

OPTIMIZING YOUR REVENUE INTEGRITY PROGRAM: OBJECTIVES, STRATEGIES, STAFFING AND PERFORMANCE

September 22, 2022

TODAY'S SPEAKERS

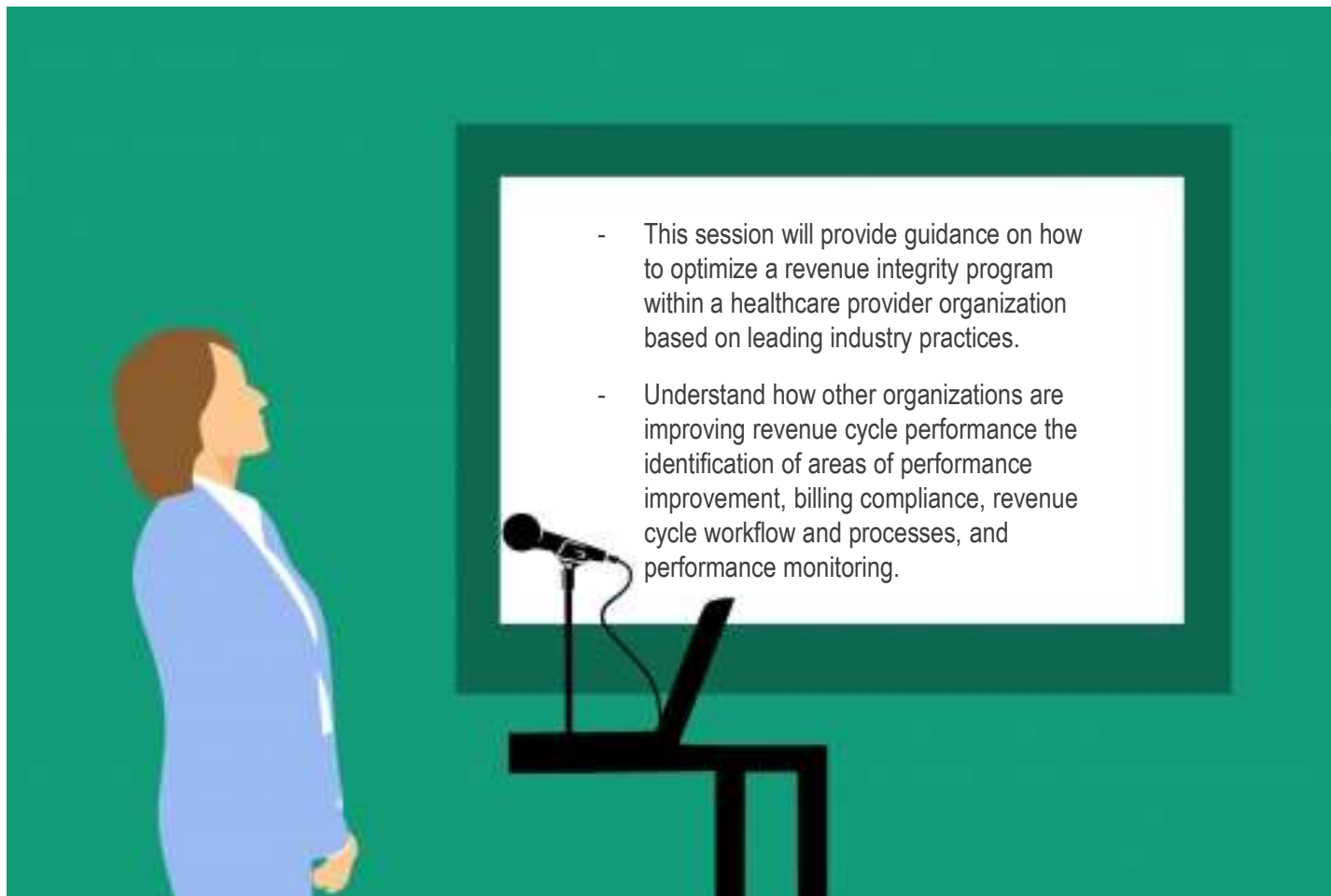


Caroline Znaniec is a Managing Director of Healthcare Business Performance Improvement and Protiviti's Healthcare Revenue Integrity Solutions Leader with Protiviti. She has extensive professional consulting and industry experience in the healthcare provider services. Prior to joining Protiviti, Caroline led the development and client delivery of revenue integrity consulting services for CohnReznick LLP, Grant Thornton LLP and Navigant Consulting, Inc.. Caroline has experience serving in industry roles such as Corporate Compliance Officer and Director of Revenue Integrity for integrated health systems. Caroline is an advisory board member of the National Association of Healthcare Revenue Integrity (NAHRI), Social Media Chair of the Maryland Healthcare Financial Management Association (HFMA), and is an active member in the American Association of Healthcare Administrative Management (AAHAM) and the Association of Healthcare Internal Auditors (AHIA). She is a recognized industry speaker and author in the areas of revenue integrity, revenue cycle transformation, price transparency initiatives, electronic health record design, implementation and optimization.



Joe O'Malley is a Senior Manager in the Protiviti Chicago office and Protiviti's EMR Optimization Solution Leader. Joe has over 10 years of healthcare finance and revenue cycle management experience, leading projects to maximize net revenue and significantly decrease revenue leakage through implementing industry leading practices in clinical documentation, charge capture, denials management and accounts receivable reduction. Joe has also presented at various healthcare organization conferences / roundtables and published various healthcare thought leadership pieces. Prior to joining Protiviti, Joe served as the Director of Revenue Integrity at Presence Health.

