



## **\$1,000,000 Revenue Tip of the Month**

### **Focus**

Bill presentation

### **Departmental Areas of Focus**

The first focus area of significant opportunities was the hyperbaric treatment department. The RMD of this facility subsequently discovered additional departments of impact.

The RMD discovered that Blue Cross was paying the surgical charges that occurred on hyperbaric treatments that resulted from a surgical procedure being performed in addition to the treatment. The treatment of abscesses was directed to revenue code 360 and this meant it was an outpatient procedure paid under the outpatient surgical fee schedule.

The result was that Blue Cross did not pay for the major treatment (Hyperbaric, Chemo, etc.) and paid the lower rate. The RMD is likewise reviewing other payers but thus far they have not found any other payment errors.

### **Financial Impact**

The full economic impact is still under current evaluation. The RMD estimates their opportunity to be upwards of \$1,000,000 after their rebilling project is completed and the impact of future reimbursement (over the next 12 months) is factored into the calculation.

### **The RMD Discovery Process**

This revenue opportunity was discovered by one of our RMD clients who, upon review of their contractual allowances, discovered PFS had written off valid charges in error. Once the accounts were reviewed, it was clear that the clinical departments were doing exactly what they were supposed to. They were processing charges for services performed.

On the immediate surface, problems do not appear. However, because the RMD chose to focus on a deeper review, the following problem became clear: 1.) Blue Cross paid the lower amount because its processing software identified the procedures as an outpatient surgery. And 2) The PFS department did not have the staff available to spend this kind of focus time. Moreover, PFS was not properly trained to identify unusual accounts and process them differently.

### **Corrective Action Taken**

A fairly significant rebilling project with measurable process improvement metrics was created to insure root cause analysis and correction. This project is well underway with appropriate changes in billing practices. This facility has elected to process two bills for Blue Cross patients until process documentation proves Blue Cross can consistently pay the account properly within a set narrow standard deviation range. At the onset, this process will likely be more tedious to track, however the outcome will lead to a streamlined process resulting in correct billing practices and appropriate reimbursement.

## **Application to Other Facilities**

This is a great example of how clinical departments can do all the right things and yet reimbursement is reduced because of a broken business process. This same kind of transaction may occur at any hospital for a variety of root causes.

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