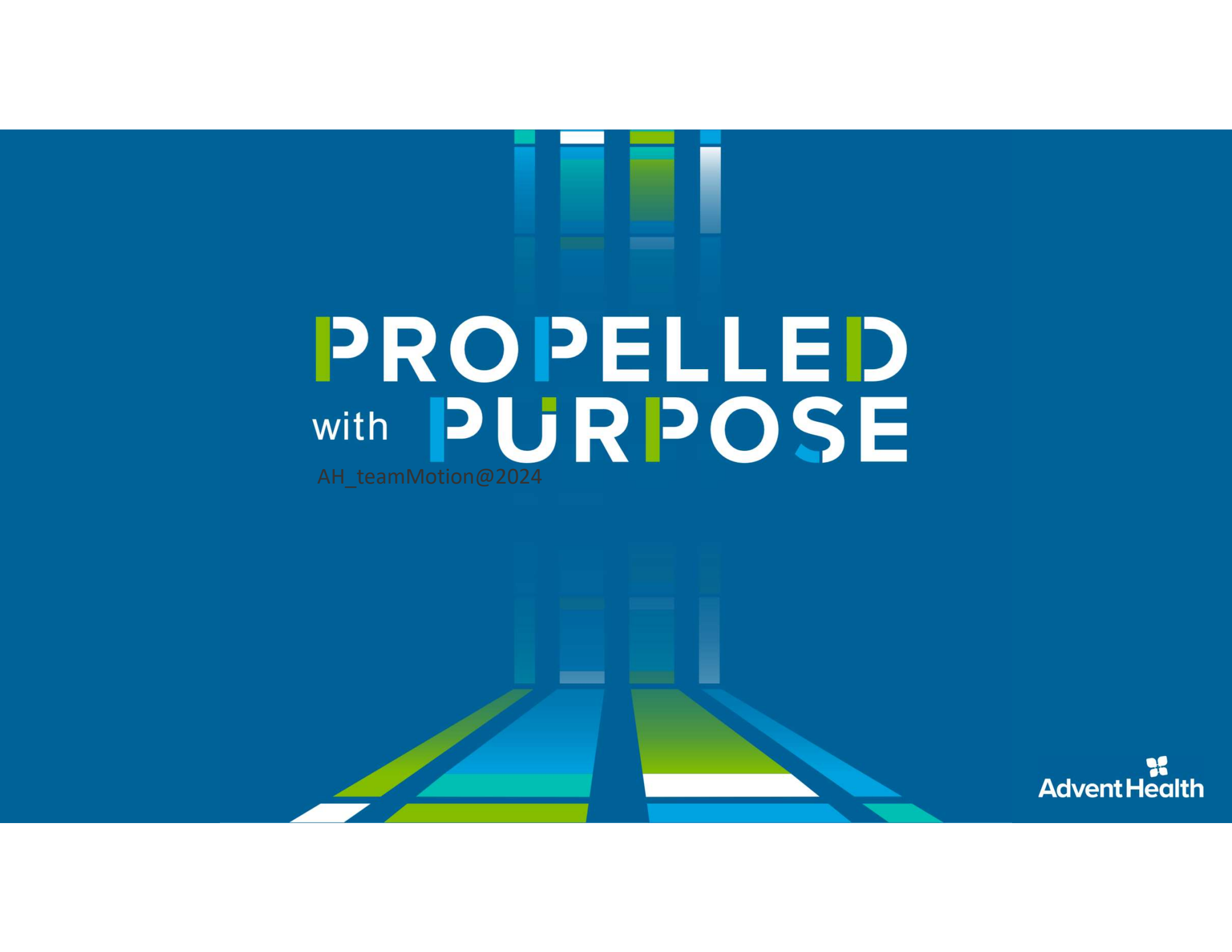


Lone Star Chapter





PROPELLED with PURPOSE

AH_teamMotion@2024

Welcome to HFMA Lone Star Winter Conference



Leveraging Technology in Healthcare for Financial Excellence

Define financial excellence to your teams

Define important metrics relevant to your organization

