Proactive and Corrective Action Strategies

National Survey of Hospital Best Practices

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Objectives

- Identify which strategies have been recommended in the literature

- Determine which proactive strategies are used in hospitals

- Determine which corrective action strategies are used in hospitals.

Proactive Strategies

- Formulation of RAC team or Committee

- Implementation of a RAC tracking solution

- Clinical Documentation Improvement

- Case Management

- Education

Corrective Action Strategies

- Reporting and identifications of trends

- Performing a root-cause analysis

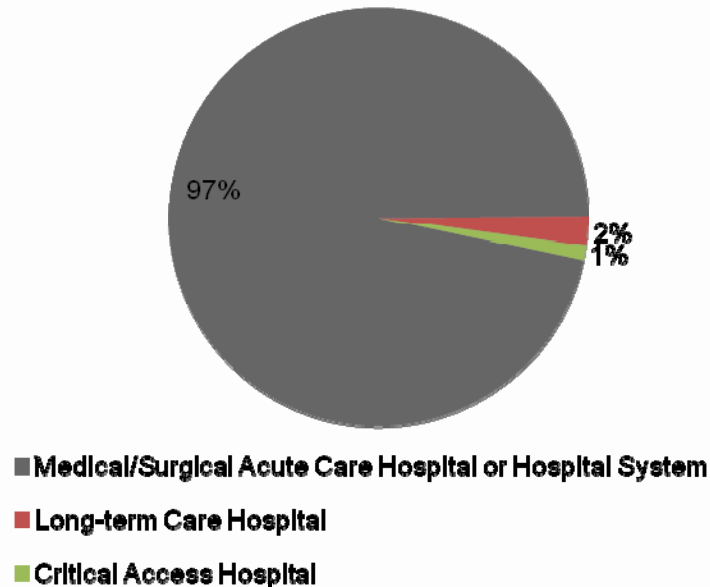- Development and implementation of a corrective action plan

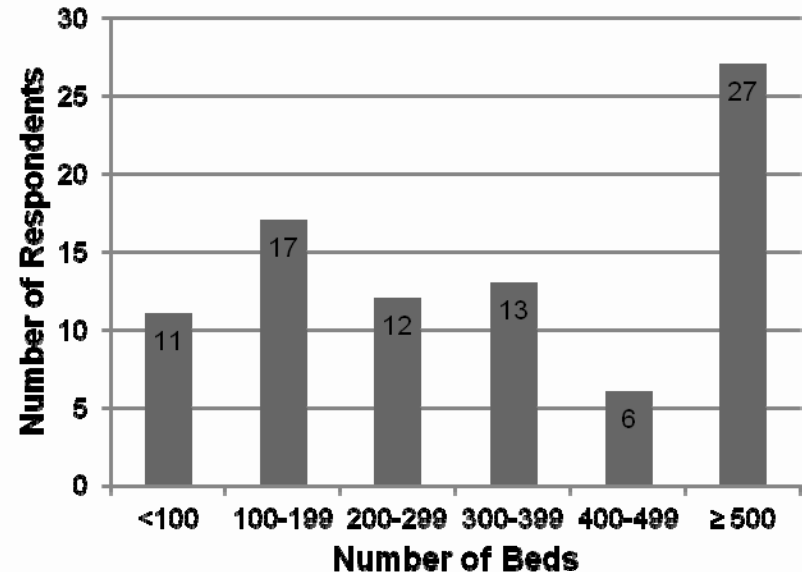Results

RESPONDENT CHARACTERISTICS
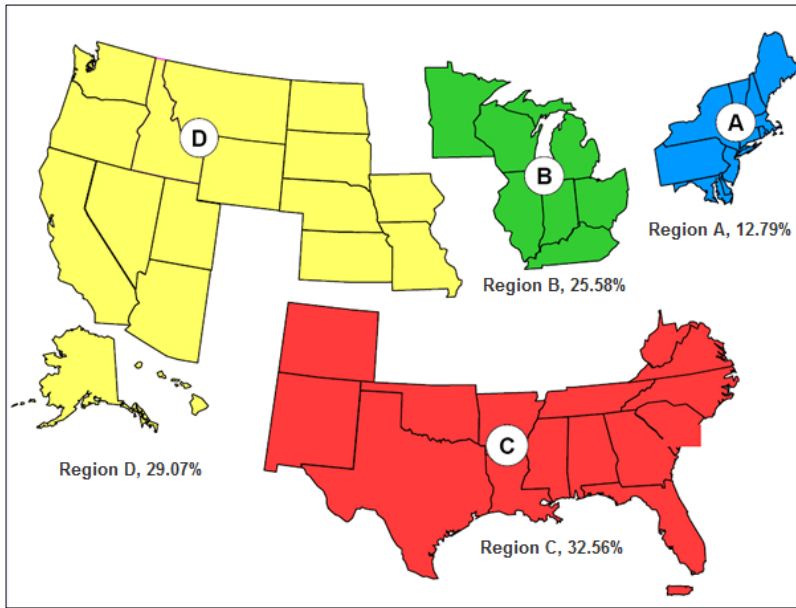
Facility Characteristics

