

Payer Contracting *plus* Revenue Integrity Team *equals* Results

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Disclosure

I have no actual or potential conflict of interest in relation to this presentation- E. Lamkin

Objectives

- Understand the importance of payer contracts
- Understand the "assembly line" of revenue integrity
- Understand how to structure revenue integrity to get better financial results



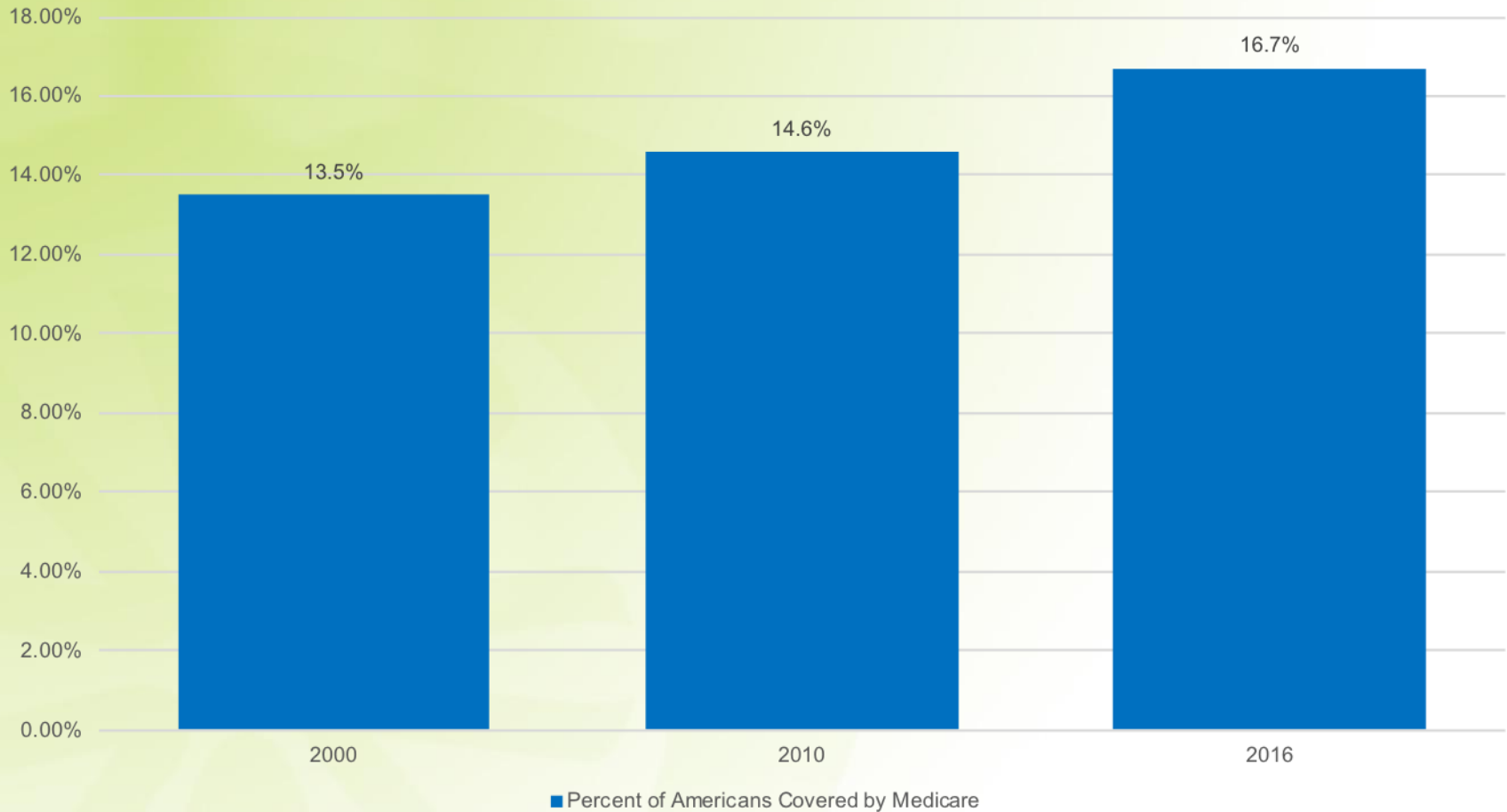
Managed Medicare (MA)

HOW BIG IS IT?

