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**MPAA**

Michigan Patient Accounting Association  
Region I

***MAHAP/MPAA Revenue  
Cycle Conference***

*September 21-23, 2011*

*“Revenue Cycle Management  
During the Healthcare Reform  
Evolution”*

**NO EXCUSES!  
Removing the Barriers and Enabling  
POS Collections**

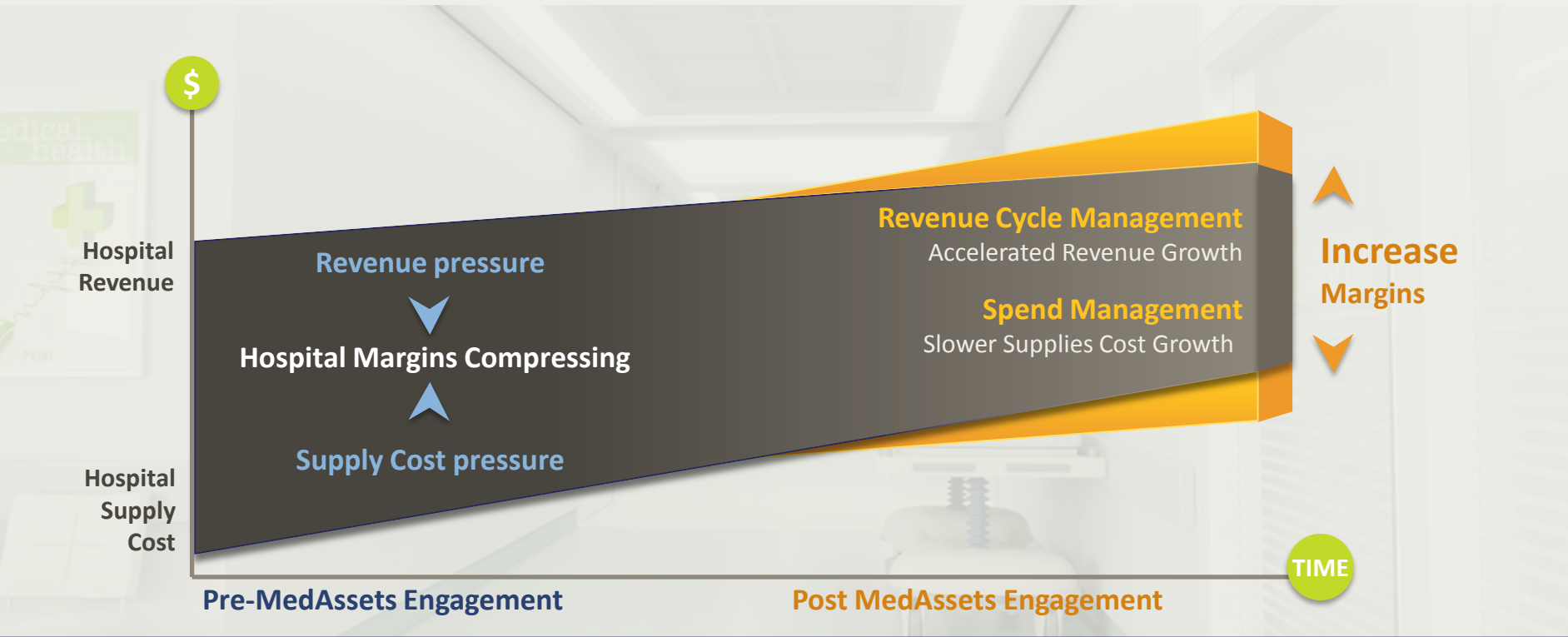
**Julie (Waddell) Kay**

VP, Revenue Cycle Solutions Strategy

MedAssets

# MedAssets Delivers Meaningful & Sustainable Improvement

Operating Margin Impact of up to 5%



Strategic Sales and Account Management

Enterprise Implementation

Flexible SaaS Technology

Financial Performance Targets



# MedAssets Revenue Cycle Management Solutions

Revenue Cycle Consulting & Transformational Services

End-to-End Workflow and Dashboard

## Access Integrity Solutions

Patient Access Workflow

Patient Bill Estimation

Eligibility and Benefit Verification

Medical Necessity

Point of Service Collections

Registration Quality

Access Consulting Services

## Charge Integrity Solutions

Chargemaster Management

Pricing Management

Regulatory Research and Alerts

Supply and CDM Linkage

Pharmacy and CDM Linkage

Defensible Price Modeling Services

CDM Standardization and Consulting Services

## Revenue Capture Solutions

Charge Capture Audit

Clinical Documentation Improvement

Case Management Workflow Manager

Charge Capture Recovery Services

Charge Capture Consulting Services

## Reimbursement Integrity Solutions

Claims Management

Medicare Direct Claims Management

Remittance Management

Denial Management

Contract Management (hosp and professional)