TODAY'S PRESENTATION

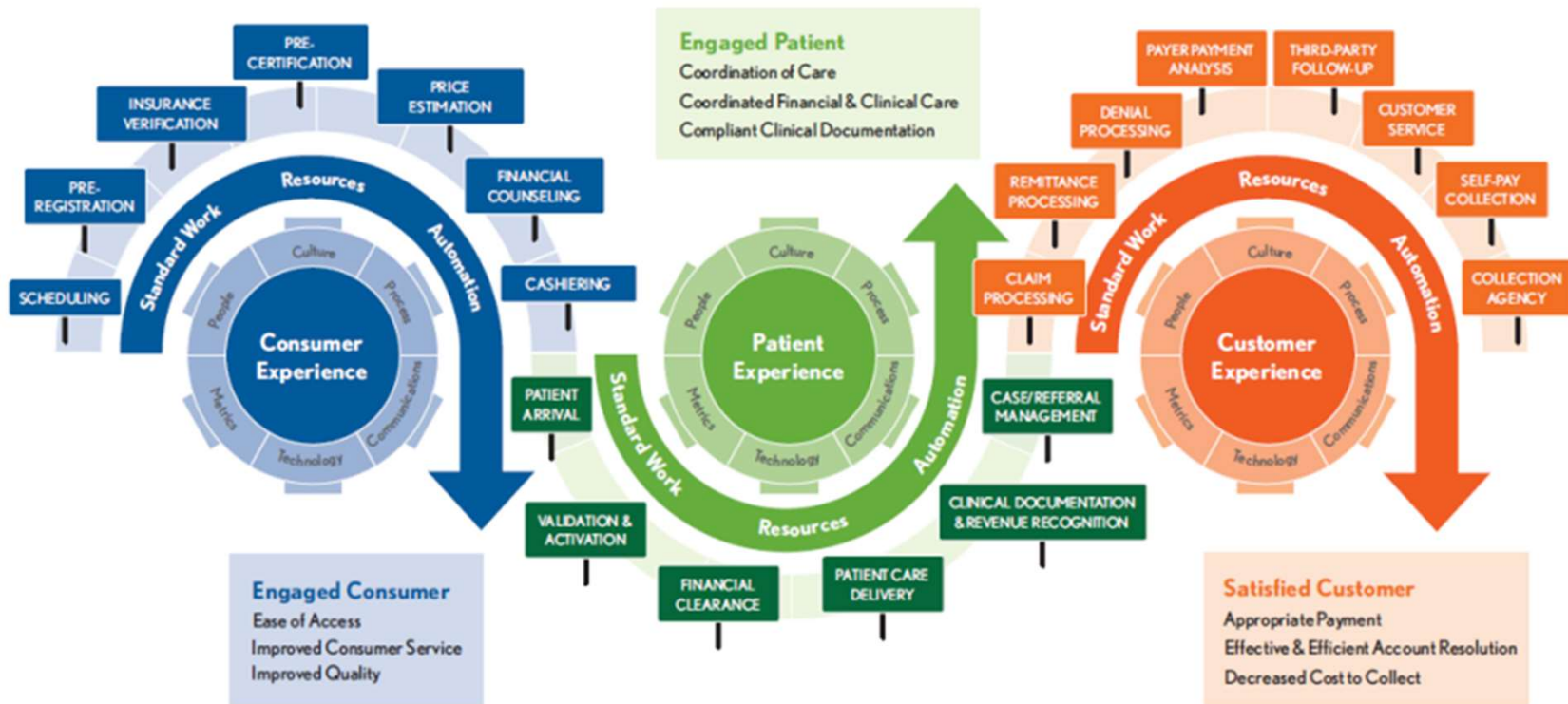


DEFINING REVENUE INTEGRITY AND THE REVENUE CYCLE

<p>Revenue Cycle</p>	<p>Includes all administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue.</p> <p><i>Healthcare Financial Management Association (HFMA)</i></p>
<p>Revenue Integrity</p>	<p>Ensure that facilities effectively manage their charge master, and bill and document appropriately for all services rendered to a patient. It also ensures that proper charging takes place to maintain compliance within the insurance payer programs.</p> <p><i>American Association of Healthcare Administrative Management (AAHAM); CRIP certification objectives</i></p> <p>The basis of revenue integrity is to prevent recurrence of issues that can cause revenue leakage and/or compliance risks through effective, efficient, replicable processes and internal controls across the continuum of patient care, supported by the appropriate documentation and the application of sound financial practices that are able to withstand audits at any point in time.</p> <p><i>National Association of Healthcare Revenue Integrity (NAHRI)</i></p>

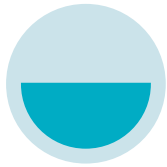


THE COMPLEXITY OF THE REVENUE CYCLE



Source: Cerner – Revenue Cycle of the Future, presented to TX HFMA - <https://www.hfmatxgc.org/wp-content/uploads/2017/02/170506-Kay-1.pdf>

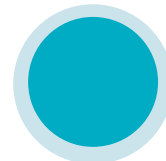
THE NEED FOR REVENUE INTEGRITY



Internal and External Forces

Forces that directly affect the healthcare revenue cycle and its overall success

- Reduced workforce
- Increased costs
- Payer shifts
- Acquisition/consolidation