Percentage of people covered by Medicare in the US



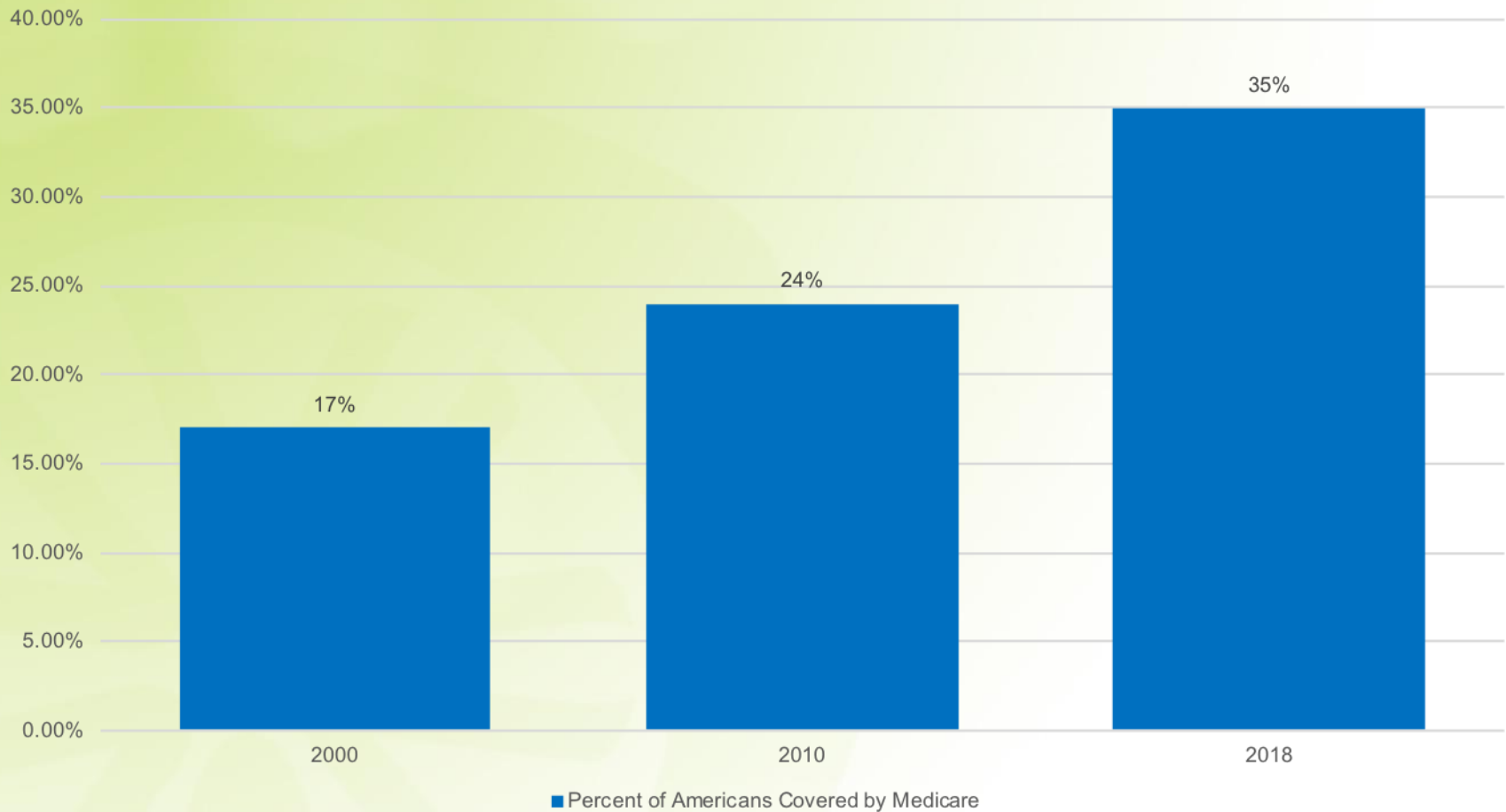
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