Monthly Reserve Preparation

Claims Audit Management (RAC)

## A/R Management & A/R Services

Collections Management

A/R Analytics

Accounts Receivable Services

Silent PPO Recovery Services

Underpayment Recovery Services

Denial Recovery and Appeal Services

RAC Appeals

## Decision Support and Cost Management

Budgeting

Cost Accounting and Profitability Analysis

Departmental Performance Management

Clinical Analytics and Service Line Management

Quality Management and Key Indicators

## Health Reform Initiatives

Episode of Care Modeling and Management

Service Line Analytics

Medicare Break-Even

PAC Analysis

## Payer Technology Solutions

Contract Modeling & Claim Repricing

Groupers and Coding Tools – ICD 10

Medical Necessity Edits

Transplant Manager

# Overview

- **Obstacles**
- **Why collect at the point of service?**
- **The Valley Presbyterian story....**
  - What was the status before
  - Implementing change
  - Process, procedure, training, measurement, setting expectations
  - Current Status
- **Final Thoughts & Questions**

# Obstacles

- **Patient out of pocket increasing**
  - High deductible health plans
  - Healthcare Spending Accounts (HSA)
  - Consumer driven health plans
  
- **Greater population of uninsured**
  - 49.9 M Americans
  - Undocumented patients

# The Revenue Cycle Starts at Registration

- Percent of data needed for billing originating at registration – 70%
- National average registration error rate - 46%
- Percent of denials that could be prevented at registration - > 50%



**GastroEast Patient Registration**

**Healthcare Informatics Research Series**

**Data** <http://www.hci-research.com/ME2/Default.asp>

**Patient Access Resource Center -**

<http://www.hcpro.com/content/70254.pdf>

**NAHAM -**

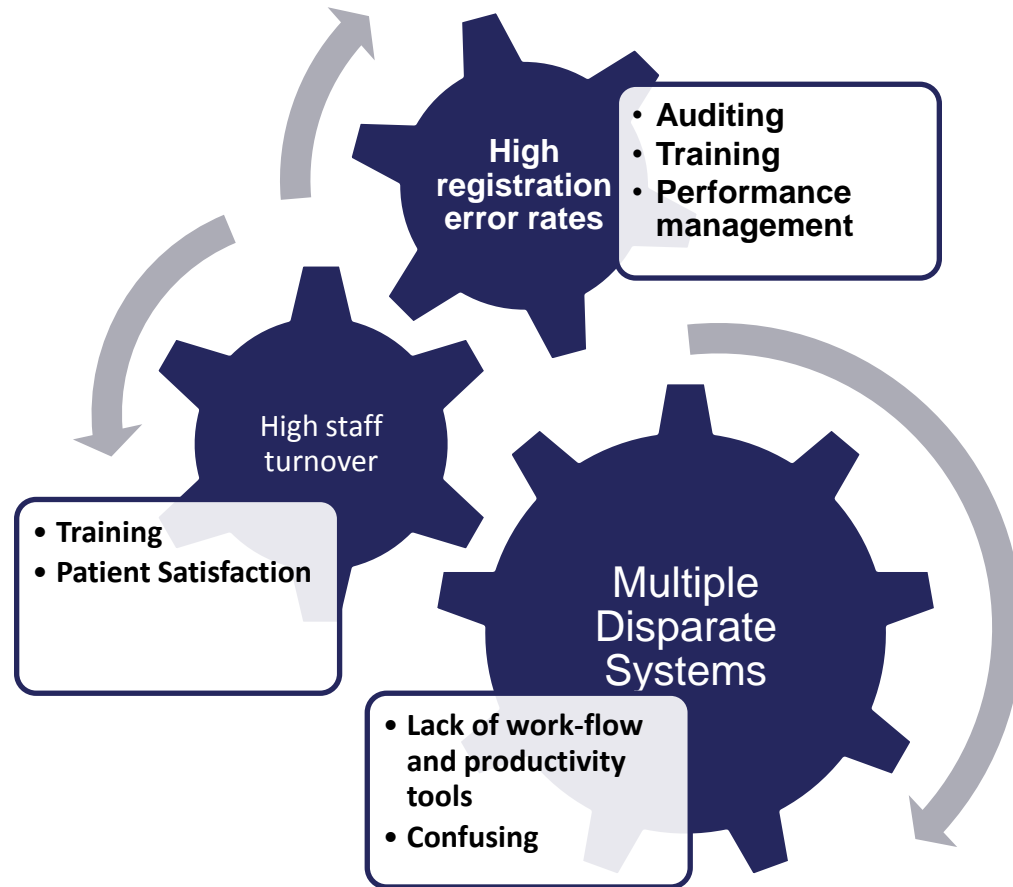
[http://www.nxtbook.com/nxtbooks/naham/acc\\_essmanagement\\_200912/#/18](http://www.nxtbook.com/nxtbooks/naham/acc_essmanagement_200912/#/18)

