



AdvantEdge Healthcare Solutions

Billing Process Improvement 101

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ASC Billing Process Improvement 101



- All work is a process
- Metrics
- How to achieve continuous improvement?
 - Improvement cycle



Biggest challenge

- Allow time to understand the tools and start collecting the data needed for continuous improvement
- This isn't a “one time” event or a “silver bullet”

“Buzzwords”

- SPC: Statistical Process Control; TQM: Total Quality Management; Six Sigma; Lean; Lean Six Sigma

Purpose: use continuous improvement techniques to eliminate waste in your center

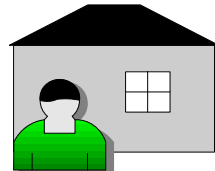
- Waste = anything that stifles staff or patients; or that results in lost time, productivity or waiting for something to happen
- Work smarter, not harder
- Focus on the end-to-end process, not just a piece of it



“All Work is a Process”



Surgeon's Office



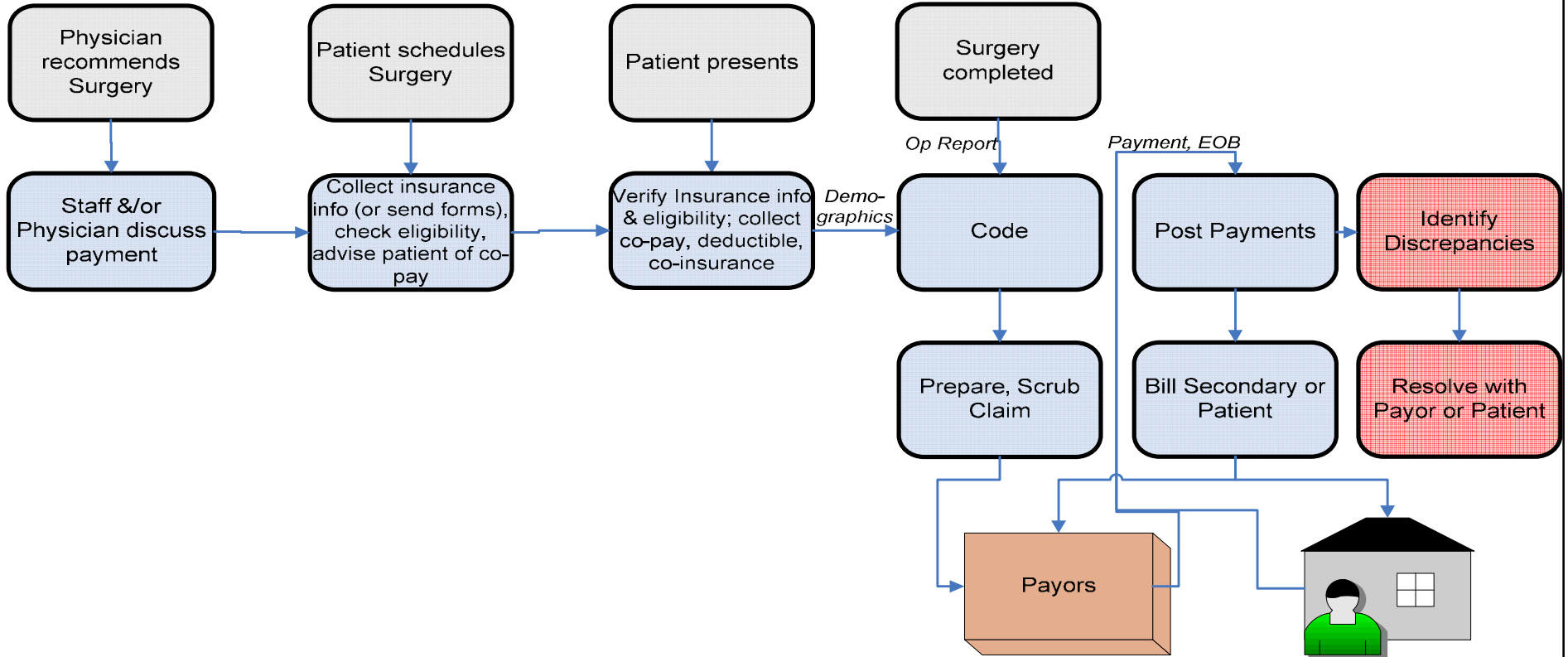
Patient



Front Desk



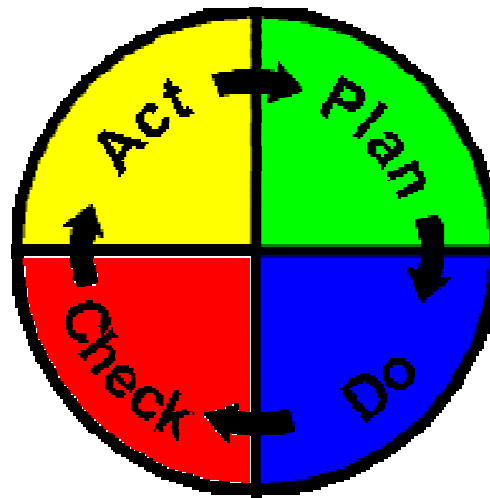
Coding & Billing Staff / Company





“Plan, Do, Check, Act” (Deming cycle)

- Plan: 80/20 analysis, develop process improvement plan, etc.
- Do: run a test (small scale): defined timeframe, measures
- Check: study the results, what did we learn?
- Act: adopt changes, abandon changes or try something else





Business (financial)

- Days in A/R
- Net Collections
- Etc.



Process

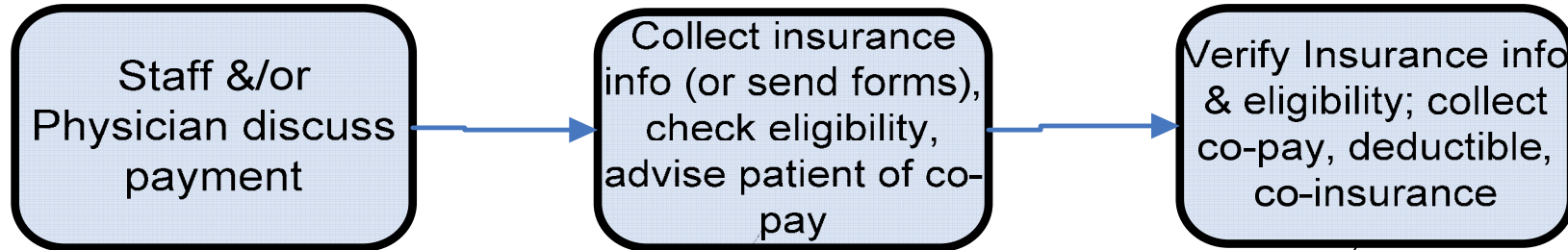
- Traditional: “cycle time” and “defects”
