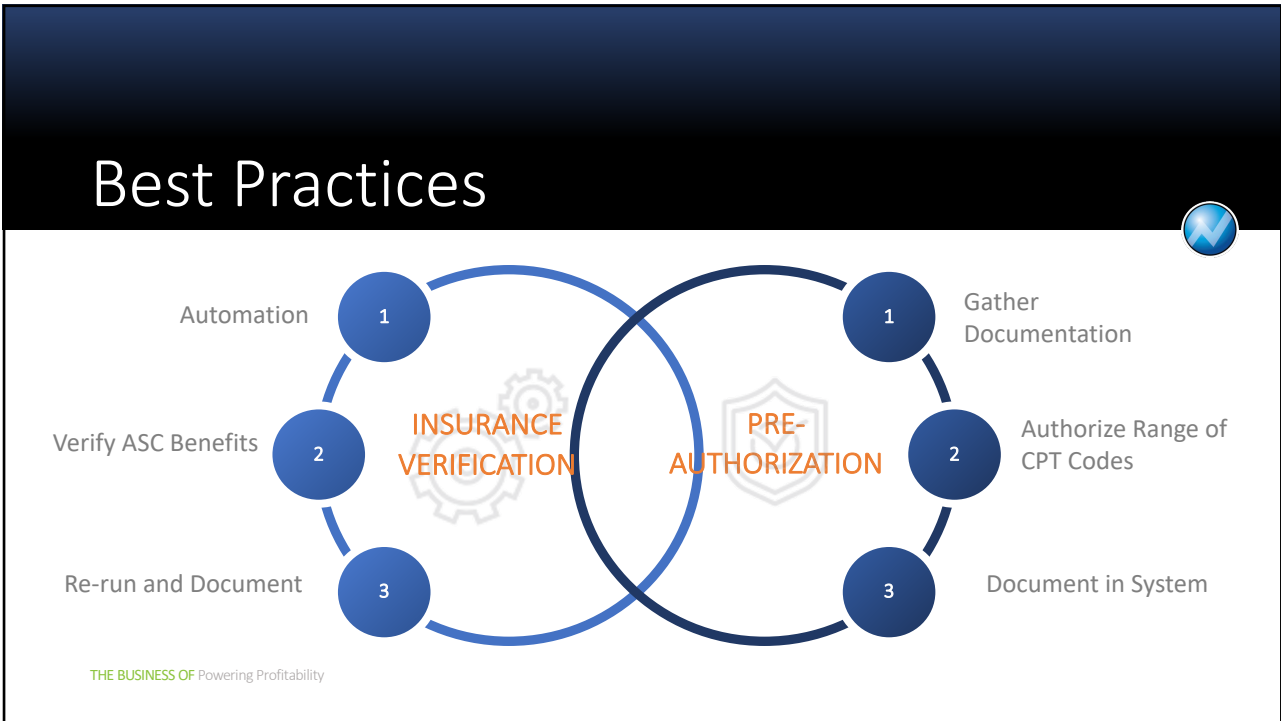


MULTI-SPECIALTY ASC WITH 2% AUTHORIZATION ERROR RATE

Average Monthly Case Volume	500
Facility Cash per Case	\$2,500
Average Monthly Cash	\$1,250,000
Monthly EBITDA (20%)	\$250,000
Annualized Cash	\$15,000,000
Annualized EBITDA (20%)	\$3,000,000
# Cases with – Auth Errors	10
Revenue Impact per case	\$2,500
Monthly Revenue Impact	\$25,000
Monthly EBITDA Impact	\$25,000
Annualized Revenue Impact	\$300,000
Annualized EBITDA Impact	\$300,000

*All numbers and names used are for hypothetical illustration only and do not reflect actual numbers, clients or events.

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Questions to Ask: Reconciliation



1 Why should all cases for all entities be scheduled?

2 How do you keep track of cases needing additional documentation for coding?

4 What happens if a case is added to the schedule days after the DOS?

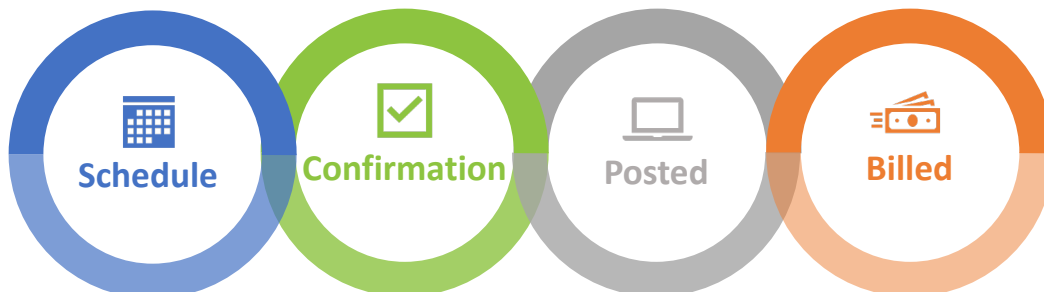
3 Can charge posting order impact reimbursement?