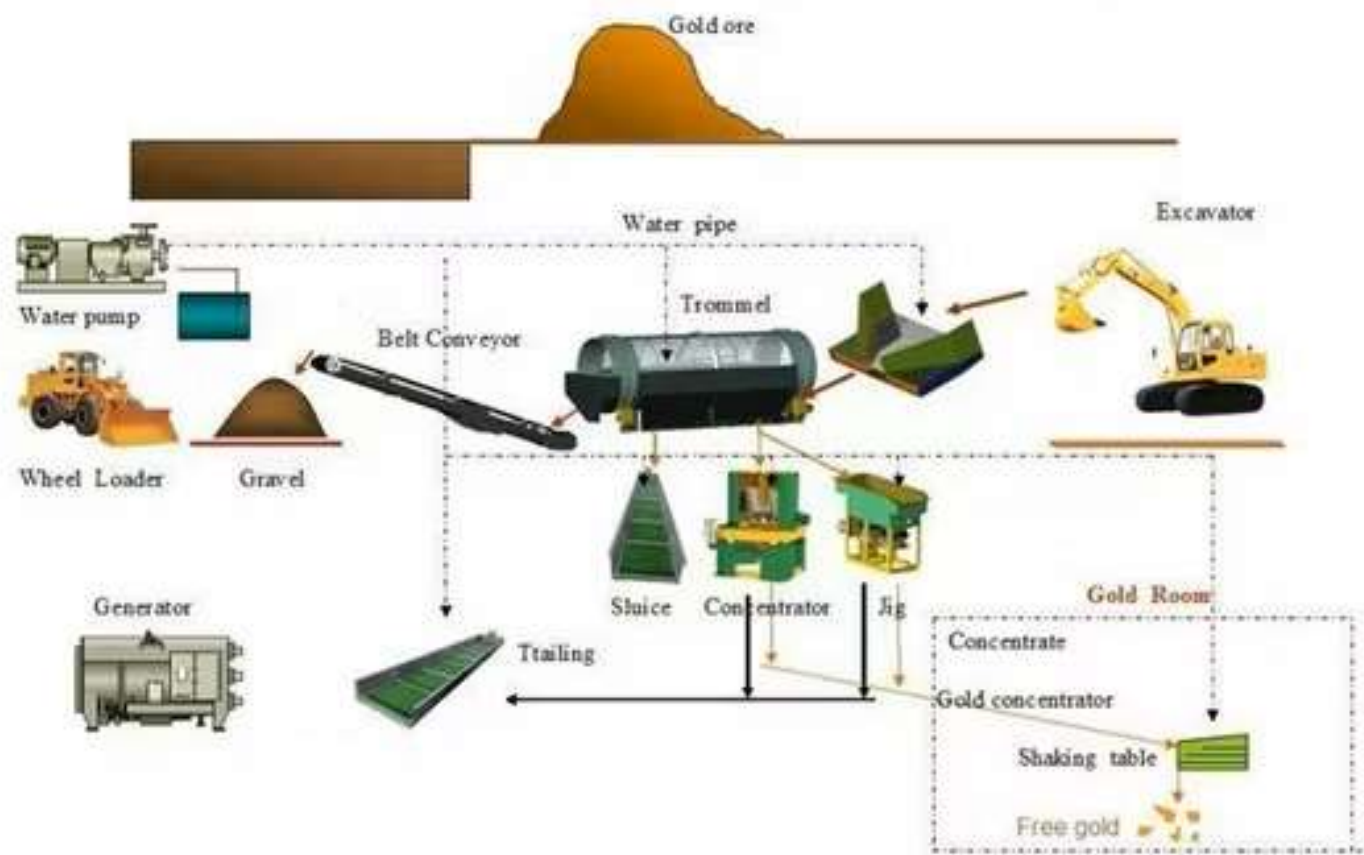
What is “Beyond the Metrics”?

Breaking down “Silos”

Revenue Cycle is very much like Gold Mining



Example of an Alluvial Gold Processing Plant Flow



Revenue Cycle is very much like Gold Mining



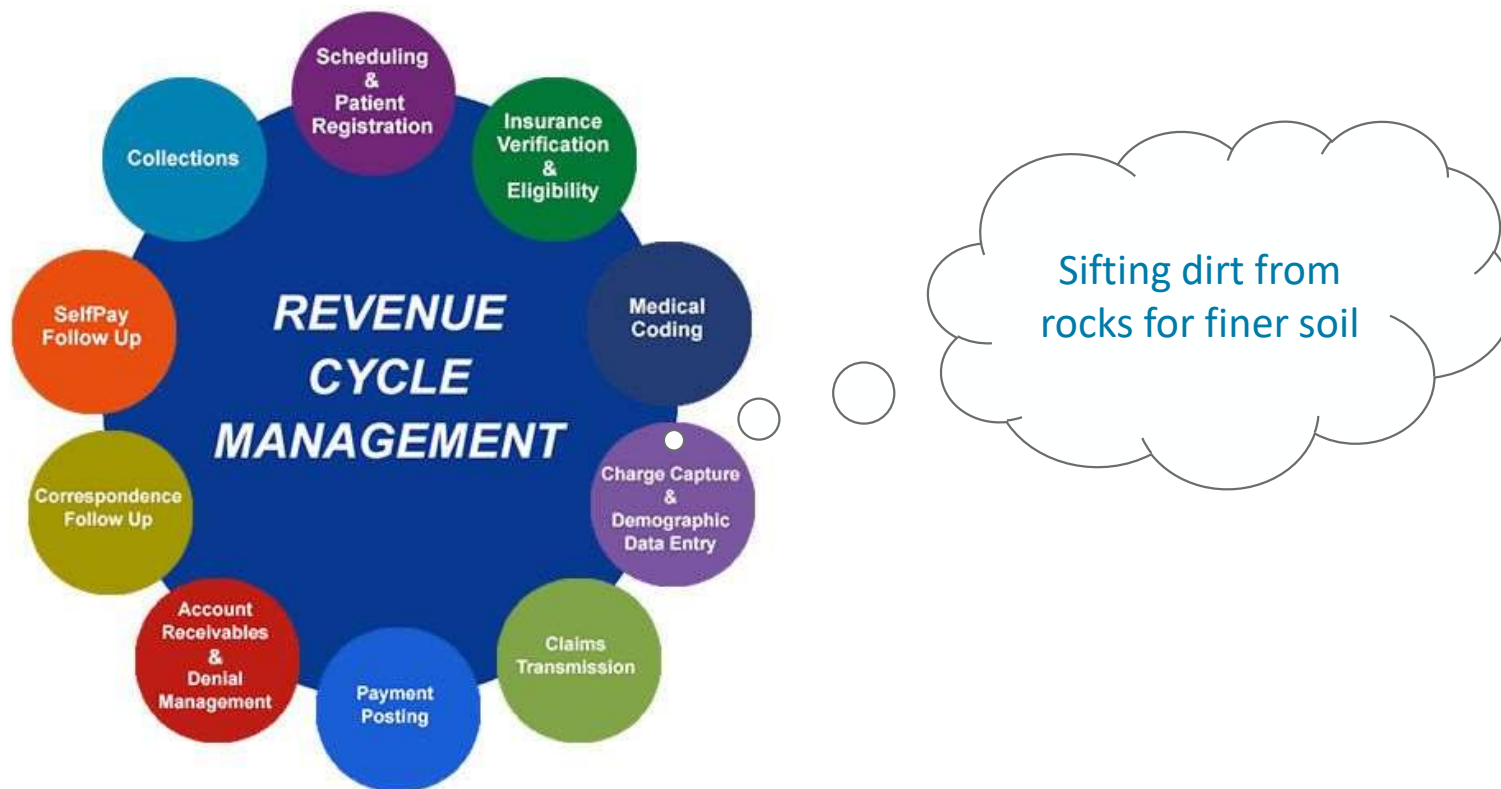
Collection of qualified soil with all types of rocks

