# A Journey in Financial Improvement
## Understanding Roadblocks to Clean Claims Processing
## February 21, 2018

**IDPH**
Iowa Department of Public Health

**Iowa Rural Hospital Learning Opportunity Program**

Provided by the Iowa Department of Public Health and HomeTown Health through the
HRSA Critical Access Hospital FLEX Grant 2017-2018, Iowa Grant #5888CA04.

HOMETOWN HEALTH

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## Iowa Rural Hospital Learning Opportunity Program

## Webinar Etiquette

- All attendees are in "Listen Only" mode
- Questions or comments?
  - Open "Questions" pane in dashboard.
  - Type in comments or questions.
  - Comments will be monitored throughout webinar.
  - Questions will be addressed at end of the webinar.

File View Help

Audio
○ Telephone
● Mic & Speakers   Settings
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Questions
Bless you for joining - we will begin at 9am!

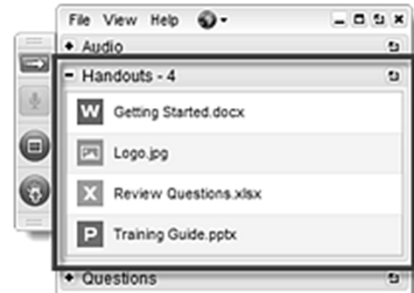[Enter a question for staff]
Send

Questions
☒ Show Answered Questions
| X | Question | Asker |
|---|----------|-------|

Send Privately   Send to All

## Iowa Rural Hospital Learning Opportunity Program
## Webinar Resources

- This webinar will be recorded and emailed to you to share with others on your team.
- Handouts are available for download in the handouts pane and will be emailed out to attendees after the webinar.

File   View   Help

- Audio
- Handouts - 4
  - W  Getting Started.docx
  - 📷  Logo.jpg
  - X  Review Questions.xlsx
  - P  Training Guide.pptx
- Questions

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## Iowa Rural Hospital Learning Opportunity Program
## Continuing Education

As an IACET Authorized Provider, HomeTown Health, LLC offers CEUs for its programs that qualify under the ANSI/IACET Standard. HomeTown Health, LLC is authorized by IACET to offer **0.1 CEUs** for this program.

**In order to obtain these units, you must:**
- Attend webinar/view recording in its entirety
- Pass online quiz with 80% or better.
- Complete webinar evaluation.

*Following this webinar, all attendees who have viewed the recording in its entirety will receive an email with a link to the quiz and evaluation.*

*Anyone that misses the webinar can view the recording online, posted on the program Dashboard, for CEUs.*

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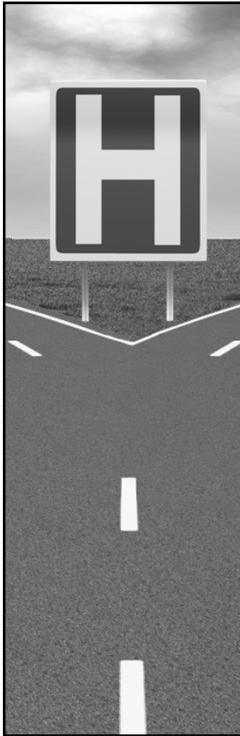
## Iowa Rural Hospital Learning Opportunity Program
# Continuing Education

HTHU provides over 300 courses online, over 170 Webinars a year, and various live training conference and workshops. Accredited Education from the *International Association for Continuing Education & Training* (IACET). (Who accepts the IACET CEU?  Full list at www.iacet.org)

- American Association of Respiratory Therapy
- American Board of Medical Microbiology
- American Society for Clinical Laboratory Science
- American Society for Quality
- American Speech-Language-Hearing Association
- Board of Certified Safety Professionals
- The Child Care Development Associate National Credentialing Program
- Clinician's View (Occupational, Speech, and Physical Therapy)
- Federal Emergency Management Agency
- Georgia, Massachusetts and Ohio Board of Nursing
- Georgia Professional Standards Commission
- Human Resources Certification Institute (for their Professional in Human Resource Designation)
- National Association of Rehabilitation Professionals in the Private Sector
- National Association of Social Workers
- National Board for Certification in Occupational Therapy, Inc. (NBCOT)
- National Council for Therapeutic Recreation Certification

