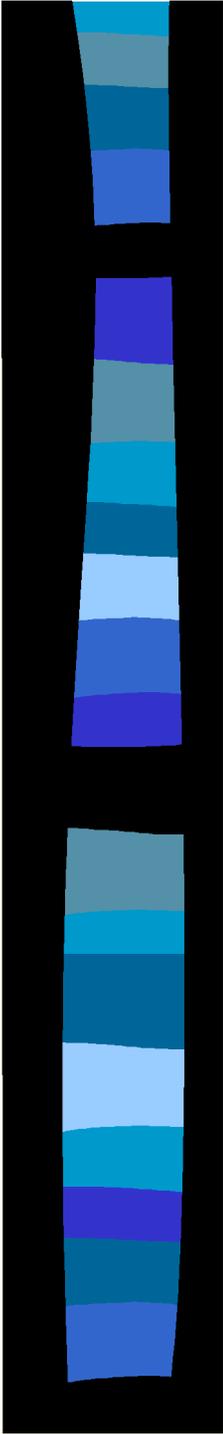


## **Leaving Money on the Table?**

**A Case Study: How an EMR boosted one clinic's bottom line through improved E&M coding and charge capture.**

**Tracy L. Angelocci, M.D., F.A.A.P.**

**e-MDs, Vice President of Medical Informatics**



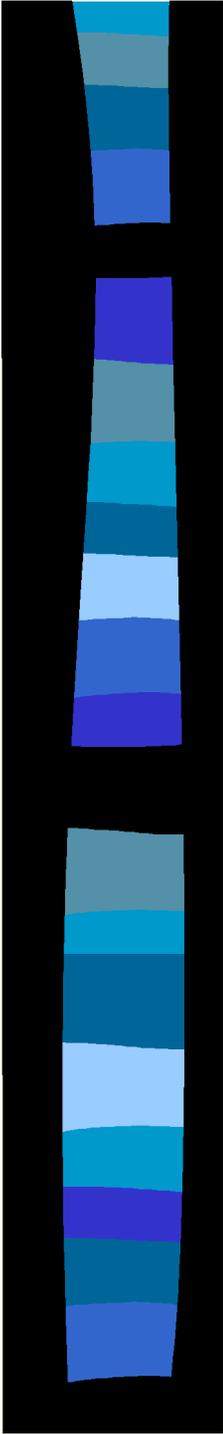
**Focus:** Recognized problems of E&M under-coding and other lost charges

**Question:** Can an EMR improve E&M coding and charge capture? If so, what is the associated return on investment?

**Study Site:** Northwest Diagnostic Family Medical Center, from 05/01/00 through 08/31/00

**About Northwest Diagnostic:**

- Primary care practice located in Cedar Park, Texas
- 3.5 FTEs (physicians, physician assistants)
- Patient volume of 25,000 visits/year
- Integrated EMR and practice management system (topsSuite by e-MDs) in place for 2 years



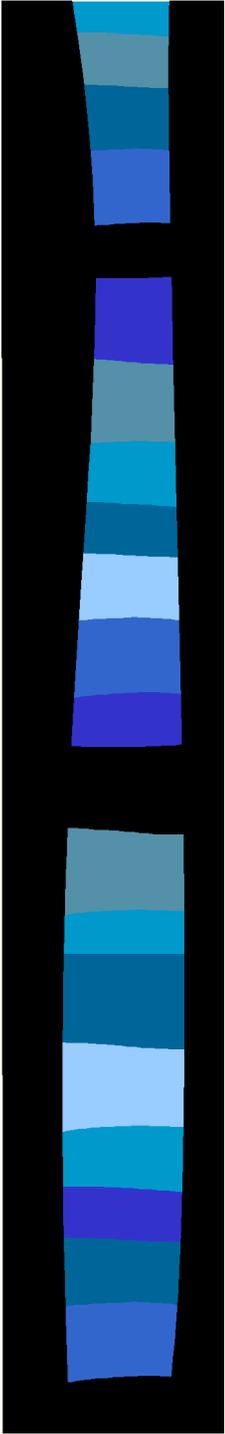
## The Problems:

### Provider down-coding of E&M levels

- inability to apply detailed and confusing HCFA regulations in a practical manner
- inadequate time and resources required to produce detailed visit documentation
- fear of an audit

### Poor charge capture for supplies

- lack of tools (such as charge sets) that prompt charge capture
- non-use of tools due to time pressures and lack of integration with the core workflow