Revenue Cycle is very much like Gold Mining



Separation of materials, grouping and qualification of different soils

Revenue Cycle is very much like Gold Mining



Revenue Cycle is very much like Gold Mining



Shaking through the tunnel in hopes of finer dirt containing GOLD

Revenue Cycle is very much like Gold Mining

I think we see GOLD !!



Revenue Cycle is very much like Gold Mining

Even though the GOLD is mixed with dirt, we must continue to shake it to capture pure GOLD!



Revenue Cycle is very much like Gold Mining

After applied efforts we know we have GOLD, take it to a table to shake-off dirty particles to capture pure GOLD



Define Financial Excellence To Your Teams & Define important metrics relevant to your organization



What is one metric of importance to you?



slido



In one word, how do you define
Financial Excellence ?



Points of Origin Impacting Financial Excellence



Points of Origin Impacting Financial Excellence

Registrations:

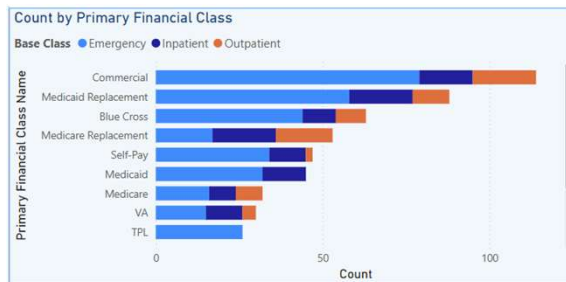
Because a claim has all correct points of registration does not mean it aligns with Managed Care Contracts.

- ❖ How often are you reviewing “Registered Plans” with changes week-over-week?
- ❖ If not measured plans will continue their path through the Revenue Cycle until corrected and by the time the correction is made (30-45 days) it has taken a financial impact

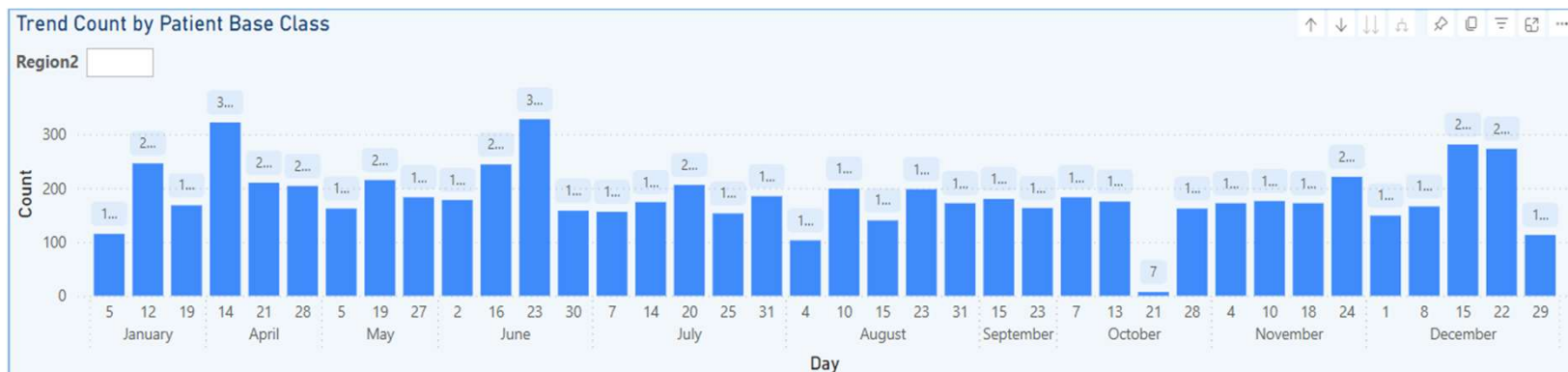
Example: Blue Cross HMO plan registered incorrectly may have a higher contractual than a PPO plan

How Can Technology Help with Registrations?

Obtaining data from EMR systems to create dashboard to review influx of incidents, studying points of access related to errors, studying why they happen, continue to happen to leverage learning opportunities with Leadership and Team Members.