- National Registry of Emergency Medical Technology (EMT)
- National Registry of Microbiologists
- National Society of Professional Engineers
- Society for Human Resources Management
- State of Georgia, FL and Iowa Board of Professional Engineers
- The American Association of Integrative Medicine
- The American College of Forensic Examiners Institute
- The American Council on Pharmaceutical Education
- The American Psychotherapy Association
- The International College of The Behavioral Sciences
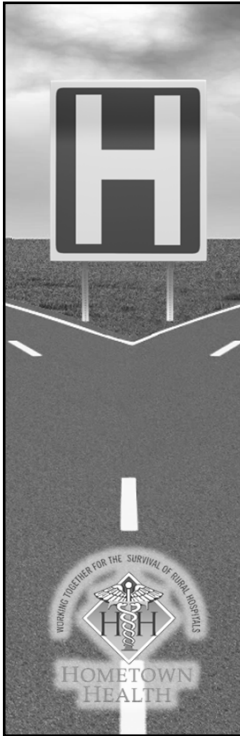- The National Board for the Accreditation of Occupational Therapy (NBCOT)

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## Iowa Rural Hospital Learning Opportunity Program
# Group Participation

Are you on this webinar with a group?

If so, please enter:
first/last names and email addresses
of those in attendance with you in the questions pane.

**Iowa Rural Hospital Learning Opportunity Program**
# Agenda
**February 21, 2018**

| | |
|---|---|
| Welcome & Introductions | Desi Barrett |
| **Understanding the Roadblocks to Clean Claims Processing** | Sandy Sage, RN |
| Upcoming Events & Resources | Evelyn Leadbetter, MPA |

# Disclosure of Proprietary Interest

HomeTown Health does not have any proprietary interest in any product, instrument, device, service, or material discussed during this learning event.

The education offered by HomeTown Health in this program is compensated by the HRSA FLEX Grant 2017-2018 Rural Hospital Learning Opportunities Program, Iowa Grant # 5888CA04.

**Iowa Rural Hospital Learning Opportunity Program**
# Program Goals



**Iowa Rural Hospital Learning Opportunity Program**
## "A Journey in Financial Improvement"
Preparation for new Payment Models and Strengthening Stability in CAHs

# Iowa Rural Hospital Learning Opportunity Program
## "A Journey in Financial Improvement"

**Live Training Workshop and Networking:**
- Developing an upfront collections program
- Accuracy in the Patient Access Department
- Charge Capture Best Practices
- Billing Compliance and Efficiency
- Denial Management
- Contract Management
- Sharing of Best Practices by Peers

**Live Meeting Option #2:**
**Iowa Small Hospital Conference**
**North Iowa (TBD)**
**June 4, 2018**

**Virtual Meeting**
**Option #3:**
**July 24, 2018**

**Live Meeting Option #1:**
**Iowa Small Hospital Conference**
**Ankeny, Iowa**

**March 14, 2018**

Webinar 1 · Webinar 2 · Webinar 3 · Workshop 1 · Webinar 4 · Webinar 5 · Webinar 6 · Workshop 2 · Workshop 3

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## DEADLINE TO REGISTER: FEBRUARY 20!

THE HomeTown Health 2018
**Iowa Rural & Critical Access Hospital Conference**
March 14 & 15, 2018 * Courtyard by Marriott Des Moines/Ankeny

DAY ONE:

"A Team Approach: Profitability in the Revenue Cycle"
Intended for Financial Leaders, Revenue Cycle Directors, & Business Office leaders (offering 0.3 IACET CEUs)

"A Day in the life of a quality director... And how to prevent burnout"
Intended for Quality Directors, nurse leaders, or "up-and-coming" leaders (offering 0.3 IACET CEUs)

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DAY TWO:

Small Hospital Improvement Program Conference: "Lessons Learned from the Hospital Transformation Consortium"
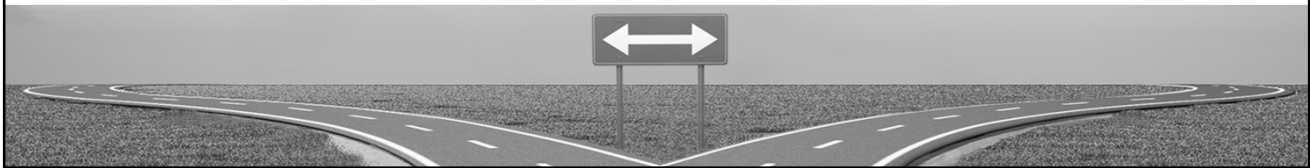
**Recommended Participants:**
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- Financial Leaders, Revenue Cycle Directors, &amp; Business Office Managers
- Quality Directors, nurse leaders, or "up-and- coming" leaders

**Cost to attend:**
SHIP Grant Hospital Transformation Consortium Hospitals: 3 registrations and two hotel room accommodations for the evening of March 14th included under the grant/sponsored by HomeTown Health Business Partners.