5 How do you navigate unbilled reports?

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Reconciliation Process



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Reconciliation Example

Report ID: - Appointment Schedule Detail
 Run Date: MMCCOYY 4 05 PM
 Page: 1 of 5

Time	Physicians	Procedures	Room	Room	Physician	Phone	Sex	Age	Primary Insurance
6:45 AM	104 - A	LEFT FOOT 5TH METATARSAL NONUNION TAKE-DOWN, ORIF WITH PLATE AND SCREW AND OTHER INDICATED PINS	OR 1	104	A		M	59	419986 - A (U)
7:00 AM	33 - K	RIGHT HAND CARPAL TUNNEL RELEASE AND LOCAL WITH EPY	OR 3	15	K		F	69	42043 - M
7:30 AM	33 - N	LEFT ELBOW TRANSFLEXORIAL NERVE RELEASE VS TRANSFLEXORIAL LEFT WRIST CARPAL TUNNEL RELEASE AND ALL INDICATED PROCEDURES	OR 3	15	N		F	56	430665 - B

Report ID: - Patient Billing Status
 Run Date: MMCCOYY 10 30 AM
 Page: 1 of 1

Accnt - Visit	Patient Name	Date of Service	Physician Name	Payer	Billrd Amount	Balance	Due	Billing Status
B-1 A	061721 184 - AHD	06/17/21	184 - AHD		\$0.00	\$0.00		No charges entered
B-1 E	061024 116 - RCH	06/10/21	116 - RCH		\$0.00	\$0.00		No charges entered
B-1 D	061009 41 - RCH	06/10/21	41 - RCH		\$0.00	\$0.00		No charges entered
B-2 C	160211 41 - RCH	02/01/21	41 - RCH		\$0.00	\$0.00		No charges entered
B-1 M	060021 07 - O	06/00/21	07 - O	42814	\$0.00	\$0.00		No charges entered
B-1 M	071621 75 - Y	07/16/21	75 - Y	1	\$0.00	\$0.00		No charges entered
B-1 S	061921 75 - Y	06/19/21	75 - Y	419026	\$0.00	\$0.00		No charges entered

Missing Info

Patient Name	Account Number	Date of Service	Provider Name	Insurance	Discharge Type	Comments	Estimated Other Charges
1811	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1815	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1818	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1819	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1820	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1821	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00
1822	10000000	06/17/21			Discharge	by CPT - no charges	\$ 0.00

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Questions to Ask: Chargemaster Analysis

1 How often do you review your chargemaster?

3 What formula(s) do you use to set your chargemaster?

2 Do you have complete contracts to provide current allowed amounts?

4 Are you addressing outliers?

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Understanding and Analyzing Your Chargemaster



- Obtain complete contracts
- Review contract language
- Compare
- Follow payer guidelines
- Update billing software

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Chargemaster Analysis Example

Procedure Code	Description	Total Procedures Billed	Procedure Fee	Multiple of Medicare	2022 Local Medicare	Commercial Payer
65855	Laser surgery of eye	116	\$613.00	4.96	\$123.64	\$633.00
64718	NEUROPLASTY /OR TRANSPOSITION; ULNAR NERVE, ELBOW	10	\$2,731.00	3.66	\$746.19	\$633.00
20610	ARTHROCENTESIS, ASPIRATION /OR INJECT; MAJOR JOINT OR BURSA	9	\$550.00	17.40	\$31.61	\$502.00
22853	Insertion of interbody biomechanical device with integral anterior instrumentation for device anchoring, when performed, to intervertebral disc space in conjunction with interbody arthrodesis, each interspace.	9	\$1,550.00	N/A	\$0.00	\$502.00
69610	TYMPANIC MEMBRANE REPAIR, W/ OR W/OUT SITE PREPARATION OR PERFORATION FOR CLOSURE, W/ OR W/O	6	\$748.00	3.78	\$197.83	\$753.00
20605	ARTHROCENTESIS, ASPIRATION /OR INJECT; INTERMEDIATE JOINT OR BURSA	5	\$84.00	3.16	\$26.61	\$502.00

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Questions to Ask Implant Billing



1 How profitable are your cases with implants?

2 Do your contracts have implant billing restrictions?

3 Do you have a standard mark-up when billing implants?

4 Are your implant payments accurate?

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Navigating Implant Billing



- Review contract language
- Develop standard mark-up
- Audit historical payments
- Add case allowed amounts



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Contract Language Examples

01

Service	Billing Codes	Rates
Other Implants which meet or exceed \$250 threshold	Revenue Codes: 278	102% of Invoice Paid In Addition to Other Negotiated Rates

02

Implantable Devices:
Implants will pay in addition to all surgeries at forty four percent (44%) of billed charges. (56% discount)
Payor has the right to audit invoices related to payments for implantable devices. Provider will not charge more than 110% of invoice.