Facility Type


Pie chart:
- 97% — Medical/Surgical Acute Care Hospital or Hospital System
- 2% — Long-term Care Hospital
- 1% — Critical Access Hospital

Bed Size

Bar chart — Number of Respondents vs Number of Beds:
- <100: 11
- 100-199: 17
- 200-299: 12
- 300-399: 13
- 400-499: 6
- ≥ 500: 27

Facility Characteristics

Facility Location

Region A, 12.79%

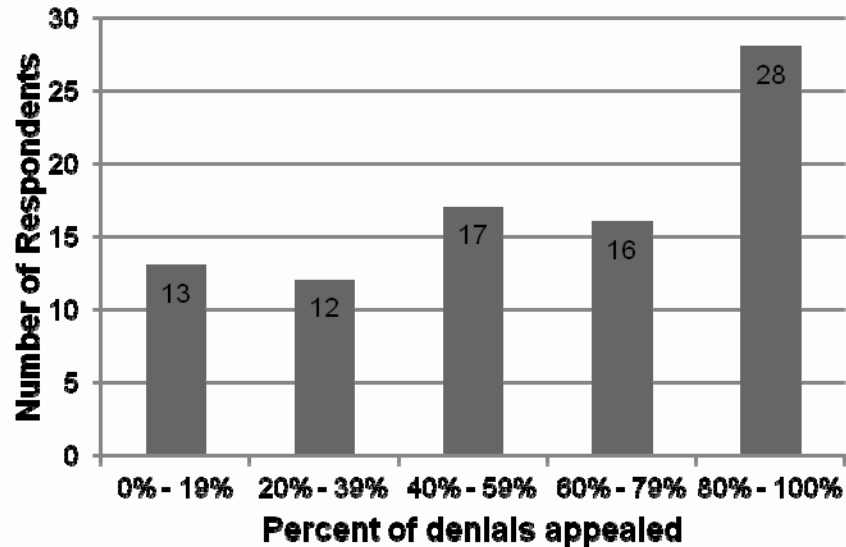Region B, 25.58%

Region C, 32.56%

Region D, 29.07%

Map Source: (RACNationalProgramandContractorInformation, 2014)
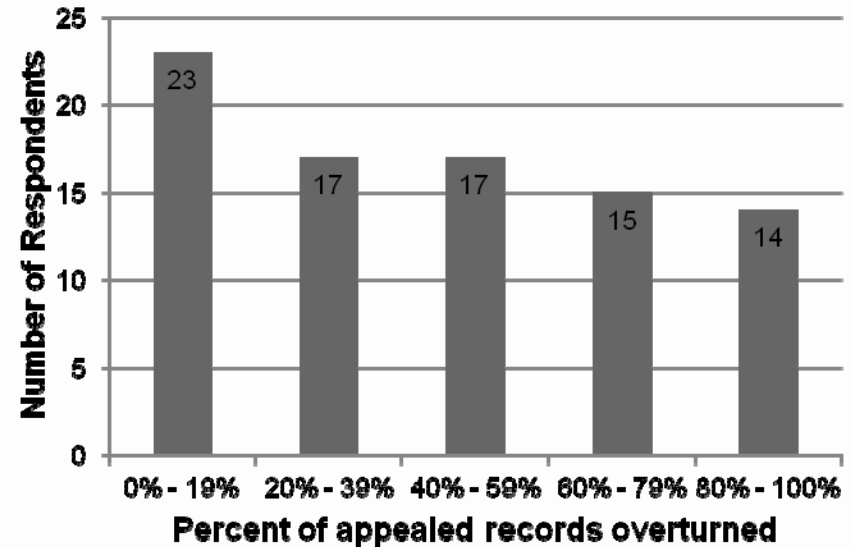
Estimated Denials
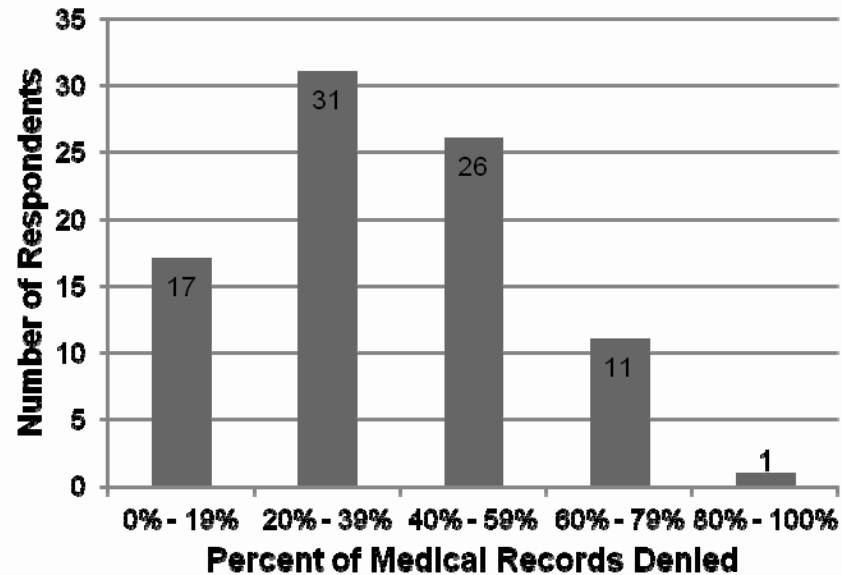
Facility Characteristics