- Measure key processes over time = baseline performance
- Include client (patient) satisfaction for customer-facing processes
- Consider employee satisfaction for internal processes
 - The employee is the customer!

“You can expect what you inspect.”

“In God we trust, all others must bring data.”

--W. Edwards Deming

Examples of Process Metrics



% of patients
Target = 80%

100% accurate ins. info from 75% of patients

- Insurance Card
- Referrals
- Pre-certifications

Eligibility check for 50%

Advice on co-pay etc. to 50%

90% of calls complete w/i 5 minutes

100% accurate ins. info from 97% of patients

Eligibility check for add'l 30%

Collect 99% of co-pays, 60% of deductible & co-insurance

95% of check-ins complete in 10 minutes

85% of patients rate check-in as excellent or very good





Examples of Process Metrics

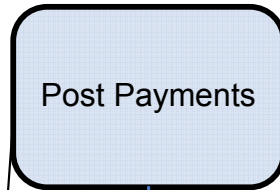
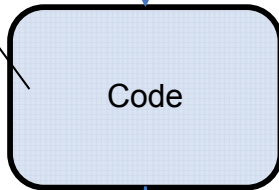


Op Report

Payment, EOB

97% of reports coded w/i 24 hrs

Defects < 5%

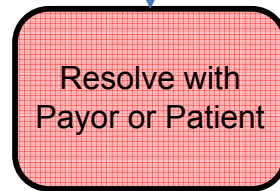
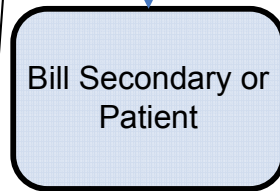
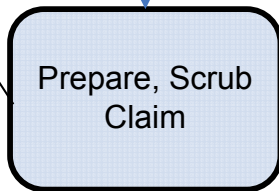


99% of denials assigned w/i 24 hrs

95% of denials worked w/i 36 hours

99% of claims filed w/i 24 hrs

Defects < 1%



90% of underpayments identified w/i 4 bus days

95% of underpayments worked w/i 36 hours

98% of payments posted w/i 24 hrs

Defects < 2%

97% of secondaries filed w/i 24 hrs

Defects < 2%





Identify a key business problem to solve

- e.g. Days in A/R are too high

Which processes are the “root cause”?