# Win a $100 Amazon Card!!!

**Listen to all six webinars (live or online), then take the post-test and evaluation. You will be entered into a drawing to win. Drawing to be held June 4th.**

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Sandy joined the HTHU team in 2009 as an instructor and has developed many of the courses related to the revenue cycle. She has been a Registered Nurse for over 25 years, having begun her career as a clinical manager and in 2000 transitioned to the position of Revenue Cycle Analyst. Sandy has worked as a consultant for rural hospitals helping them with revenue cycle process development and Chargemaster compliance. She became a member of the HTH team in November of 2016. Sandy has been the Team Lead for the Small Hospital Improvement Program in Georgia and Florida and developed the Rev Up Your Revenue Cycle program for our hospitals. Her responsibilities include revenue cycle education, grant implementation and she will be working closely with our hospitals to help them succeed in this complex healthcare environment. A native of California, she moved to Georgia with her family at age 12 and now considers herself a Georgia girl. She has two grown daughters, Amber and Mallory and lives in Cochran, Georgia.
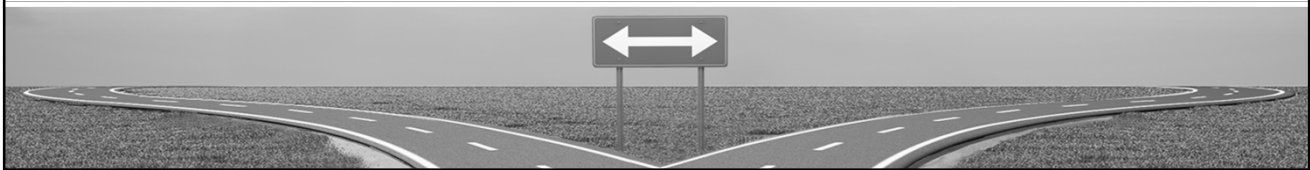
Sandy Sage,
Revenue Analyst
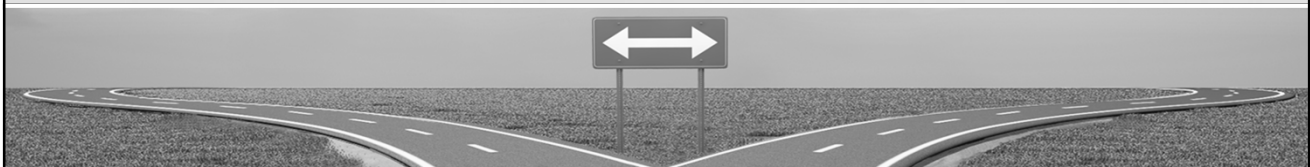
# Understanding Roadblocks to Clean Claims Processing

Presented by: Sandy Sage, RN
Revenue Analyst - HomeTown Health, LLC

# Learning Outcomes

1. Define a hospital clean claim
2. Identify roadblocks to clean claims
3. List the two types of NCCI edits
4. Explain how incorrect data creates roadblocks
5. Identify the financial indicators impacted by billing edits

# Collaboration

**Please put comments, questions or share information that we can share with the other hospitals on the call!**

# Please Share!!!

# Operating Income

- Operating Revenue:
  - Patient revenues
  - Non-patient revenue (cafeteria sales, gift shop etc.)
  - Tax support and other subsidies
- Operating Expenses:
  - The cost of doing business

Operating Net Income is the difference between revenue and expenses.

# Operating Income

| | |
|---|---|
| (40,712.00) | (356,046.00) |
| (1,615,330.00) | (2,185,495.00) |
| (3,918,478.00) | (1,614,526.00) |
| (1,385,841.00) | (933,897.00) |
| (470,046.00) | (1,157,295.00) |
| (4,005,951.00) | (2,087,839.00) |
| (953,882.00) | (910,483.00) |
| (2,562,126.00) | (1,122,000.00) |

# Financial Indicators

## Net A/R Days

**Range from**

- 40 days to 71.5 days

- What are you doing to keep your AR days low?