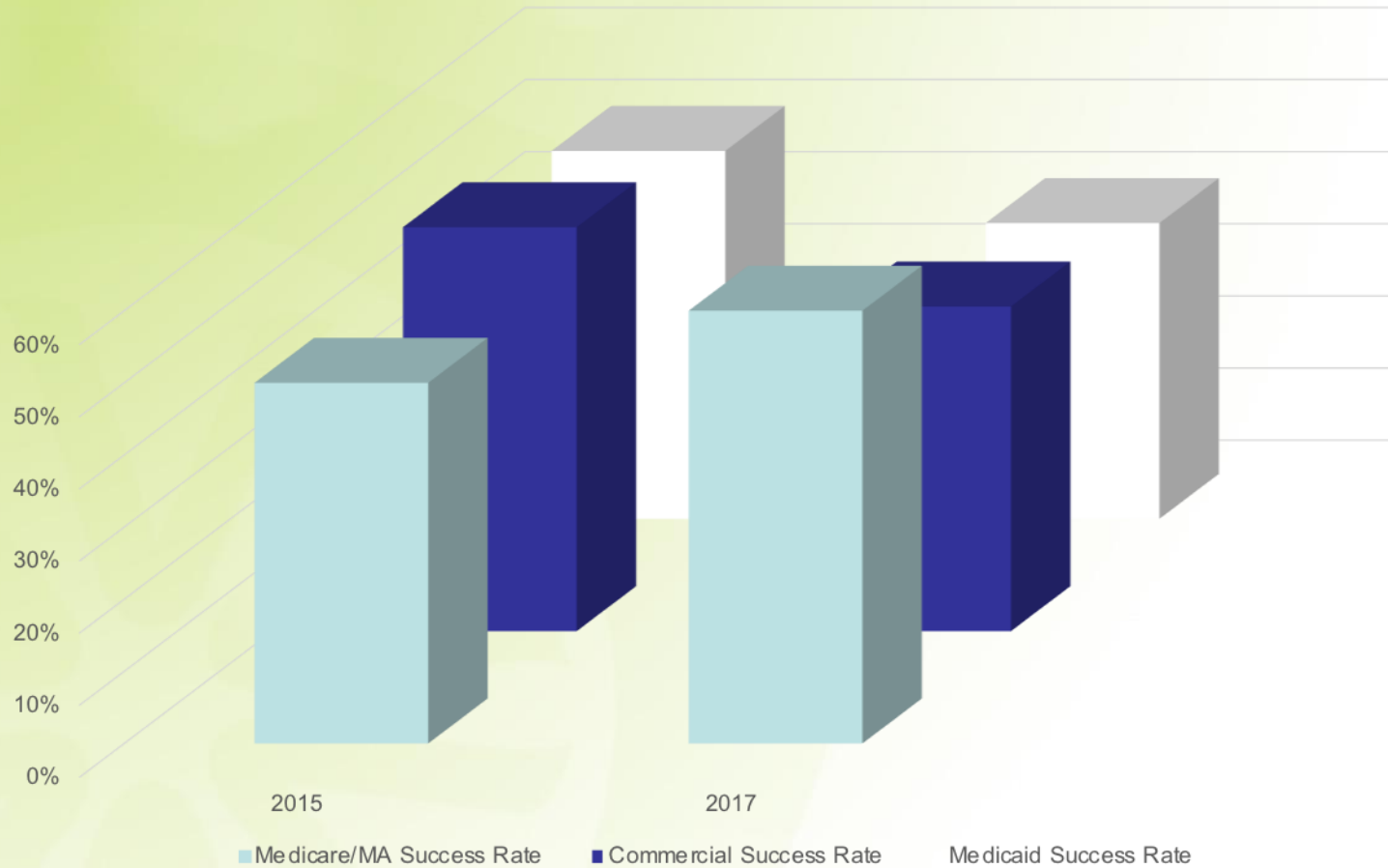
Percent of Medicare Enrollees in Medicare Advantage Plans