Primary Financial Class Name	Current Primary Plan Name	Prior Week Primary Plan Name	Base Class	Account Class
Commercial	ORLANDO HEALTH SOUTH LAKE EMPLOYEES	AETNA SIGNATURE ADMIN/CORESOURCE 48117	Outpatient	Sports Med & Rehab
Blue Cross	BLUE CROSS KC PREFERRED CARE BLUE	Self-pay	Emergency	Emergency
Medicare	MEDICARE A/B	PHOENIX HOME CARE HOSPICE OVERLAND PARK	Inpatient	Inpatient
Commercial	UNITED HEALTHCARE KS INDIVIDUAL EXCHANGE	UNITED HEALTHCARE CHOICE/CHOICE PLUS	Emergency	Emergency





How Can Technology Help with Registrations?

How often do you review your EMR list of “Plan Names” for accuracy and alignment with Managed Care contracts?

How often do you review your “Miscellaneous Plans” for opportunities to capture out-of-network payers?

Maintaining the lists above will help with reduction of AR balances, contractual adjustments, creation of plans in your system.



Points of Origin Impacting Financial Excellence

Discharged Not Final Billed:

Are you aware of the Dollars and Number of claims in holding status (DNFB / DNFC) ?

- ❖ What is the importance of this metrics?
- ❖ Do you know what your daily billing average is to calculate your DNB / DNFC days?

Points of Origin Impacting Financial Excellence

DNFB formula

$$\text{DNFB} = \frac{\text{Gross dollars in discharged not final billed}}{\text{Average daily gross patient service revenue}}$$

DNFC formula

$$\text{DNFC} = \frac{\text{Gross dollars in discharged not final coded}}{\text{Average daily gross patient service revenue}}$$

Example

Dollars in DNFB = \$8,759,355

Average daily patient revenue = \$ 1,569,788

$$\text{DNFB} = \frac{\$8,759,355}{\$1,569,788} = 5.57 \text{ days}$$

How Can Technology Help with DNFB?

Every EMR has a suite of reporting; slicing the reporting to help identify dollars in every area can be a daunting task due to lack of understanding or system set-up.

Investing time of what data is available will benefit your overall Revenue Cycle. For example, exporting data from an EMR, applying logic related to DNB Metric mentioned earlier will facilitate review, leverage understanding of what type of challenges every point of revenue cycle is experiencing.

The following example is a result of applying grouping, logic by metrics, to further explore facilities over 5 days in DNFB.

Consolidated Area	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5
⊕ Hospital Coding	18,580,476	28,336,297	46,182,398	32,973,040	16,203,277
⊕ PFS	6,504,598	10,498,160	13,587,289	8,768,812	4,198,582
⊕ CDI	4,066,864	5,894,638	10,131,985	14,101,320	2,564,103
⊕ Utilization Management	3,553,834	2,367,590	11,418,081	4,532,380	2,389,340
⊕ Held Min Days	2,267,964	2,960,094	6,746,467	6,070,085	2,385,298
⊕ Revenue Integrity	988,275	2,733,118	5,283,518	4,876,204	2,068,209
⊕ Clinical Area	2,357,294	4,243,155	5,470,293	1,970,369	1,490,062
⊕ Consumer Access	471,611	3,090,096	3,745,262	1,388,319	385,475
⊕ Project Team	357,498	364,884	843,054	963,465	595,945
⊕ Research	22,743	613	1,873,602	422,032	
⊕ SBO	43,728	362,862	9,365	375,354	384,974
⊕ Professional Billing	398		136	42,286	
Total	39,215,284	60,851,507	105,291,452	76,483,666	32,665,265
Days	4.5	3.5	4.8	5.7	4.2

Importance of DNFB / DNFC Metric?

- ❖ Decrease backlogs
- ❖ Process improvement
- ❖ Improve cash flow
- ❖ Decrease Days In AR
- ❖ Decrease cost to collect
- ❖ Accelerate patient balances after insurance
- ❖ Improve patient satisfaction

- ✓ High performance quartile: 4.5 days
- ✓ Median performance: 5.5 days
- ✓ Low performance quartile: 7 days or higher



Points of Origin Impacting Financial Excellence

Rejections:

Are you aware with “types” of rejections from your Electronic Claim Submissions?

Rejections can be avoided by ensuring correctness is data such as:

- ❖ Provider identifiers, NPI's, Tax ID's, Taxonomies, etc.
- ❖ Payer plan mapped data points
- ❖ Patient information
- ❖ The list goes on, and on...

How are you measuring “Rejections” and how are you categorizing them?

How Can Technology Help with Rejections?

Managing rejections same day from your EDI vendor is critical to avoid backlog increasing cost of re-work claims, clean claim rate, further delay in work-ques.

- ❖ Understanding rejection categories will help you identify which team to pivot information to for resolution.
 - ❖ Lack of understanding on resolution of rejections and edits can rapidly escalate volume of task to complete by any team without obtaining results, leading to what is call “recycling of claims”.
-
- ✓ **Consider focus groups to resolve issues with material impact**
 - ✓ **Consider daily reporting on total dollars and volume of claims**
 - ❖ **patient type**
 - ❖ **service line**
 - ❖ **categories and reason codes**

Points of Origin Impacting Financial Excellence

Aging A/R and Denials:

Understanding the limits of your A/R will solidify outcomes and how you approach Accounts resolution.

It is important to acknowledge and answer “What is my...”