Estimated Appeals

Estimated Appeals Overturned

Results
PROACTIVE STRATEGIES

RAC Committee

- 79% of survey respondents have a RAC Committee

- Larger facilities more likely to have a RAC Committee

  - 85.19% of facilities with 500+ beds have a RAC Committee

  - 54.55% of facilities with less than 100 bed have a RAC Committee

RAC Committee

Department	Number of Responses	Percentage
Health Information Management	60	92.31
Finance/Revenue	59	90.77
Utilization Management/Case Management	55	84.62
Compliance	52	80.00
Business Office	51	78.46
Clinical Documentation Improvement	45	69.23
Physician/Medical Staff	35	53.85
Nursing	26	40.00
RAC Medical Director	16	24.62
Information Technology	14	21.54
Legal	13	20.00

RAC Committee

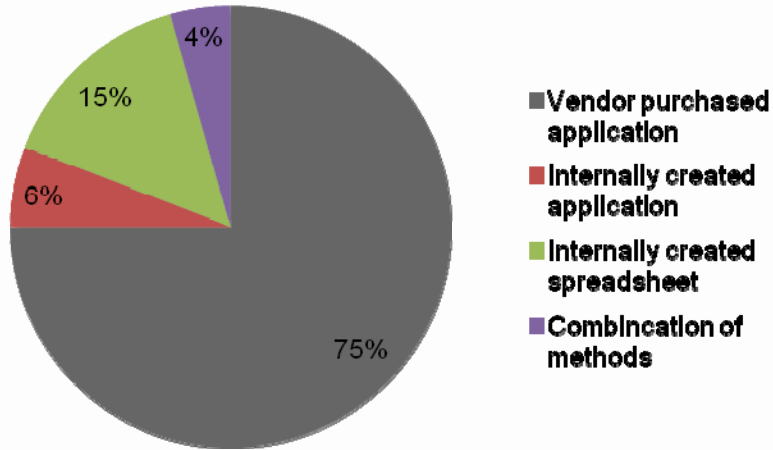| Role/Function	Number of Responses	Percentage
Track and report on denials	92	93.58
Manage denials and appeal processes	58	89.23
Determine RAC workflow	54	83.08
Review potential risk areas	52	80.00
Educate medical and administrative staff	42	64.62
Develop policies and procedures	38	58.46
Develop organizational work plans	34	52.31
Prepare educational materials	31	47.69
Other	4	6.14

RAC Tracking

- 89% of survey respondents have a RAC Tracking solution

- Only 60% of facilities with less than 100 beds have a tracking tool

RAC Tracking

Tracking Solution Origination

- Vendor purchased application
- Internally created application
- Internally created spreadsheet
- Combination of methods

75%, 15%, 6%, 4%

Tracking Solution Features

- 34% have esMD

- 68% track tasks

- 56% integrated with financial system

- 91% have reporting capabilities

Self-Assessments

Quick Facts

- Only 42% of respondents are conducting self-assessments or gap analyses.

- Only 65% percent of those indicate reporting their findings.

Self-Assessment Target Areas

Target Area	Number of Responses	Percentage
RAC Approved Issues List	23	74.19
Office of Inspector General (OIG) work plan	22	70.97
RAC Demonstration Target areas	21	67.74
Program for Evaluating Payment Patterns Electronic Report (PEPPER)	19	61.29
Data from local quality improvement organization	6	19.35
UHC data	5	16.13

Case Management

- 97% of facilities reported having a case management or utilization review department

  – 3%with no case management were long-term care hospitals located in Region D.