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Hospital Appeal Success Rates



What to do?



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- Define, understand and improve the revenue integrity “assembly line”
- Create an organized team approach to manage revenue integrity
- Use the back end denials to inform the front end of improvement needs

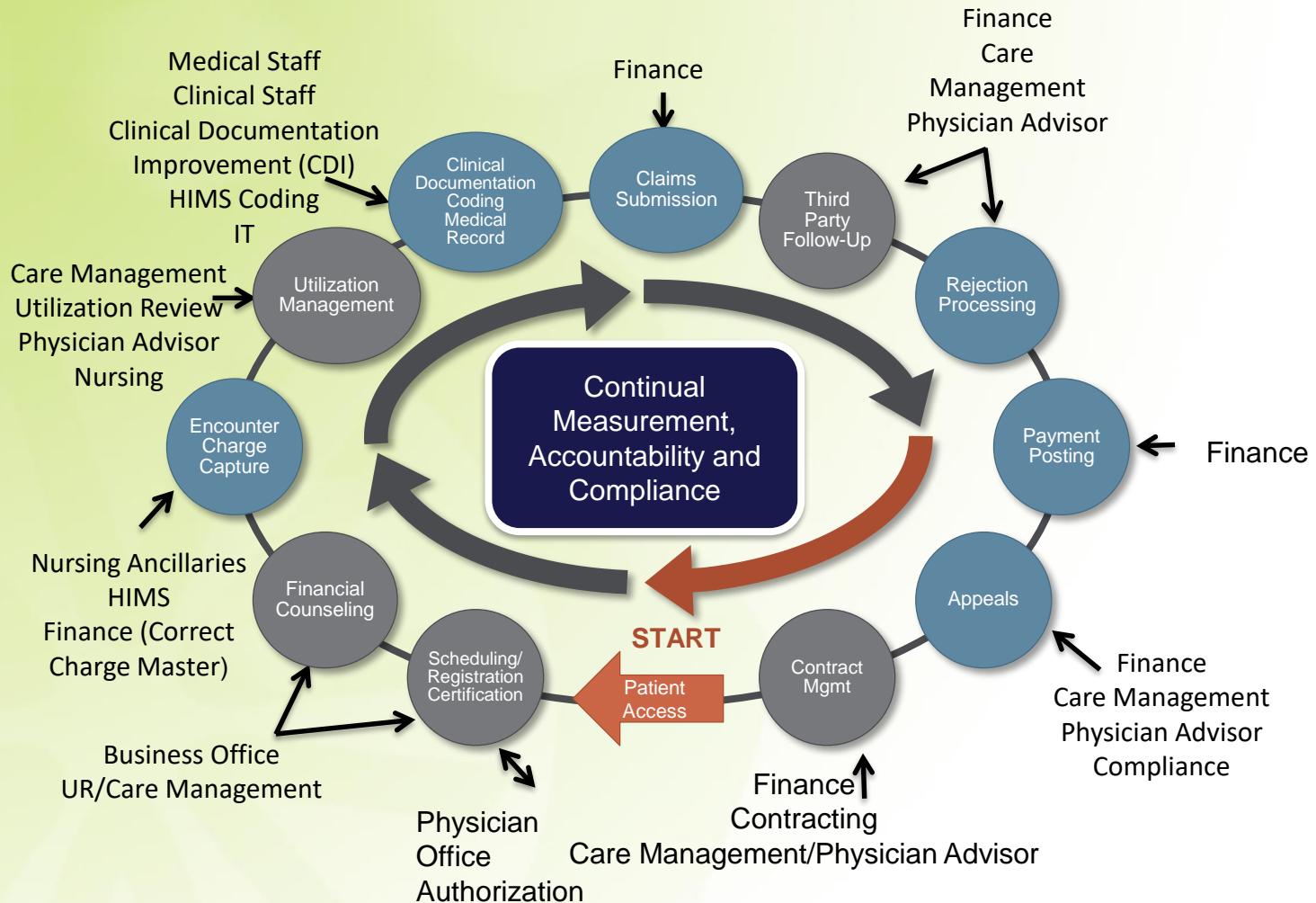
Define Revenue Integrity



“The basis of revenue integrity is to prevent recurrence of issues that can cause revenue leakage and/or compliance risks through effective, efficient, replicable processes and internal controls across the continuum of patient care, supported by the appropriate documentation and the application of sound financial practices that are able to withstand audits at any point in time.”



Define Revenue Integrity “Assembly Line”





How Important are Payer Contracts?

- Contracts dictate *all terms* for payments and requirements for clean claim
- Once a contract is signed the terms are in full force until expiration or renegotiation date
- Contracts are growing with the expansion of Medicare and Medicaid Advantage plans (Managed Medicare)
- A legal document
- Managing Contracted Payer far more complex than Medicare

How Do You Involve All Stakeholders in Payer Contracts for Results?