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Miscellaneous Implants – Bill using REV278 and HCPCS along with CPT Codes

Total covered billed charges exceeding \$200 shall be reimbursed at 70% of covered billed charges up to \$1,300 aggregate – * rate includes tax, shipping & handling

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Questions to Ask: High Dollar Claims Review

1 What percent of your volume falls within a high dollar claim status?

4 What are your margins on these cases?

2 What is your workflow for coding, billing, collecting?

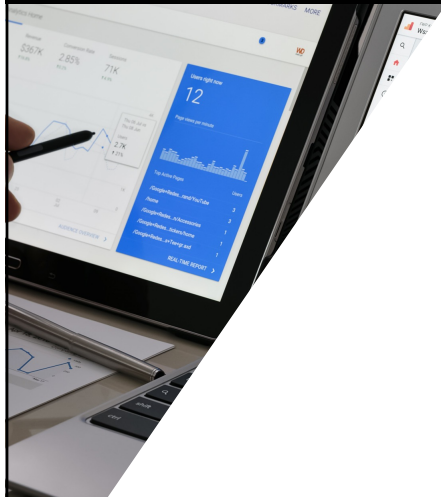
3 Are you receiving full payment?

5 How long does it take to receive invoices from the vendor?

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High Dollar Claims Work Queue Example



Carrier>Facility>DOS/Acct#	Insurance Balance	DOS
Top 20/AR Follow Up	\$ 3,200,417.34	1/4/2022
Payer A	\$ 1,212,570.96	
(Acct# 220)	\$ 213,071.17	8/4/2022
(Acct# 170)	\$ 154,974.91	3/1/2022
(Acct# 103)	\$ 152,804.27	5/3/2022
(Acct# 56)	\$ 152,564.65	5/19/2022
(Acct# 98)	\$ 135,451.76	9/22/2020
(Acct# 194)	\$ 134,156.79	5/17/2022
Payer B	\$ 679,259.43	
(Acct# 194)	\$ 364,543.88	7/26/2022
(Acct# 857)	\$ 160,032.97	7/7/2022
(Acct# 216)	\$ 154,682.58	8/11/2022
Payer C	\$ 466,627.79	
(Acct# 207)	\$ 260,413.78	5/12/2022
(Acct# 202)	\$ 206,214.01	4/28/2022
Payer D	\$ 334,680.13	
(Acct# 179)	\$ 173,154.58	5/3/2022
(Acct# 160)	\$ 161,525.55	3/29/2022
Payer E	\$ 268,314.80	
(Acct# 115)	\$ 268,314.80	11/5/2020
Payer F	\$ 238,964.23	
(Acct# 214)	\$ 238,964.23	6/21/2022
Grand Total	\$ 3,200,417.34	


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Case Cost Analysis Example

Primary Procedure/Case Combination	Avg. Pre-Op Min.	Avg. OR Min.	Avg. Surgery Min.	Avg. RR Min.	Avg. Implant Cost	Avg. Supply Cost	Avg. Staff Cost	Avg. Total Overhead Cost	Medicare Case Rate	Profit (24%)
27447 20985 C1713	92.86	116.86	79.57	133.14	\$5,328.57	\$1,529.08	\$225.00	\$7,229.95	\$8,964.58	\$1,734.63

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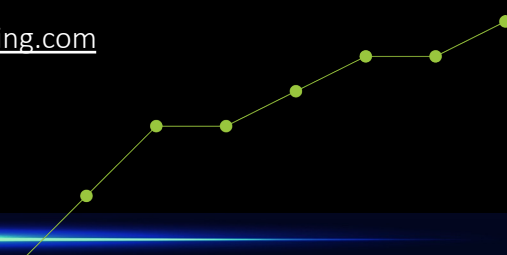
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DISCUSSION

If you have additional questions, feel free to contact Tim Fuchs:

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314.296.1100


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- [Board Package Tool](#)
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- [Board Package Sample](#)
- [Revenue Cycle Management ASC Scorecard](#)

REVENUE CYCLE MANAGEMENT SCORECARD

Facility: BSC Name:

Area	Objective	Score	Notes
Billing Staff Ratio	1. Billing staff ratio is 1.00		
Billing Staff Productivity	2. Billing staff productivity is 100%		
Charge Capture	3. Charge capture is 100%		
Code Accuracy	4. Code accuracy is 100%		
Compliance Program	5. Compliance program is 100%		
Business Office & Clinical Staff	6. Business office & clinical staff are trained		
Accuracy of Patient Demographics	7. The staff uses a minimum of the 7% of demographics that are accurate		
Unsettled Claims Report	8. Unsettled claims report is 100%		
Operative Reports	9. Operative reports are 100% accurate		
Coding Issues	10. Coding issues are 100% resolved		
Timing of Patient Charges	11. Charges are submitted within 24 hours		



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DATE		CE	WEBINAR TOPIC	SPEAKER
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DEC 16	60	RN, CASC	Life Safety Risk Assessment: What is it and what is Required?	John Crowder, Jr.



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