## Cash on Hand

**Ranges from**

- 4 days to 188 days

- What do you think contributes to your cash on hand?

# What is a Clean Claim?

- **Hospital** – a claim that requires no manipulation prior to processing

- **Insurance Company** – a claim that passes all edits and can be paid within 14 days

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- **Develop a revenue cycle that creates clean claims for our hospital billing system.**

- **Billing staff should be able to review and transmit the claim without correcting errors.**

GOAL
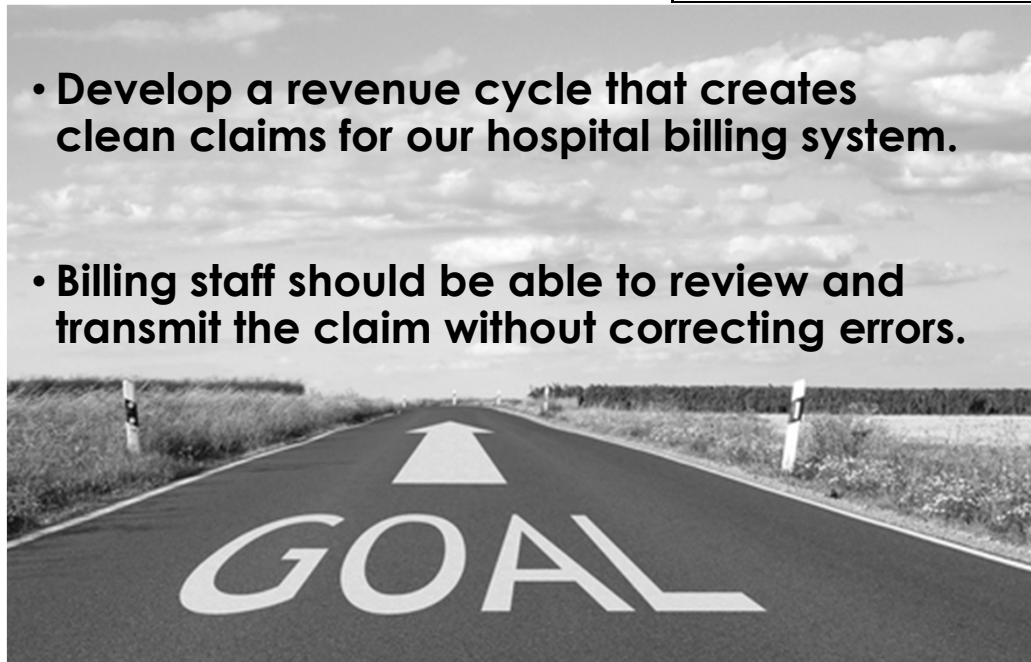
- **Increase your cash on hand and decrease your days in AR by improving the time it takes to get a claim processed.**

- **It's all about getting each stage of the revenue cycle right the first time.**

# What will stop a claim?

- Coding errors
- Charging errors
- Data input errors
- Invalid/Incorrect Data
- Missing data
- Other billing system edits

# Coding Errors

- Missing CPT codes
- Missing POA indicators
- Invalid codes
- Unspecified codes
- Missing modifiers
- NCCI edits

# Coding Errors

Missing CPT codes

- Charges in certain revenue codes must be paired with a CPT code on outpatient claims.
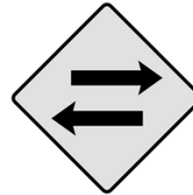
- If a charge is entered in a revenue code that requires a CPT code and no CPT code is attached, it will hit a billing edit.

# Coding Errors

Missing CPT codes

- What happens in your billing office when this edit occurs?

- Is the charge written off?

- Is there a process to determine if a code should be added?

# Strategy......

Just *DON'T THINK OR JUDGE*
LISTEN

Business Office Managers, CFOs, Controllers, take one to two hours out of your morning and sit side-by-side with your billing staff (this can be done with coding staff too).

Let them know you are interested in what they do and how you can make their jobs better.

Watch them work, be approachable, you will be surprised what you will learn.

People want to talk and tell their challenges to someone who can make a difference.

# Coding Errors

- Missing POA indicators – These tell the payer if the patient had the condition at the time of admission.

- These claims must be sent back to HIM for correction.