- Develop a formal committee structure or “information highway” for communication and accountability of revenue integrity
- Invite Physicians and PAs to the table to fully advocate for patient needs
- Request legal involvement/considerations
- Measure and report revenue integrity results to hospital and medical staff



Building Blocks of Hospital Organization and Systems



Structure

Committee Structure as "Information Highway"

Board
Hospital
Medical Staff

Organizational Structure (Organization Charts)

Hospital
Medical Staff
Information Technology
Infrastructure & EMR
(WHAT)



Process

Board & Hospital Plans
(Compliance, Quality, UM)
Committee Minutes
IT Use & Access to Data
Policies and Procedures
Chart Review and Reporting
Education and Training
Rounding for Results
Human Resources &
Evaluations
Peer Review

(WHEN, WHERE, WHY)



People

Staffing Levels
Staff Knowledge
Staff Training
Accountability
Culture

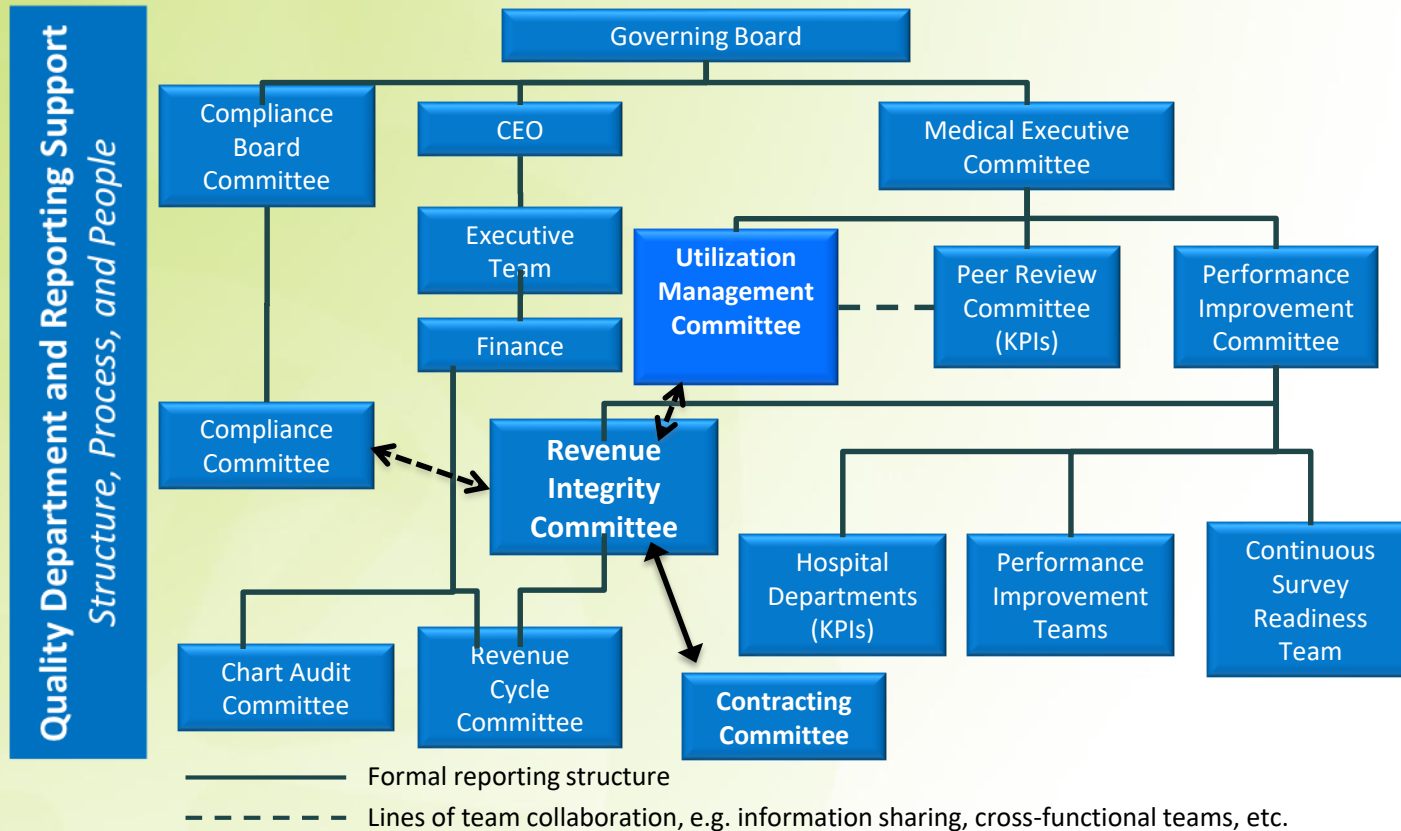
(WHO)

Continual Measurement and Accountability

“The Information Highway” Committee Structure



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Revenue Integrity, Billing And Denials Committee Lead by CFO