**Modern Healthcare -**

<http://www.modernhealthcare.com/article/20091228/VIDEO/312289958/1157>

HCPRO Quarterly benchmarking report 12/08

# Access Management Key Issues



# Obstacles

- **Complex benefit plans**
  - Deductible
  - Co-insurance
  - Co-pay
  - Out-of-Network vs. In-Network
  - Have you tried to read a “271”?
- **Prior authorization/pre-cert requirements**
- **Medical necessity limitations**
- **Forms: HIPAA, Consent to treat, MSP, DPOA, etc.**
- **Multiple disparate systems**

# Why collect at POS?

- You don't get what you don't ask for.
- Providers that ask collect up to 20 times more at the POS.
- Patient's are 65% more likely to pay when asked prior to services being rendered.
- Bad Debt avoidance.
- Why NOT collect at POS?

# Defining Financial Clearance

- **Definition**

- **All patients must be financially cleared.** It is done prospectively, concurrently and retrospectively to ensure proper adjudication by the payor and patient understanding of financial obligations and requirements.

- **Key Components**

- Insurance eligibility/benefit verification
- Obtaining all necessary insurance approvals
- Calculating Patient Liability
- Collecting or attempting to collect OOP
- Financial counseling
- Identifying alternative payment sources.

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# The Valley Presbyterian Hospital Story

MedAssets

# Introductions

- **Paul Manganiello is the Director of Admitting at Valley Presbyterian Hospital in Van Nuys, CA.**
- **Mr. Manganiello has 22 years of experience in Healthcare, and 15 of them are in the area of Patient Access. He began his career in Massachusetts before moving to California in 1999. During this time, Mr. Manganiello has strived to improve the quality of patient access for his employees, patients, physicians and any customers that encounter his areas within the hospital.**

# Assessing the “situation”

- **Evaluating processes**
  - There was none
- **Findings:**
  - Responsibilities
  - POS Collection status
  - Staff accountability
  - Training issues
  - Barriers

# Patient Excuses

- **Nobody told me I would have to pay.**
- **Just bill me.**
- **How did you come up with that amount?**
- **I don't have any money.**
- **I thought the ER was free.**
- **I'm sick and all you care about is getting your money.**

# Employee Excuses

- **They said they couldn't pay.**
- **How would I know what 20% co-insurance should be?**
- **I forgot.**
- **I don't know what the price is for those tests.**
- **The patient left before I could ask for money.**
- **We were busy.**
- **My password doesn't work.**

# Process and Procedure

- **Develop specific policies and procedures related to POS Collections with emphasis on the differences in Patient Access areas (ie: ER, L&D etc).**
- **Consult with employees during the decision making stages and discuss reasons for the changes**
- **Ask for feedback on the proposed changes in your staff meetings**
- **Clarify everyone's role in the change process and involve them in the strategies for implementation**
- **Develop a timeline on specific actions of implementation and the priority of actions**
- **Provide training on new systems and procedures**
- **Review the progress of the change and maintain open lines of communication**

# Processes

- **Set your staff up for success**
- **Clearly define expectations**
- **For example, POS Collections:**
  - Determine the who, where, when, why and how
  - Include payment alternatives
  - Is payment a requirement or a request?
  - Identify escalation process
  - Define discount policy and who is authorized to offer
  - Establish goals: department/individual
  - Incentives and celebrations

