MEETING TODAY'\$ REIMBUR\$EMENT CHALLENGE\$:

A CASE STUDY

FOR SUCCESS

Presented by

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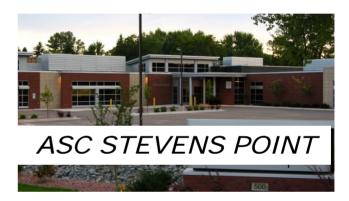
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TYPICAL SIGNS OF A TROUBLED CENTER



- Days in A/R
- Revenue
- Non-compliant
- Inefficient



- A/R increasing
- Not collecting all available revenue
- Worried about compliance
- Behind in billing

CENTER HISTORY

- When evaluated, Center open less than a year
- Multi-specialty
- Two operating rooms
- Medicare certified
- 100 cases/month average
- Clinic and ASC same site

SPECIALTIES

- Orthopedics
- Ophthalmology
- Pain Management
- Urology
- Podiatry
- General Surgery
- Plastic Surgery

EVALUATION REQUEST

- The ASC of Stevens Point requested that our company perform a reimbursement cycle evaluation to determine if:
 - 1) their processes are efficient
 - 2) their reimbursement is optimized
 - 3) they are meeting compliance guidelines

EVALUATION FINDINGS AND RECOMMENDATIONS

CENTER INFORMATION

- Open for 10 months
- Semi-rural area
- Solely owned by physician and non-physician partners
- Average case volume 80-100 month
- Physician clinic same building
- Clinic staff doing billing payroll reimbursed by ASC

PAYER MIX / RATES

Payer Mix

Medicare	Medicaid
BCBS	W/C
PPOs	Indemnity

- Contract reimbursement mixture of:
 - percentage of Medicare groups
 - discount off billed charges

FINDINGS AND RECOMMENDATIONS

PROCESSES

- Using practice software
 - Recommend purchasing ASC software
- No CMS list of ASC covered services or matrix of insurance contracts
 - Recommend providing both to scheduler and insurance verifier
- No up-front collections
 - Recommend notifying patient of financial responsibility before DOS

FINDINGS AND RECOMMENDATIONS

REIMBURSEMENT

- Billing not up-to-date
 - Recommend hiring additional staff or outsourcing
- Coding inaccuracies identified
 - Recommend coding audit by certified coder – rebill where necessary
- Not following up on submitted claims
 - Recommend audit to determine timely filing, refunds, resubmission claims

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

- Receptionist making patient contact calls
 - Recommend moving these calls to back desk for HIPAA reasons
- No notification to payer of OON
 - Recommend notifying payer at time of verification and again at claim submission
- No advance notice of financial policy to patient
 - Recommend providing written policy prior to DOS via phone or brochure

OTHER RECOMMENDATIONS

- Review fee schedule
- Contact insurance network to request insurance contracts
- Changes in staffing tasks
- More separation between Clinic and ASC

BOARD DECISIONS

PLANNED CHANGES

- Revise fee schedule
- Request copies of payer contracts
- Outsource coding and billing
- Appoint new administrator
- Discontinue leasing employees
- Adopt business office recommendations

"WIN-WIN" RELATIONSHIP

- Teamwork
- Common goals in improving reimbursement
- Excellent communication
- Desire to grow the center
- Value compliance

AMBULATORY SURGICAL CENTER OF STEVENS POINT



CHALLENGES

- Practice software not meeting all ASC needs
- Billing outsourced to clinic billing staff resulting in:
 - overwhelming volume
 - increase in errors due to lack of ASC billing knowledge
- Revenue stream reduced to trickle

CHALLENGES

- Days in A/R escalating
- Claim backlog growing
- Denial rate climbing
- Cost of staffing and supplies as a percentage of revenue continuing to increase
- Non-compliance concerns mounting

CHOICES TO BE MADE

DECISIONS

- 1. Have center evaluated for efficiency and compliance
- **★** AFTER EVALUATION DECISIONS
- Outsource coding and billing
- Incorporate suggestions received from evaluation

CHOOSING A BILLING COMPANY

- Specializes in ASC billing
- Experienced in your facility's specialties
- Reputation within the industry
- Uses only certified coders
- Understands and follows current compliance regulations
- Has up-to-date programs for HIPAA, Red Flag and RAC audits
- Performs internal audits
- Fees based on productivity
- No off-shore outsourcing

CHANGES WE MADE

- Appointed separate ASC Administrator
- Changed to ASC software
- Revised fee schedule
- Acquired copies of payer contracts
- Initiated use of bank lockbox

CHANGES WE MADE

- Created new insurance verification position
- Established process to collect co-pays
- Developed financial policies to handle self-pay patients, payment plans, financial hardship cases, etc.
- Made changes in business office task responsibilities

ADVANTAGES

OUTSOURCING ADVANTAGES

- Outsourcing company uses experienced billing staff whose only tasks are coding and billing
- Eliminates billing calls to center
- Reduction in front office staff results in:
 - less payroll and benefits
 - less computers and desks
 - more space

OUTSOURCING ADVANTAGES

- Allows ASC staff to concentrate on other tasks
- No worries about billing staff coverage for vacations and employee turnover
- Decreased A/R dollars and days
- Regular revenue stream
- Reduced compliance concerns
- Daily interaction with billing company

RESULTS - ONE YEAR LATER

- Outsource date January 1, 2008
- 100 cases per month
- Days in A/R decreased from 79-44 (25%)
- Over 120 decreased from 22% to 8%
- Average Collections increased from \$160,000 to \$250,000 per month
- Average Gross Charges increased from \$353,860 to \$584,055
- Meeting compliance guidelines

EVOLUTION OF OUR RELATIONSHIP

THREE-STEP PROGRAM

1. Reactionary

- "just get us through it all"

2. Educational / Informative

- learning curve
- details important to ongoing survival

3. Advice / Consultative

- payer input
- compliance input
- collaborative team

"WIN-WIN" RELATIONSHIP

- Teamwork
- Center able to focus on patient care
- Adding new physicians
- Increasing caseload
- Daily communication with billing company
- Billing company provides worry-free billing services
- Assists with business policies and procedures where applicable



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Certificate of Participation

Name

Meeting Today's Reimbursement Challenges: A Case Study for Success – Webinar

Date