Denial Analysis by Payer, Dollars at Risk, Root Cause

Report Initial and Final Denials

Each component of revenue integrity assigned a KPI

Report KPI to Billing and Denials Committee

Measure Improvement in Dollars

Do Not Underestimate Reporting



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Pearson's Law: "That which is measured improves. That which is measured and reported improves exponentially." - Karl Pearson

How To Track And Trend

- Denials Software
 - Government
 - Commercial
 - MA Plans
- Must be able to produce consolidated report with root causes
- House internal audits in same software
- Compare to denials to contracts

Report, Report, Report

	Quarterly Contract Committee Agenda	Time
I.	Approve Prior Meeting Minutes – sent out for review in <date> Must have access to and Administrative Assistant to Support the Committee Must have access to a data analyst to support the committee	1 min
III.	Operating Issues from end users <ul style="list-style-type: none">• (issue)• (issue)• (Issue) Denials <ul style="list-style-type: none">• (root causes)	15 min
IV.	Contract Language Changes	15 min
V.	Review of Payer Grid	10 min
VI.	Review of Payer Scorecard	10 min
V.	New Business	5 min
VI.	Assignments	4 min
VII.	Adjourn	

Physician Advisor Role



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Physician Advisors (PA) are uniquely positioned to improve contracts, improve documentation and partner with payers to affect positive change.

Contracting Input From Experience

Language
Terms
Definitions
Payer Relations Medical Director

Ensure Concurrent Compliance to Contract Terms

Documentation
Peer to Peers
Medical Necessity
Provider Engagement
Concurrent Education
Case Management and CDI

Adjudicate Appeals/Denials

Peer to Peers
Ensure Adherence to Appeals and Denial Terms
Feedback Loop to Stakeholders
Input on Appeals

Expectations for the Hospital Team

- Treat payers like other vendors
- Collect data on key performance indicators (KPIs)
- Use scorecards to track and trend KPIs for the RI team to review and suggest changes
- Customize contract KPIs for the facility

Sample Payer Scorecard



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- Payer Market Share
- Payer Percent of Hospital Revenue
- Actual Payment Vs. Contracted Amount
- Utilization by Product Line
 - (Low margin vs. high margin)
- Number of Claims Resolution by Level
- Cost of Appeals
- Overall Profitability
- Initial Denial Rate
 - Root Causes
- Final Denial Rates
 - Root Causes
- Dollars at Risk in Denials
- Accuracy of Payer Verification Database
- Bad Debt
- Hospital Aging Report (Indicates Slow Payer)
- Late Payments
- Deviation from Standard Coding
 - Managed Medicare
 - Commercial
- Number of Special Edits Required (slows process)
- Billing Efficiency for Hospital
- Time Spent on Authorizations
- Device Payments or Carve Outs
- Staff Satisfaction with Payer
 - Make Internal Survey Part of Quarterly Contracting Process
- Payer Publically Reported Quality Indicators
- Hospital required Value Based reporting

Staff Require Knowledge for Results

- Provide Payer Grid to Key Staff and PAs For Front End Effectiveness
- Transparency of contract terms and definitions is a basic need
- Without information the front end is flying blind



Simple Excel Payer Grid Example: MA Plans

Payer Name	Renewal Term dates	Does payer follow Medicare rules?	Is there a glossary of terms?	Access to payer UR criteria. InterQual or MCG.	Definition of IP (For example two midnight rule)	Definiation of observation status	Follow IP only list?	Per Diem Rate	DRG
Carve outs	Notification Required	Medical Director name and contact info	Auth Required	Is auth binding?	Time frame for payer to give auth	Clinical documentat ion required?	Auth peer to peers allowed?	Denials appeals process provided	Follow RAC Statement of Work rules?



Simple Excel Payer Grid Example: MA Plans

Rebill OP allowed if IP denied?	Denial peer to peer allowed?	Payer required quality reporting (list in notes)	Payer contact information	Payer mail address	Payer fax number	Payer phone	Other contacts	Miscellaneous
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Commercial	MA	MedicaidMA	IRF	Payment Methodolgy Definitions			Notes	+		

Finally

- There is a sea change in the importance of revenue integrity and contracting that requires a team approach to manage
- Payer contracting is a key component of revenue integrity
- A revenue integrity "Information Highway" informs all stake holders
- The Physician Advisor is a key component for revenue integrity, negotiating, and, executing on contracts and denials



Thank you!

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