- Billers cannot add these without HIM input

- These can affect your reimbursement under Value Based Purchasing.

# Coding Errors

- Invalid CPT codes – May come from your Chargemaster or from the coders.

- Unspecified ICD-10 codes – These will come from your coders.

# Coding Errors

- Missing Modifiers/NCCI edits

- Edits are built into your billing system to catch errors based on CMS NCCI edits.

- Outpatient CPT codes may need modifiers to pass the edits.

# NCCI Edits

- National Correct Coding Initiative
- CMS developed the NCCI edits to promote proper coding and to control inappropriate payments of Part B claims.

# NCCI Edits

**Two types of edits**

–**(PTP) Procedure to Procedure edits**

• Prevents inappropriate payment of services that should not be reported together

–**(MUEs) Medically Unlikely Edits**

• Prevents payments for inappropriate numbers of units of the same service on the same day

# PTP Edits

• If a provider reports 2 codes of an edit pair for the same patient on the same date of service they will hit a pre-payment edit.

• Codes are can be components of other codes.

# Finding PTP Edits

Go to CMS.gov

Home > Medicare > National Correct Coding Initiative Edits > PTP Coding Edits

**Related Links**

Hospital PTP Edits v24.0 effective January 1, 2018 (492,215 records) 0001M/80050 – 27894/G0471

Hospital PTP Edits v24.0 effective January 1, 2018 (491,890 records) 28001/0213T - 49999/49570

Hospital PTP Edits v24.0 effective January 1, 2018 (365,778 records) 50010/0213T - 79999/36000

Hospital PTP Edits v24.0 effective January 1, 2018 (140,660 records) 80003/80002 – R0075/R0070

# PTP Edits

| A | B | C | D | E | F | G | H | I | J |
|---|---|---|---|---|---|---|---|---|---|
| CPT only copyright 2017 American Medical Association. All rights reserved. | | | | | | | | | |
| Column1/Column 2 Edits | | | | | | | | | |
| Column 1 | Column 2 | *=in existence | Effective | Deletion | Modifier | PTP Edit Rationale | | | |
| | | prior to 1996 | Date | Date | 0=not allowed | | | | |
| | | | | *=no data | 1=allowed | | | | |
| | | | | | 9=not applicable | | | | |
| 80003 | 80002 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80004 | 80002 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80004 | 80003 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80005 | 80002 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80005 | 80003 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80005 | 80004 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |
| 80006 | 80002 | | 19960101 | 19980331 | 1 | HCPCS/CPT procedure code definition | | | |

18

# PTP Edits

| 80049 | 84520 | | 19980101 | 20000604 | 1 | Laboratory panel |
|---|---|---|---|---|---|---|
| 80050 | 84443 | | 19980101 | 19980101 | 9 | Laboratory panel |
| 80050 | 85022 | | 19980101 | 19980101 | 9 | Laboratory panel |
| 80050 | 85025 | | 19980101 | 19980101 | 9 | Laboratory panel |
| 80051 | 82374 | | 19980101 | * | 1 | Laboratory panel |
| 80051 | 82435 | | 19980101 | * | 1 | Laboratory panel |
| 80051 | 84132 | | 19980101 | * | 1 | Laboratory panel |
| 80051 | 84295 | | 19980101 | * | 1 | Laboratory panel |
| 80053 | 80047 | | 20080101 | * | 1 | CPT Manual or CMS manual coding instructions |
| 80053 | 80048 | | 20000605 | * | 0 | CPT Manual or CMS manual coding instructions |
| 80053 | 80051 | | 20010701 | * | 1 | HCPCS/CPT procedure code definition |
| 80053 | 80069 | | 20010701 | * | 0 | CPT Manual or CMS manual coding instructions |
| 80053 | 80076 | | 20000605 | * | 0 | CPT Manual or CMS manual coding instructions |
| 80053 | 82040 | | 20000605 | * | 1 | Laboratory panel |
| 80053 | 82247 | | 20000605 | * | 1 | Laboratory panel |
| 80053 | 82310 | | 20000605 | * | 1 | Laboratory panel |
| 80053 | 82374 | | 20000605 | * | 1 | Laboratory panel |

# PTP Edits

- If you see a "0" by a pair of codes, that means they should **never be reported** on the same day for the same patient.

- If they are reported together, the column one code will be paid the column 2 denied.

