



Strategic Interventions: August

The *Strategic Interventions* newsletter is meant to provide your hospital's financial leaders with practical and effective ideas for improving your finances. They are meant to provide actions to take to improve your hospital's identified long-term financial aims and interests. They may come from industry experts in the form of simple reminders of the "tried and true," new ideas, or shared best practices from other hospitals – and are meant to provide you and your team with check points along the way the "journey to financial improvement." This month, Sandy Sage will share some helpful tips and scenarios of how you can utilize a root cause analysis to improve your billing process.

Strategic Interventions: *The Root Cause*

I recently had a CEO of a very small hospital ask me how she could determine if there were charging and billing errors happening. She needed to know if they were operating in compliance with CMS guidelines and how errors could be affecting her bottom line financially. This is what I told her, and I thought it would be beneficial to share this information with all RHLOP participants.

The best source of information regarding errors is your billing staff. They are the ones that see errors that trigger edits, correct them, and send out your claims. Many times, after the claims are transmitted, the error is not given a second thought. That is an identified flaw in the billing process.

When a claim hits a billing error, that is a great opportunity for a process improvement to be initiated. Claims should be "clean" and if they aren't, the errors should be tracked back to their source. If an error is occurring over and over, a root cause analysis should be done to determine the source. That sounds like a lot of work, but it isn't if you know where to look.

Here's an example to help with clarification.

Surgery claims are hitting an edit for missing charges. There is a CPT code, but no charge in revenue code 360 for it to attach to. To find out why, you would find out who is responsible for entering surgery charges. Contact them directly and let them know that charges are not showing on the surgery accounts. That person could say several things, here are some of the responses you may hear:

1. We are so busy; we don't have time to manually enter those charges until the next week, so you must have gotten the bill before we did charges.
2. We always put the charges in the same day, so I don't know why you cannot see them.

Let's look at number one first. It appears that the surgery manager needs to assess their staffing and

assignments. It should be communicated that charges are a high priority and must be put in the system, before the bills drop into the billing system. Someone from the business office can work with that manager to work out a better process for entering timely charges.

Now, let's look at number two. If the charges are being entered timely, you will have to look closer to find the problem. Is the charge in the chargemaster linked correctly in your electronic medical record system? Is the charge correct in the chargemaster? Does it have the correct revenue code? Are the charges being finalized so they cross to the claim? You can use your IT department to help find the source of this error and correct it.

Both scenarios require you to do follow-up monitoring to ensure your process improvements are working and that the errors are no longer occurring. If errors continue, go back to the OR and find out what barriers there are to the improvements.

If you do this type of root cause analysis with the errors occurring on your claims, eventually the billing staff will be seeing more clean claims. This will improve productivity, increase compliance, increase staff satisfaction and morale, and improve reimbursement.

Another way to decrease errors is with charge audits. Coming Soon to HTHU is a new course "Using Charge Audits to Find Lost Revenue." I think this course will help your hospital improve reimbursement and compliance. Good luck and let us know how you are improving processes at your hospitals!

If you have questions or other items related to this article, please contact Sandy Sage at sandy.sage@hometownhealthonline.com. In addition, if you have best practices related to financial improvement and strategies for success, we invite you to share what has worked for your hospital!

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