- Root cause analysis (80/20 rule)
- Impacts overall (end to end) effectiveness
 - e.g. inaccurate insurance information



Create a “Process Improvement Plan”

- Involve someone from each affected process
- Have the team determine what process changes are needed
- Track “before and after” process metrics

“The problem is at the top; management is the problem.”
 --W. Edwards Deming



- “Process Improvement Plan” created by a “Process Team”
 1. Team formed representing each affected process
 - Scheduling, Front Desk, Billing (A/R), Surgeon’s office
 2. Team reviews the data and agrees to the 50% target
 - Team had the option to change the target





3. Team looks at metrics to identify “root causes”: discussion and research of root causes shows

- Scheduling is done by a temp 2 days a week
 - Insurance info from 22% of patients vs. 55% on other days
- Front desk has significant turnover
 - Training is limited and doesn't focus on insurance details
 - Insurance info accuracy varies widely by individual (“out of control”)
- It is time consuming to update insurance information in the system
- Front desk is rushed at the beginning of the day



4. Team recommends actions:

- Scheduling temp: request same temp each week, conduct more training, share accuracy comparisons weekly
- Beginning of the day: schedule half of patients 15 minutes earlier to provide more time for each patient

5. Management agrees to recommended changes for 3 month trial

- Compare insurance accuracy “before and after” (after requires 45 day lag)
 - Plus process metrics and costs
- Publish insurance accuracy (as measured by claim acceptance) weekly



- 3 month trial after a 2 week training period; starting on the first of the month
 - Process Improvement Team encouraged to monitor progress and take notes regarding the process





- At the end of the trial:
 - Inaccurate insurance reduced by 40%
 - Days in A/R over 90 from 22% to 15%
 - Billing staff overtime reduced by 80%

- Was this “Process Improvement” a success?
 - Yes: real, bottom-line benefits
 - No: missed the target for 50% denial reduction

- Analysis of results needs to be deeper
 - Scheduling accuracy (100% accurate insurance info) is now 57% with little variation across days
 - Same temp and training a definite success
 - Front desk accuracy (100% accurate insurance info) little changed
 - Additional 15 minutes not a success





The team's hypotheses were

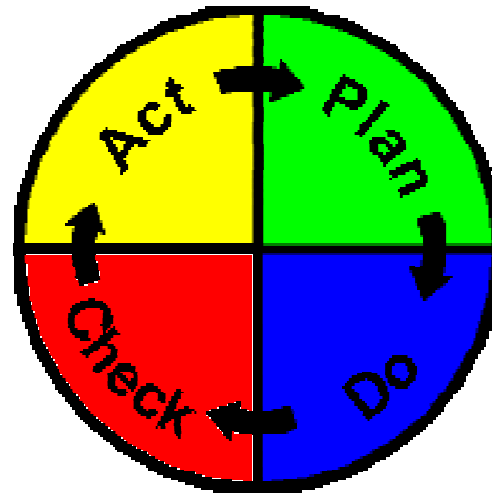
- Using the same temp with training will improve results
 - Make this a permanent change; or
 - Consider other options to test: e.g. part-time employee
- Scheduling patients earlier at the beginning of the day will improve accuracy
 - Abandon this experiment
 - Look for other ways to improve the process





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Plan

- Days in A/R analysis showed denials needed focus
- Process Improvement team and plan
 - 2 “process changes” (temp, staggered start to the day)

Do

- 3 month trial

Check

- Temp changes positive, staggered start wasn't

Act

- Make changes to temp process permanent?
- Abandon staggered start

Repeat: Plan, Do, Check, Act



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Using Quality to Improve ASC Collections: 4 Tips from Advantedge Healthcare Solutions

<http://info.ahsrcm.com/quality-improves-collections/>

Drive ASC Denials Down to Reduce Costs & Drive Revenue Up

By Bill Gilbert, Vice President of Marketing, and Brice Voithofer, Vice President of ASC and Anesthesia Services

<http://info.ahsrcm.com/drive-denials-down/>

3 Common Surgery Center Billing, Coding and Collection Mistakes

Becker's ASC Review interview covers common ASC billing mistakes.

<http://info.ahsrcm.com/3-common-asc-billing-mistakes/>

3 Steps to Improve ASC A/R Performance

As originally published in SurgiStrategies.

<http://info.ahsrcm.com/3-steps-to-improve-ar/>