# PTP Edits

- Just because there is a "1" meaning modifier allowed, does not mean you should use one.

- The "9" means there is no longer an edit in place.

- Using modifiers to get past the edits is a No-No!

# Modifier 59

- Used to identify procedures that are not usually reported together but are appropriate under the circumstances.

- Documentation must support that the procedure was done in a separate session, different procedure, different site etc.

# Modifier 59

- Do not use modifier 59 if there is another modifier that can be used.

- Examples: 25 , 91, LT, RT+ or 76

- Use 59 cautiously, it is subject to scrutiny when used.

# MUE Edits

Medically Unlikely Edits

- Developed by CMS to reduce payment errors on Part B claims.

- An MUE is the maximum number of units, for a CPT/HCPCS code, that a provider would usually report for the same patient on the same day.

# MUE Edits – CMS.gov

Home  >  Medicare  >  National Correct Coding Initiative Edits  >  Medically Unlikely Edits

- Not all MUE are published.
- State Medicaid's use them but are not required to use them all.
- MCOs may use completely different edits.

The edits in this MUE file are active for dates of service January 1, 2018 - March 31, 2018. This file should NOT be used by state Medicaid programs as their edit file.

Current Procedural Terminology (CPT) codes, descriptions and other data only are copyright 2017 American Medical Association. All rights reserved.

CPT® is a registered trademark of the American Medical Association.

Applicable FARS\DFARS Restrictions Apply to Government Use.

| HCPCS/CPT Code | Outpatient Hospital Services MUE Values | MUE Rationale |
|---|---|---|
| 96360 | 1 | Code Descriptor / CPT Instruction |
| 96361 | 24 | Clinical: Medicare Data |
| 96365 | 1 | Code Descriptor / CPT Instruction |
| 96366 | 24 | Clinical: Medicare Data |
| 96367 | 4 | Clinical: Medicare Data |
| 96368 | 1 | Code Descriptor / CPT Instruction |
| 96369 | 1 | Code Descriptor / CPT Instruction |
| 96370 | 3 | CMS NCCI Policy |
| 96371 | 1 | Code Descriptor / CPT Instruction |
| 96372 | 5 | Clinical: Medicare Data |
| 96373 | 3 | Clinical: Medicare Data |
| 96374 | 1 | Code Descriptor / CPT Instruction |
| 96375 | 6 | Clinical: Medicare Data |
| 96376 | 10 | Clinical: Medicare Data |

# Charging Errors

- Missed charges hit edits when a charge is missing a CPT code.

- Late charges extend the life of a claim and the time to pay.

- Duplicate charging will trigger edits.

# POLL Question

ROADBLOCKS AHEAD

# Data Errors

- Approximately 70% of your claim originates in Patient Access.

- Any error in data input will create a roadblock to a clean claim.

- Focus your attention on this area to avoid roadblocks in other areas.

# Common Data Errors

- Incorrect insurance or order of insurances
- Subscriber name does not match insurance records
- Invalid ID number, DOB or SSN
- Missing prior authorization
- Wrong status (observation vs. inpatient)
- OP not separate from Inpatient (CAH)
- Missing or invalid demographic information
- Missing occurrence/condition code information

# Data Errors

- Track your errors to determine the most frequent.

- Find the root cause of the error.

- Discuss with frontline staff to get suggestions for correction.
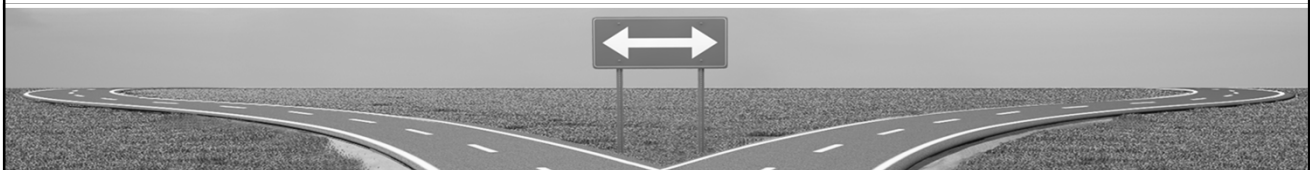
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# Data Errors

**Example:**

- **Problem:** Medicare is being put as primary when it should be secondary.

- Why? Is it staff/human error? Is it due to staff turnover? Ask the people making the errors.

- **Root Cause:** Verification system is down frequently due to poor broadband internet access.

