

IRM Supported RMD Case Study

Medicaid EC Claims Being Denied as Non-emergency	
TOPIC/PROCESS	PCON variance reports showed a large numbers of Medicaid claims being denied as non-emergency.
GOAL(S)	Identify why such a large number and develop process to minimize denials.
INITIAL FINDINGS: PLAN	Medicaid reimburses \$50 for non-emergency cases. Medicaid publishes a list of emergency diagnosis codes. Any EC case without one of the codes on the list is denied as non-emergency. Research revealed there were 1,148 denials from August – December 2003, which was 25% of Medicaid EC cases during the period. A number of these were reviewed and found that approximately 90% of the denied cases had presented with a complaint that if coded was on the emergency list. Further research revealed that the presenting complaint was not reaching the final claim. Sr. OP Coordinator met with the MR coding staff and found that the coding system was overriding the admitting diagnosis with the principal for all OP cases. A parameter was found in the coding system configuration that was causing the code override. This parameter was changed in February to retain the admitting diagnosis and pass it to the final claim. The projected annual impact is an increase in reimbursement of \$239,000 annually. Will be recognized over the next 12 months.
ACTIVITIES PERFORMED DO	System parameter settings researched and changed to retain admitting diagnosis code. MR coding staff was instructed to code admitting diagnosis. Any denied claims still within the 90-day window for resubmission were re-filed with the correct admitting diagnosis codes.
RESULTS/OUTCOMES CHECK	Claims are now producing with the correct admitting diagnosis code. This will eliminate approximately 90% of the denials. Many of the re-filed denials have now been paid as emergency cases.
RECOMMENDATIONS/FUTURE ACTIONS ACT	PCON variance report will flag future denials. Denials on previously filed cases that are denied will be recoded and resubmitted, if appropriate.
COMMUNICATIONS SYSTEM	Meeting with MR staff. PCON staff, BO Staff, and IS to research cause and determine corrective action.
CHECK WHICH JCAHO FUNCTIONS ARE ADDRESSED <input type="checkbox"/> Patient rights/Organization ethics <input type="checkbox"/> Patient Assessment <input type="checkbox"/> Care of Patients <input type="checkbox"/> Continuum of Care <input type="checkbox"/> Patient/Family Education <input type="checkbox"/> Performance Improvement <input type="checkbox"/> Leadership <input type="checkbox"/> Management of Information <input type="checkbox"/> Management of Human Resources <input type="checkbox"/> Management of Environment of Care <input type="checkbox"/> Infection Control	TEAM MEMBERS NAME/POSITION Sr. OP Coordinator Director of Revenue Management PCON Systems Analyst, Decision Support DRG Analyst Director, Medical Information Systems Information Systems