- 80% provide education to medical staff on proper utilization management

- 93% monitor short-stay admissions

- 70% function seven days a week

Clinical Documentation Improvement

- 88% of respondents report having a clinical documentation improvement program

    – Only 29% of respondents with less than 100 beds have CDI

    – 100% of respondents with greater than 400 beds have CDI

- 61% of facilities report that CDI and Case Management work together

- 58% of facilities report that CDI staff provide education to medical staff on RAC-focused documentation issues

Education

- Only 37% of respondents report having an education program specifically for RAC.

  – Of those respondents, 82% are using an internally developed program, and 18% are using a third party program.

- 68% use an internal communication method for distributing information and providing updates

Education by Department
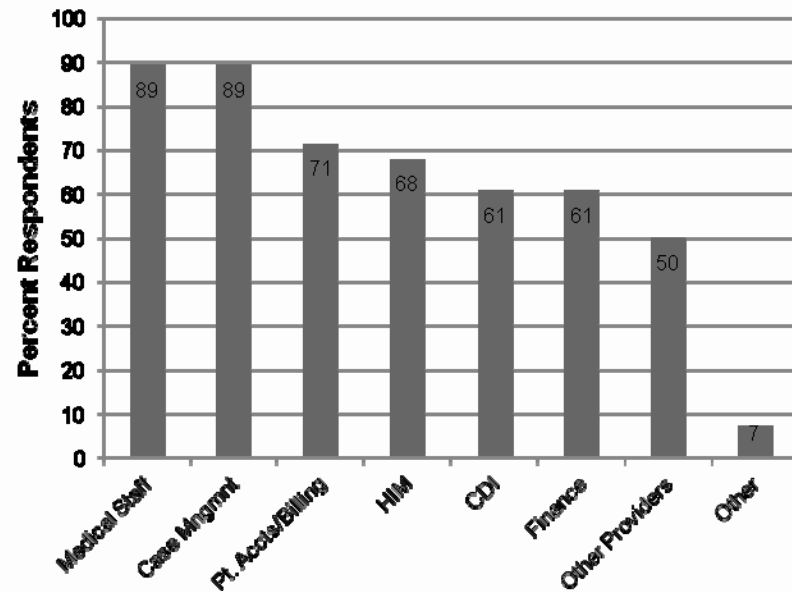
Results

CORRECTIVE ACTION STRATEGIES

Reporting

- 64% of respondents report using a RAC dashboard or similar RAC reporting mechanism

- Only 29% of facilities with less than 100 licensed beds reported using a RAC dashboard.

Reporting

Dashboard Features

Feature	Number of Responses	Percentage
Volume of records requested	45	93.75
Volume of denials received	45	93.75
Dollars resolved	44	91.67
Dollars at risk	43	89.58
Appeal outcomes	42	87.50
Type of denials received	40	83.33
Type of records requested	38	79.17

Reporting

Dashboard Distribution

Group	Number of Responses	Percentage
RAC Committee	41	85.42
Executive Leaders	33	68.75
Finance	26	54.17
Clinical Documentation Improvement	12	25.00
Board of Directors	10	20.83
Other	10	20.83
Coding Staff	9	18.75
Medical Staff	7	14.58

Root-Cause Analysis

- Only 53% of respondents routinely performs root-cause analysis (or other formal investigation) for identified RAC issues.

Corrective Action Plans

- Only 48% of respondents reported a corrective action plan was implemented to address identified issues.

- For those that have corrective action plans, the below items were addressed:

  - 92% education

  - 85% documentation tools

  - 71% policy/procedure development

  - Other: charge entry processes, charge master updates, creation of electronic health record alerts, internal communication processes

SUMMARY & RECOMMENDATIONS

Summary

Most likely to be implemented:

- Case Management (97%)

- Clinical Documentation Improvement (88%)

- RAC Tracking (89%)

Less likely to be implemented:

- Educational Programs (37%)

- Self-Assessments (42%)

- Root-Cause Analysis (53%)

Summary

- Larger facilities or facilities with a high volume of RAC activity were more likely to have implemented the strategies surveyed.

  - Likelihood of a RAC Committee, RAC Tracking solution, CDI program, and self-assessments were associated with larger bed-size facilities.

  - Facilities with high volume of RAC activity were more likely to have conducted a root-cause analysis

Recommendations

- Review and become familiar with the strategies recommended in the literature.

- Additional research is needed to determine the cost-effectiveness of these strategies to aid facilities in determining whether they could be implemented within their organizations.

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