- **Solution:** Add more bandwidth to assist staff **or**

- **Root Cause:** Staff isn't sure how to determine the primary payer.

- **Solution:** Provide MSP education for all staff, annually

# Patient Access

- Encourage education – take advantage of HTHU.net School of Revenue Cycle Mgmt

- New hires should be assertive and willing to ask for money

- Use incentives to encourage engagement

- Focus on process improvements

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# References

https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/How-to-Use-NCCI-Tools.pdf

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## Questions?

Contact Sandy Sage, RN

Sandy.sage@hometownhealthonline.com

or email

hthtech@hometownhealthonline.com

# Iowa Rural Hospital Learning Opportunity Program

# Announcements
# & Upcoming Events
## Evelyn Leadbetter, Network Services Manager

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**Deadline to Register: February 20!**

## THE HomeTown Health 2018
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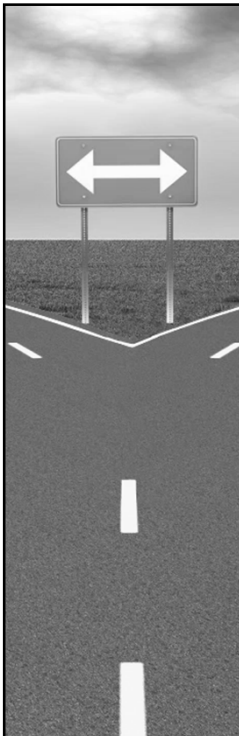
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# Iowa Rural Hospital Learning Opportunity Program
# "A Journey in Financial Improvement"

Preparation for new Payment Models and Strengthening Stability in CAHs

**Stop #1 – Using Performance Improvement Strategies to Improve Financial Indicators**

December 20, 2017

**Stop #2 - Developing an Efficient Revenue Cycle Committee**

January 17, 2018

**Stop #3 - Understanding the Roadblocks to Clean Claim Processing**

February 21, 2018

**Stop #4 – Preparing for the Volume to Value Payment Transition**

March 18, 2018

**Stop #5 – Denial Management and the Impact on Financial Stability**

April 18, 2018

**Stop #6 – Financial Improvement "Best Practices"**

May 16, 2018

Webinar 1  Webinar 2  Webinar 3  Webinar 4  Webinar 5  Webinar 6

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# 2018-2019 SHIP Grant Kickoff
## May 30, 2018 1:30 pm CST

Financial Stability

Price Transparency & Chargemaster

Revenue Cycle Improvement

ICD-10 & Clinical Documentation

Hospital Transformation Consortium

Population Health

Leadership

Finance & Operations

Care Management

IT and Data

Provider Quality

Wellness & Disease Management
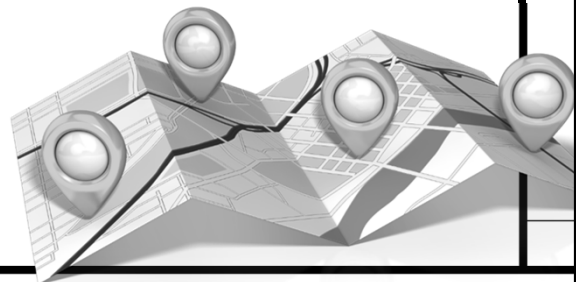
## Dashboard & Resources

A recording of today's webinar, handouts & resources, and future webinars dates can be found on the Program Dashboard located at: www.hthu.net/iowarhlop18
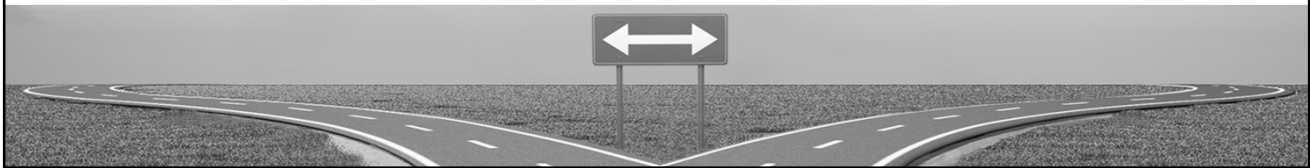
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# Tell us how we did!

## A Journey in Financial Improvement

### Using Performance Improvement Strategies to Improve Financial Indicators

**Iowa Rural Hospital Learning Opportunity Program**

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