- ❖ A/R as a percentage of total billed?
 - ❖ A/R as a percentage of billed A/R by Payer Group?
 - ❖ First Pass Denial Rate by Payer Group
 - ❖ First Pass Denial Rate as percentage of Total Billed by Payer Group
 - ❖ Denial Resolution Rate by Payer Group?
 - ❖ Appeals Resolution Rate?
 - ❖ Days to payment after denial?
 - ❖ Days to resolution age regardless of outcome?
- ✓ **Developing reports around areas mentioned with Base Lines as a guide will help you execute and drive outcomes. It is important to point out reporting by different types of level**
- **Executive → summarized**
 - **Director → summarized and action oriented**
 - **Manager/Supervisor → action oriented with detail from a summary**

A/R and Denials

- ✓ Developing reports around areas mentioned with Base Lines as a guide will help you execute and drive outcomes. It is important to point out reporting by different types of level
- Executive → summarized
- Director → summarized and action oriented
- Manager/Supervisor → action oriented with detail from a summary

Claim denial rates for major insurance companies

Company		Claim denials
 UnitedHealthcare	<u>UHC</u>	33%
 MOLINA HEALTHCARE	Molina	26%
 Anthem	<u>Anthem</u>	23%
 Medica	Medica	23%
 aetna	<u>Aetna</u>	22%
 Cigna	<u>Cigna</u>	21%
 CareSource	<u>CareSource</u>	21%
 BlueCross BlueShield	<u>BCBS</u>	20%

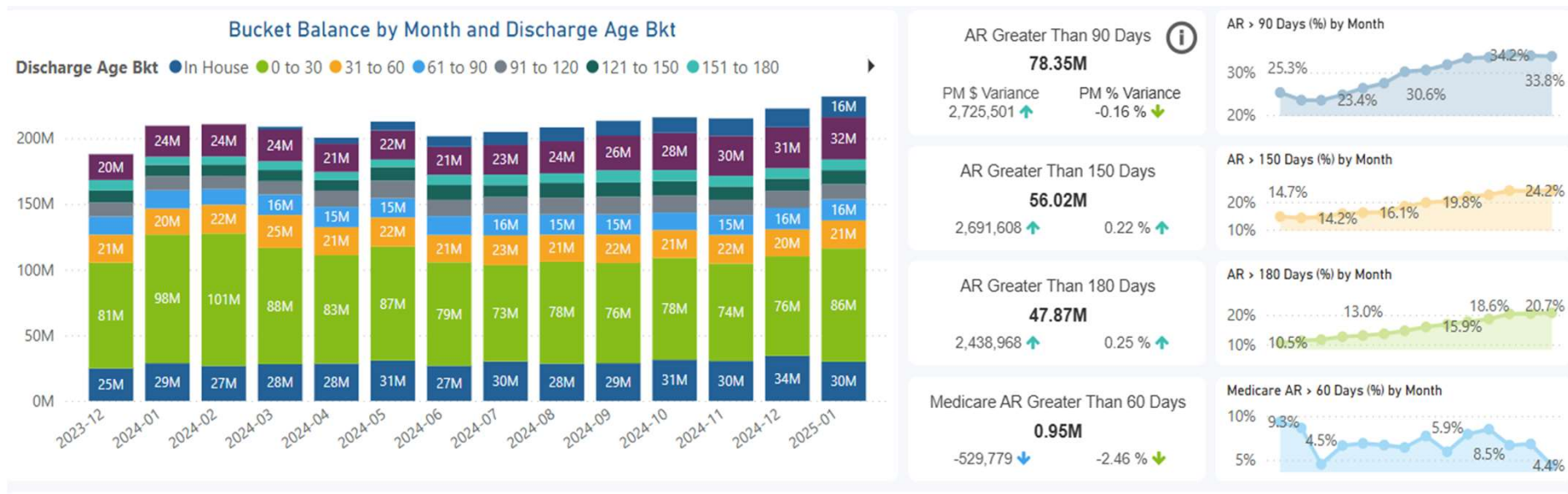
A/R and Denials

Claim denial rates for major insurance companies

Company		Claim denials
 UnitedHealthcare	<u>UHC</u>	33%
 MOLINA HEALTHCARE	Molina	26%
 Anthem	<u>Anthem</u>	23%
 Medica	Medica	23%
 aetna	<u>Aetna</u>	22%
 Cigna	<u>Cigna</u>	21%
 CareSource	<u>CareSource</u>	21%
 BlueCross BlueShield	<u>BCBS</u>	20%

How Can Technology Help with Aging A/R and Denials?

Executive Level Reporting – high level review with top wins/losses, informative to sustain and visualize expressed wins/losses



How Can Technology Help with Aging A/R and Denials?

Director Level Reporting – strategic view of current A/R status, to pivot as needed.

How Can Technology Help with Aging A/R and Denials?

Manager/Supervisor Level Reporting – ready for review and action implemented based on base lines, assumptions applied to inventory