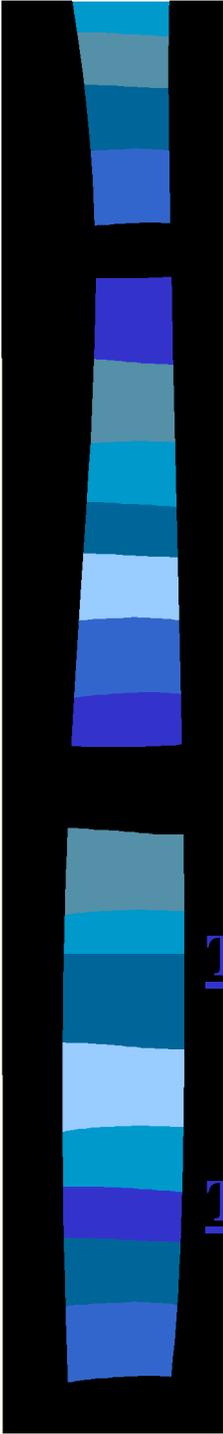


## The Potential Solution:

### An integrated EMR and practice management system

#### Specific Tools:

- EMR facilitating rapid, extensive note documentation, used at the point-of-care. Complete, accurate documentation may justify higher E&M level coding.
- Physician-initiated billing: Diagnoses and procedures documented during note creation in the EMR. Physician selects E&M level assisted by built-in coding support tools. Billing codes automatically transfer from EMR to an invoice in the billing software.
- Secondary review of codes: Billing staff opens the invoice initiated in the EMR and applies charge capture aids, such as charge sets and prompts for frequently overlooked CPT codes.



## Better E&M Coding?

- EMR allows for complete and accurate documentation at the point-of-care.
- Rapid documentation tools afford more time for more detailed history and examination, leading to higher than average E&M levels.
- E&M coding support in the EMR helps ensure accurate coding.

**The assumption:** Physicians at Northwest Diagnostic assume that the EMR assists them in coding to higher E&M levels, and that clinic income is increased as a result.

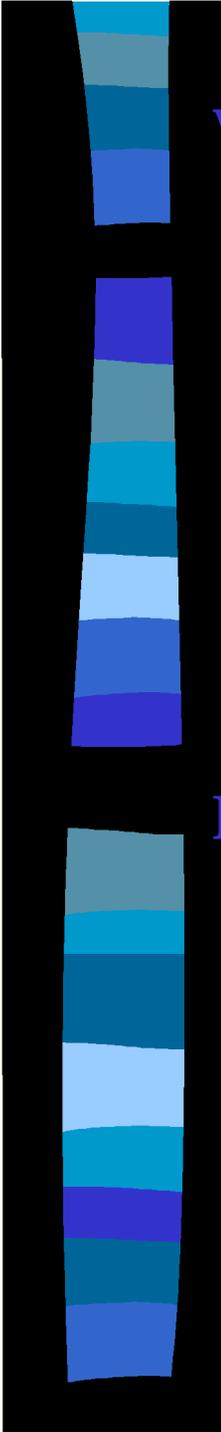
**The test:** Compare Northwest Diagnostic's E&M coding patterns against state averages, and calculate the economic impact of an altered coding pattern.

## Distribution of E&M Code Levels as a Percentage of Total Visits: Comparison of Northwest Diagnostic (NWD) and Texas Blue Shield

E&M CPT Code Level	NWD	Blue Shield
<b>Level 1</b> (codes 99201, 99211)	<b>5 %</b>	<b>4 %</b>
<b>Level 2</b> (codes 99202, 99212)	<b>6 %</b>	<b>24 %</b>
<b>Level 3</b> (codes 99203, 99213)	<b>60 %</b>	<b>54 %</b>
<b>Level 4</b> (codes 99204, 99214)	<b>28 %</b>	<b>15 %</b>
<b>Level 5</b> (codes 99205, 99215)	<b>1 %</b>	<b>3 %</b>

[1] CPT Codes and description copyright American Medical Association.

[2] Source for Texas Blue Shield Figures: 1MR3 Carrier Procedure Monitoring E&M Service Distribution Report for Jan-Jun 1998, processed through Sep 1998.