# Implementing Change

- **Inform Your Employees of the Change**
- **Goal and Vision Discussion**
- **Make it a Team Effort**
- **Stress on the Positive**
- **Provide Training**
- **Open Communication**

# Training

- **Provide training on systems and the process changes for calculating patient financial responsibility and producing estimates for the patients**
- **Provide employees scripting, expectations and scenario based encounters prior to implementation**
- **Follow up on training to ensure use and compliance with newly established processes**

# Expectations and Accountability

- **Provide clear expectations of when the employees should be creating an estimate related to all POS collections.**
- **Clearly define the process for every POS collection from scripting to collections, receipts and documentation.**
- **Perform random audits of patient accounts to ensure compliance.**
- **Review estimates in the system and establish a follow up process for patients who could not pay at the POS.**
- **Empower your employees to be accountable to their immediate supervisor for communicating the status of their POS collections performance throughout the month.**

# Scripting

- **REMEMBER:** It is not enough for everyone to know policies and procedures. It is important for everyone to communicate the right message, and to know it is the same message anyone else in the department would give in that situation. It also means that all employees communicate as a team.
- **Scenario based training and scripting.** Role play those scenarios and barriers your employees frequently encounter so the next time, they are prepared and in control of the interaction.

# Give the Patient Payment Options

- **The more payment options you can offer the patient, the more likely you are to collect.**
- **What payment options do you offer your patients?**
- **Why credit cards are a great payment tool:**
  - Over 80% of people have at least one credit card
  - People often keep them for emergencies
  - Credit card companies can extend credit lines for medical emergencies
  - They give patients greater flexibility to pay

# Incentive Program

- **Set up a clearly-defined bonus program including your criteria of choice such as:**
  - Meeting monthly POS goal
  - Zero Disciplinary Counseling during the month
  - Compliance with all requirements
  - Set up top collector bonus for each area as an incentive.
  - Put supervisors on bonus program also.
  - Set specific goals for each role based on area worked and FT/PT status
- **Example:**
  - Collection Expectations:
  - Each full-time Inpatient Financial Counselor is expected to have a minimum of 16 transactions and a minimum of \$16,000 each month.
  - Each full-time ER Financial Counselor is expected to have a minimum of 16 transactions and a minimum of \$3,600 each month.
  - Each part-time ER Financial Counselor is expected to have a minimum of 8 transactions and a minimum of \$1,800 each month.

# Support & Encouragement

- **Staff meetings**
- **Email or post POS updates during the month to show the departmental and individual progress towards monthly goal.**
- **Encourage open communication with employees related to their performance and ability to meet their individual goal.**
- **Praise and recognition when the department or areas have done a great job!**



# Utilizing Technology

- **Evaluate technology:**
  - Automation
  - Integration
- **How many systems do you have to use to Financially Clear a patient?**
- **Stress Accuracy**
  - Eligibility
  - Estimation (data, data, data)
  - Disclaimer! (it's only an estimate)

# Results

- **In August 2007, Valley Presbyterian Hospital's POS collections were \$63,000.**
- **In July 2008, our collections were at \$151,000. That is over a 100% increase in 1 year.**
- **For the month of February 2011, the Patient Access Department at Valley Presbyterian collected \$227,000 in POS Collections!**

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# Final Thoughts



# Improving Your Chances of Getting Paid

**Why is it important that patients pay at the time of service?**

- **Commitment to treatment**
- **Continued quality of care within the community**
- **Less stress**
- **Convenience to the patient**
- **Better relationships between the facility and patients**

# Importance of Collecting Early

## Collecting Early Gets Results!

- **Payments collected at point of service achieve a 92% success ratio**
- **Payments collected at discharge achieve a 75% success ratio**
- **Payments collected after 60 days achieve a 12% success ratio**
- **Beyond 90 to 120 days, we are at a serious risk of never collecting the money owed the hospital**

# Why Getting Paid “Something” at Time of Service is Critical

- People who pay part of the bill at time of service are 65% more likely to pay again
- It validates the bill.
- Patients have invested in their care at the hospital.



# Tools for Success!

- **Technology**
- **Scripting**
- **Training**
- **Support (all the way from the top!)**
- **Incentive Program**
- **Continuous re-evaluation**
- **Hand-outs!**

# REMEMBER

Our job is to ensure there are...



# Contact Information

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# *Questions*





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