General Managed Care Aetna Centene Cigna Humana Oscar All														
	2024-01	2024-02	2024-03	2024-04	2024-05	2024-06	2024-07	2024-08	2024-09	2024-10	2024-11	2024-12	2025-01	2
AR \$ > 60 Days	387	63,018,518	61,241,058	67,105,757	68,176,057	73,090,649	75,182,547	78,707,317	81,714,671	86,557,575	85,808,279	88,678,526	92,006,025	94,285,994
AR \$ > 90 Days	133	49,172,406	49,374,539	51,590,931	52,680,020	58,445,161	60,785,973	62,593,530	66,344,979	71,170,338	72,501,101	73,473,154	75,622,512	78,348,012
AR \$ > 150 Days	886	29,759,260	30,596,247	32,941,183	32,326,413	34,609,739	37,091,262	40,474,988	42,204,628	46,880,845	48,615,979	51,750,522	53,325,727	56,017,335
Bucket Balance	207	209,464,497	210,565,646	208,699,789	200,403,385	212,692,302	201,481,078	204,748,589	208,282,414	213,197,907	215,880,310	215,025,504	222,596,910	231,715,141
AR \$ > 60 Days (%)	6 %	30.1 %	29.1 %	32.2 %	34.0 %	34.4 %	37.3 %	38.4 %	39.2 %	40.6 %	39.7 %	41.2 %	41.3 %	40.7 %
AR \$ > 90 Days (%)	3 %	23.5 %	23.4 %	24.7 %	26.3 %	27.5 %	30.2 %	30.6 %	31.9 %	33.4 %	33.6 %	34.2 %	34.0 %	33.8 %
AR \$ > 150 Days (%)	7 %	14.2 %	14.5 %	15.8 %	16.1 %	16.3 %	18.4 %	19.8 %	20.3 %	22.0 %	22.5 %	24.1 %	24.0 %	24.2 %
Bucket Qty > 60 Days	431	30,106	28,225	28,720	30,668	31,816	35,701	37,011	36,882	36,510	34,709	35,923	36,204	35,310
Bucket Qty > 90 Days	380	21,185	20,246	18,818	19,382	21,736	23,525	24,865	25,589	26,029	24,160	23,618	24,268	24,475
Bucket Qty > 150 Days	573	5,842	5,513	4,939	4,477	4,145	5,800	5,888	5,684	6,996	6,313	6,186	5,602	5,671
Bucket Qty	602	86,386	89,078	93,221	94,848	96,731	102,716	105,286	103,384	103,892	105,192	107,040	105,172	107,878
Bucket Qty > 60 Days (%)	8 %	34.9 %	31.7 %	30.8 %	32.3 %	32.9 %	34.8 %	35.2 %	35.7 %	35.1 %	33.0 %	33.6 %	34.4 %	32.7 %
Bucket Qty > 90 Days (%)	5 %	24.5 %	22.7 %	20.2 %	20.4 %	22.5 %	22.9 %	23.6 %	24.8 %	25.1 %	23.0 %	22.1 %	23.1 %	22.7 %
Bucket Qty > 150 Days (%)	9 %	6.8 %	6.2 %	5.3 %	4.7 %	4.3 %	5.6 %	5.6 %	5.5 %	6.7 %	6.0 %	5.8 %	5.3 %	5.3 %
AR \$ 0 to 30 Days	181	97,941,629	100,787,173	88,408,357	82,613,820	86,675,759	78,821,380	73,250,206	77,550,867	76,272,085	77,509,280	74,129,232	75,876,505	86,371,108
AR \$ 31 to 60 Days	718	19,787,680	21,874,145	25,152,866	21,192,349	22,159,552	20,728,996	22,755,673	20,654,017	21,643,774	21,245,597	21,796,664	20,466,430	21,263,117
AR \$ 61 to 90 Days	254	13,846,112	11,866,519	15,514,827	15,496,037	14,645,489	14,396,574	16,113,787	15,369,691	15,387,238	13,307,178	15,205,373	16,383,514	15,937,981
AR \$ 91 to 120 Days	053	10,710,331	10,255,917	10,165,885	12,349,588	13,306,535	12,442,417	13,049,157	12,836,158	13,445,068	13,069,332	11,563,038	12,936,628	11,705,401
AR \$ 121 to 150 Days	194	8,702,815	8,522,375	8,483,863	8,004,020	10,528,886	11,252,294	9,069,385	11,304,194	10,844,424	10,815,789	10,159,594	9,360,157	10,625,276



Points of Origin Impacting Financial Excellence

Payments and Zero Pays:

How do you measure cash collections?

Cash postings

- ❖ Postings to account level
- ❖ Patient payments
- ❖ Payments to GL account as result of negotiations and settlements

Challenges

- ❖ Aging from payers due to adjudication timing, denials, underpayments, etc.
- ❖ Uncollected patient dues
- ❖ Projects on un-resolved AR



