

# REAL WORLD SOLUTIONS FOR APC COMPLIANCY & REVENUE CYCLE ENHANCEMENT

– Presented by PPMCC, Inc

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# Our Revenue Cycle Enhancement/Improvement Program

- Our Revenue Cycle Analysis Review Program
- The primary areas of review included in our Revenue Cycle Program:
  - Accounts receivable billing, follow up, and collection process.
  - Review of top 20 Medicare DRGs for current and prior year to determine quality of Medical Record Documentation
  - Self pay collection process and overall effectiveness of yield
  - Accounts Receivable Aging Review by Payer which should also include number of accounts in each category
  - Decision Support Software capabilities and cost accounting capabilities
  - Current capabilities to estimate Managed Care Payments and variation process when variances are noted
  - Overall Registration process with a particular emphasis on insurance classification accuracy
  - Review and discuss Medicare APC/CDM/Pricing Compliancy and Revenue findings
  - Medicaid eligibility services and how complete is this process for early morning patients and weekend coverage. How does service work in the Emergency Department?

# Selected Revenue Cycle Enhancement Services

- **Medicaid Eligibility Services:**
- **Full Service Collections Services:**
  - Self pay and EOV collection services for the entire continuum.
  - A previous client hospitals self pay collections went up from **12% to 34%** utilizing this service.
  - Another client hospitals utilizing EOV services increased their collections \$800,000 per month with minimal patient complaints
- **Insurance Follow Up Services:** This service acts as an extension of the business office for all sized accounts the business office is not staffed for timely follow up efforts. A quick review of the aged trial balance indicates the opportunity for improvement. This service has produced an annual benefit at a client hospital which exceeds **\$16 million** in income statement benefit at a cost of **\$1.2 million**.
- **Medicare Inpatient Underpayments:** This service does part A audits, which typically find an additional 2% of Part A reimbursements on a contingency basis. In addition, an excellent managed care software is offered that tests for underpayments for all government and commercial payers and this service can also be implemented on a contingency basis.
- **Medicare Inpatient Documentation:** This service helps hospitals optimize their Medicare CMI while being compliant with the Medicare guidelines. This service can often help the hospital increase their CMI anywhere from 6 to 12 points. since 1990.
- **Registration Process Improvement:** The product we represent is a software tool that significantly enhances the accuracy of the insurance registration process.

# The Revenue Cycle Gold Standards

## How Does Your Hospital Compare?

<b><u>Measure</u></b>		<b><u>Top Quartile</u></b>	
1)	Net Revenues per CMI adjusted admission (Using All payor CMI)	1)	>\$7000
2)	Net A/R Days	2)	50 Days
3)	Bad Debt as % Gross Revenues	3)	< 3 %
4)	Self Pay Receipts as %Self Pay Revenues	4)	> 25%
5)	Avg. Self Pay Collection/Account Collected	5)	> \$350
6)	DNFB Days Beyond Hold Period	6)	< 2 Days
7)	% A/R over 90 Days	7)	< 15 %
8)	% A/R Over One Year Old	8)	< 3%
9)	Annual Underpayments Captured as % of Net Revenues	9)	> 3 %
10)	Medicare CMI as Function of Surgical Case percentage	10)	1.0 plus Surgical % Times 2

# Revenue Cycle Analysis Program

- Industry Standard Financial Indicators are included in final report and are also used to monitor future results of our operational/financial recommendations
  - All comparisons are made against best practice hospitals.
- If your hospital does not meet the top quartile standards, we can help your hospital achieve significant net income/revenue performance/improvement quickly
- **Benefits of Our Revenue Cycle Program: \$\$\$\$**
  - **3% to 8% Annual Improvement in Net Hospital Operating Revenues/Income over prior period!**
    - ✓ Assumes full implementation of our APC/Revenue cycle programs
    - ✓ Reasonable/Low Up Front Program Costs
    - ✓ Plug and Play Products/Consultants

# Revenue Cycle Analysis Program Fieldwork & Implementation Process

- **Fieldwork Process**

- ✓ Hospital/health system gathers needed materials to send to our revenue cycle consultant.
  - All information should be readily available on routine reports and we are flexible regarding report formats.
- ✓ Consultant will spend four to five days on site, interviewing key individuals responsible for key areas of the revenue cycle.
- ✓ Draft report summarizing our findings and recommendations will be presented to Executive Team approximately three weeks after fieldwork is completed.
  - We identify any operational/financial issues of interest that should be included in final report.
  - Issue final report and recommendations, including proposed implementation schedule

- **Implementation Process:**

- ✓ Hospital client determines next steps regarding implementation:
  - ✓ Our consultant accompanies all consultants/vendors whose services will benefit Hospital.
  - ✓ We prioritize projects, taking into consideration system priorities, ease to implement and overall impact on the hospital/health system net income
- ✓ We request hospital implements our program recommendations, until one of our programs does not pan out as we say it will.