## We compared:

**Actual reimbursement** received for those E&M CPT codes (billed 5/1/00 – 8/31/00, and collected through 11/9/00)

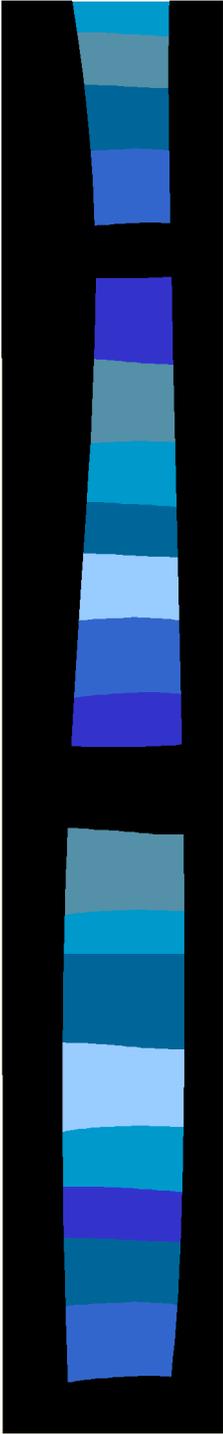
**Versus expected reimbursement**, had Northwest Diagnostic's E&M billing distribution matched that of the state average

## Results:

**19% higher reimbursement** than what would be expected based on the state's average E&M distribution

**\$ 9.01 per visit increase** in reimbursement, when averaged

**\$ 120,000 increase in revenue**, when annualized

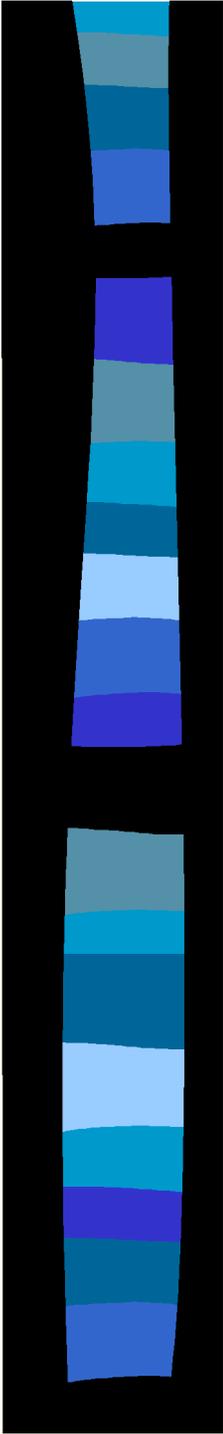


## Better Charge Capture?

- When a physician orders a procedure (CPT) in the EMR, an automatic charge prompt for associated supplies (HCPCS) is displayed.
- The billing software prompts for frequently overlooked charges, such as those for venipuncture and specimen handling.
- These tools are part of the natural workflow, not additional processes.

**The assumption:** Built-in charge capture prompts lead to more complete billing, and clinic income is increased as a result.

**The test:** Determine Northwest Diagnostic's total billing for supplies and other frequently overlooked charges, and tally the reimbursement for these items.



**We measured:**

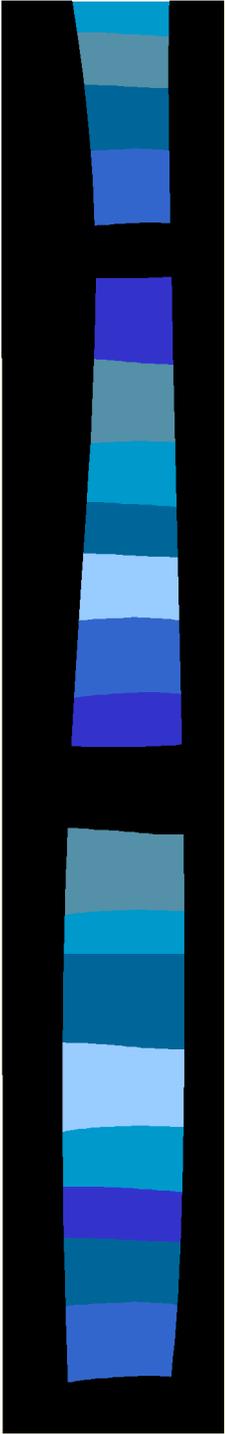
**Actual reimbursement** received for HCPCS supply codes and for CPT codes for venipuncture (CPT 35145) and specimen handling (CPT 99000)

(billed 5/1/00 – 8/31/00, and collected through 11/9/00)

**Results:**

**\$ 7.41 per visit increase** in reimbursement, when averaged

**\$ 118,768 in revenue**, when annualized



## Conclusion:

Improved coding accuracy from a fully implemented, integrated EMR and Practice Management system can demonstrate a true return on investment.

The doctors at Northwest Diagnostic directly attribute their increased income to the documentation afforded by the EMR and to charge capture prompts.

**These two items alone increase annual revenue by nearly a quarter of a million dollars.**