Points of Origin Impacting Financial Excellence

Overcoming Payment Challenges

Measure

❖ Payments by Financial Class and Payer Type

Government Payer

Commercial

Self-pay

Balance after insurance

❖ Payments base line

13-month average

Quarterly average

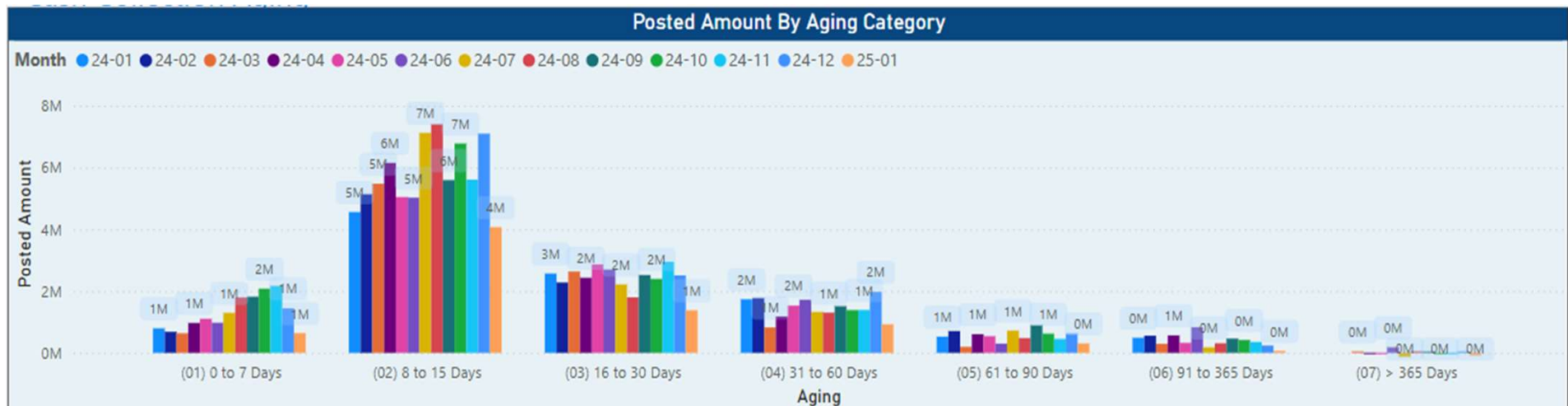
❖ Days to payments

Days to FPP (first payer payment)

Days from FSD (first statement date)

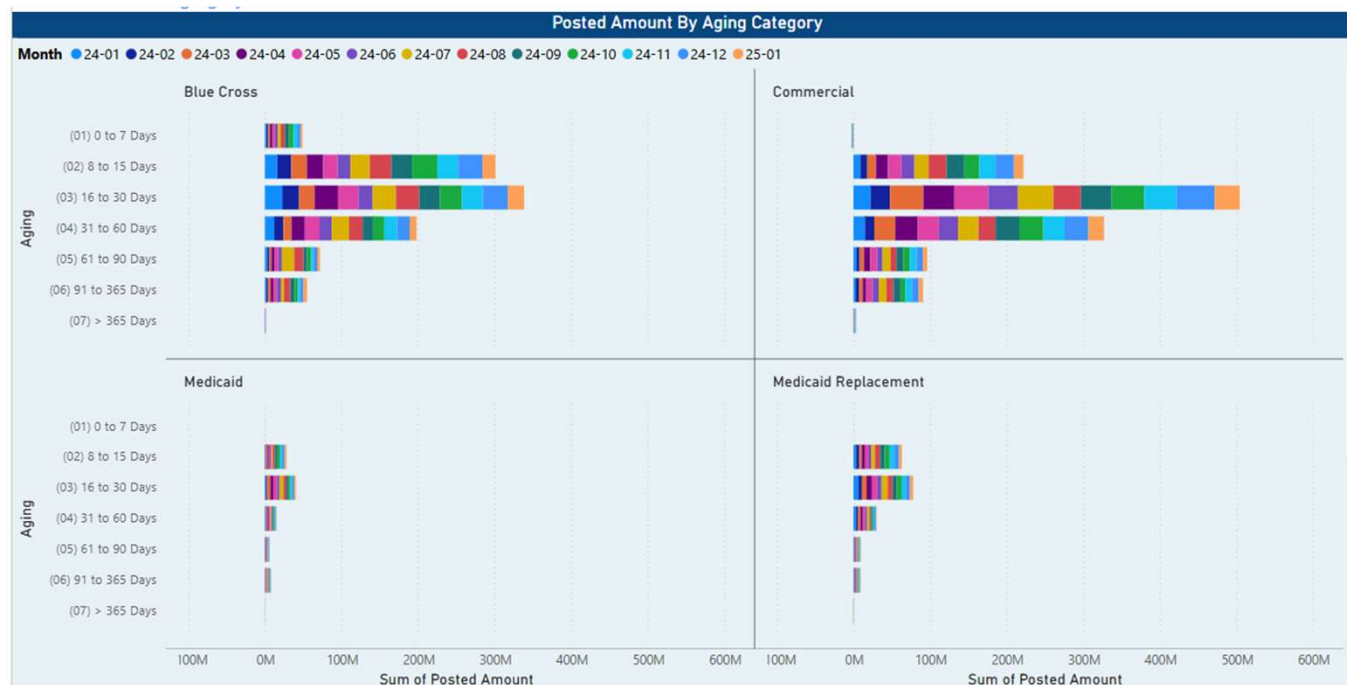
How can technology help with Cash Collections?

Managing payments MoM by days to payment allows you to view continuous performance compared to other months, capturing delays within a payer or financial class



How can technology help with Cash Collections?

Tracking by payer type allows you to identify any plan within a payer roll-up increasing days to payment, create focus groups in follow-up to address issues delaying payment.



Points of Origin Impacting Financial Excellence

Are you reviewing your ZBA accounts?

Measures: Number of days for an account to reach Zero Balance on Account

Constant review of ZBA accounts provides hindsight on performance on payments by Insurance Payers and Patients.

This measure provides an organization a pulse on Revenue Cycle processes, indicating that RCM is effectively collecting payments and resolving outstanding balances.

$$\text{ZBA Rate} = \frac{\text{Total Number of Accounts with Zero Balance}}{\text{Total Number of Accounts with Active Balance}}$$

✓ Which is the appropriate benchmark for my organization?

Trending a period of 13 months of ZBA will show you the performance. Selecting a goal from current average days will be to improve by 5 days with continuous improvement to reach 10% change from current average within 12-month period.

**There are so many metrics we
can talk about!!**

**Where can I review what metrics
apply to my organization?**

HFMA Map Keys

Measure to create excellence

HFMA has developed MAP Key program where you have resources to explore what suits best to your organization.

