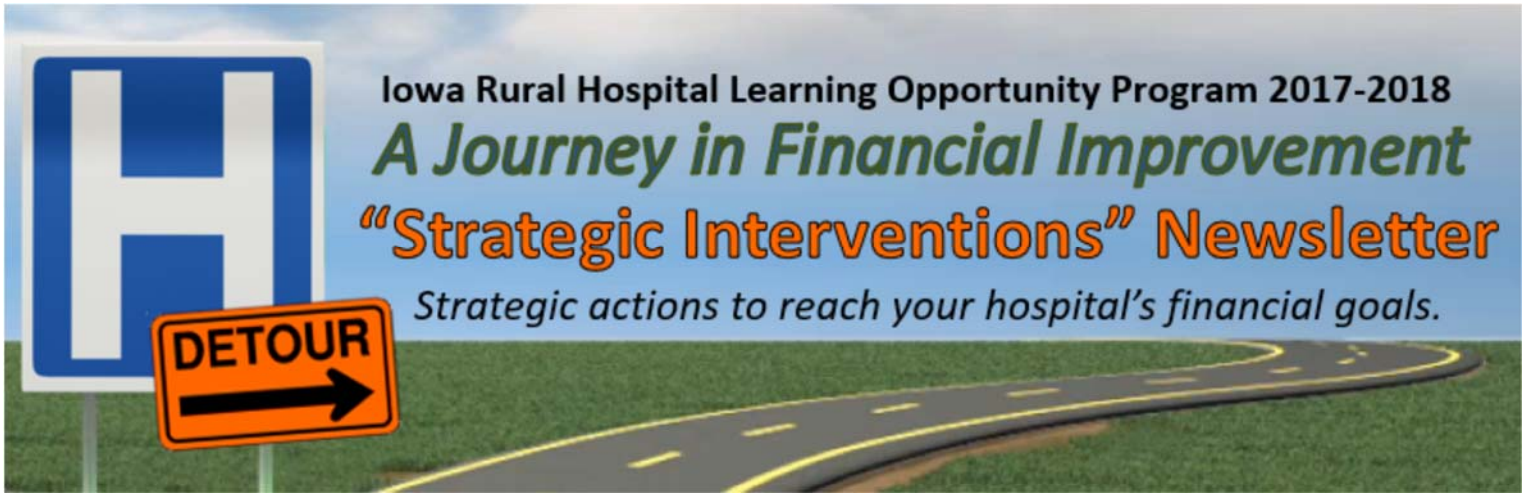

Strategic Interventions:
A Strategy to Ensure Timely Payments

Timely payment of claims is important to your hospital's financial success. A clean claim is the key to timely payments. What is your strategy for ensuring clean claims for processing? U.S. hospitals have a clean claims rate ranging from about 75-85%. What is your clean claim rate?

A hospital clean claim is a claim that requires no manipulation by the billing staff prior to submission of the claim. There is a second type of clean claim. Once a claim passes hospital edits and payer edits, it is also considered a clean claim for payment. Most claims that trigger the hospital billing system edits have errors that can be corrected prior to transmitting the claim.

Approximately 70-80% of errors originate in the Patient Access Department. Data entry is subject to human error. There are strategic interventions you can implement to minimize the impact of your errors. Strategic Interventions include:

1. **Determine your clean claims rates.**
Your hospital billing system should report your percent of clean claims that are processed. Run a report to get a baseline percentage. If your percentage is not 100%, there is room for improvement.

2. T**rack and monitor the claims errors that need correction prior to billing.**
Monitor the errors your billers are correcting. A manager should sit with them to watch the manipulation required to submit a claim in the billing system. Many times, a biller has made the same correction so many times, they don't realize the error could be corrected earlier in the revenue cycle. The more errors being corrected, the more productivity in billing is decreased. Track the errors by type and by employee. Watch for trends in the type of error and by the person responsible. You may have system reports available that will allow you to track the errors causing claims to reject. Analyze those reports and use the data gathered to make improvements in your processes.

3. Personalize education, as needed.
As issues and employee errors are identified, take time to educate employees and evaluate the cause of the issues. Everyone that has input in a claim should understand the importance of accuracy in data collection and entry. That includes everything entered in a patient's chart including demographics, insurance information, charges, ICD-10 codes and more.

If your errors are primarily in the revenue cycle, you can find education at hthu.net in the School of Revenue Cycle Management. You can find education for your patient access, coding and charging staff along with other areas of the revenue cycle. Education is an important part of ensuring clean claims for your hospital.

4. Evaluate the results.
Continue to track and monitor your percentage of clean claims and errors, making changes as issues are identified.

The second type of clean claim, on the payer side, is just as important as those in the hospital billing system. Do you know what is considered a clean claim, once it passes through the billing department and is transmitted to the insurance company? A clean claim for most payers includes a claim that:

- Passes all edits
- Contains eligible services by eligible providers
- Contains medically necessary treatments and procedures
- Contains any needed supporting documentation
- Contains any required authorizations
- Contains approved CPT, HCPCS and ICD-10 codes
- Contains all required data elements on the form submitted
- Coordination of benefits or liability is not an issue

Strategic intervention to help improve your clean claims rates to the insurers include:

1. **Determine your current clean claims rates (on the insurance side).**

Denials will show you the claims processed with errors not caught by your system edits. Denials rates should be considered when looking at your clean claims rates. Claims that deny due to missing information or incorrect information are not considered clean claims; they are claims that your hospital edits did not catch.

2. Analyze denial trends.
If a claim is rejected or denied, it was not truly a clean claim. Determine why claims are being denied. Sort by reason for denial to find trends. You may find that large numbers of denials are coming from a specific payer more often than your other payers. You may also see trends related to physicians, procedures, or departments. Find the trends that are having the most impact on cash flow and focus on correcting the process causing the denials.

3. Perform a root cause analysis on identified trends.
When you have identified denial trends, perform a root cause analysis to determine where in the revenue cycle the denial originated. Evaluate the processes involved and work with revenue cycle staff and medical staff, as needed, to correct the process. If you see a majority of denials are coming from a specific payer, check your contracts. Your contracts may have terminology and requirements you were not aware of; or, the rejections and denials may be in error. Whatever you find in your analysis, use that information to improve the processes in your hospital or share with your payers to ensure the issues are corrected.

4. Evaluate the corrected process.
Once the process has been corrected, monitor it for success. If an edit to stop the claim from processing for the identified error can be implemented, have your claim scrubber vendor add it. The more errors that can be caught and corrected prior to submitting the claim, the faster your payments will be processed.

With the challenging environment hospitals are navigating in healthcare today, it is imperative we find ways to improve cash collection and decrease denials. Identifying barriers to clean claims is a great place to start!
If would like to discuss options for any of these, or other items related to claims, please contact Sandy Sage at sandy.sage@hometownhealthonline.com.

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IDPH Iowa Department of Public Health

PURPOSE:
The Rural Hospital Learning Opportunities Program (RHLOP) exists to support Iowa's CAHs in activities that will improve their financial and operational outcomes.

Working Together for the Survival of Rural Hospitals
19 YEARS
1999-2018