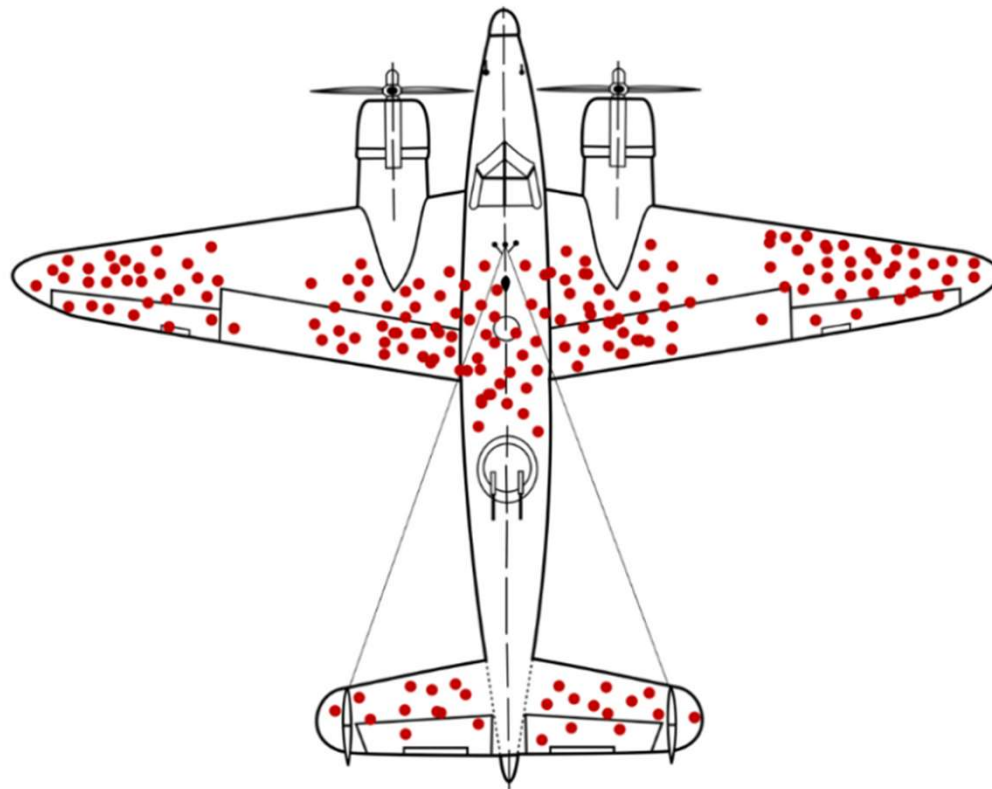
The Key is to get started !!



“Beyond the Metrics”

Survival Bias Theory

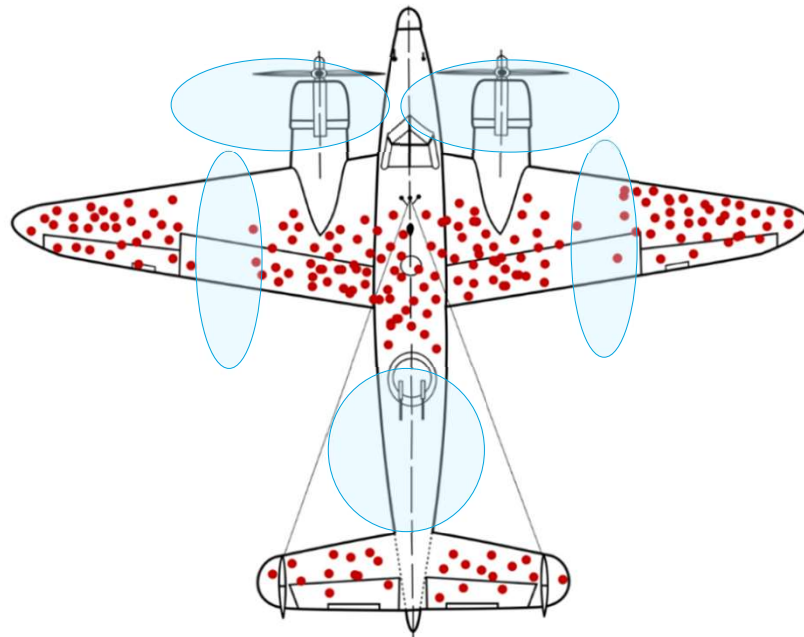
How many of you are familiar with the term?



Survival Bias Theory

During WWII there was an influx of damaged planes and to explore further the root cause, Abraham Wald was recruited to analyze the improvements. The military was heavily inclined to re-enforce damaged areas from returned planes.

Wald decided the opposite and to re-enforce areas without damage due to “missing” information or most obvious information.
The rest is history



RCM Survival Theory

What points of the Revenue Cycle are you not seeing hidden within metrics that could potentially flare and impact your Financials?



“Breaking-down Silos”

Technology can help add value at every point of the Revenue Cycle Management



Data and Analytics

Clinical Protocols

User Experience,
Assessments and
Workflow Management

Information Integration



The key to breaking-down silos within Revenue Cycle is to interact with other members, understand their challenges, create inter-departmental educational sessions and willingness to explore other points of view

Example:

- ❖ Empower through learning materials team members in Registration to understand process and outcomes of their activity on Utilization Management – an incorrect plan can deteriorate the Authorization process on an inpatient visit by contacting an incorrect plan.
- ❖ Follow-up team member understanding time constraints ER staff have when obtaining information from patients creating challenges in eligibility and coverage through billing edits, holds.

“Let’s build your Revenue Cycle Playbook”