- Regulatory changes
- Ineffective staff training
- Lack of specialized skills
- Manual workarounds
- Reactive culture
- Unoptimized technology



Top Risks and Pain Points

Negative results from the internal and external forces effecting the revenue cycle

- Increased denials
- Decreased reimbursements (inc. payment accuracy)
- Increased cost to collect
- Lack of data insight and transparency
- Governmental and payer scrutiny
- Customer dissatisfaction (internal and external)
- Staff retention
- Slow to strategize and sustain

LEADING PRACTICES IN REVENUE INTEGRITY



Characteristics of an Effective Model

- Define Scope and Set Boundaries
- Identify Required Skill Sets and Gaps
- Know Where Redundancies Exist
- Communicate Efforts Across Stakeholders
- Leverage Stakeholders and Create Accountability
- Leverage Technology to Simplify, Standardize and Monitor
- Re-Assess Annually, at least

DEFINING SCOPE 1/2



Considerations to Scope:

- Type of Services
- Functional Need
- Organizational Structure
- Corporate Culture
- Regulatory Status/Concerns
- Vendor/Partner Relationships

DEFINING SCOPE 2/2

Figure 2. What are the primary functions of your revenue integrity department/program?

	2022	2021	2020
Chargemaster maintenance	71%	66%	68%
Correcting claim edits	53%	52%	48%
Charge capture	52%	58%	69%
Education	48%	48%	48%
Charge reconciliation	44%	41%	N/A
Chart auditing	41%	47%	54%
Denials management	39%	39%	N/A
Claims auditing	36%	34%	38%
Internal audit	31%	32%	38%
Decision-support functions	30%	27%	19%
Claims/payment reconciliation	28%	31%	21%
Clinical documentation integrity	23%	22%	31%
Quality	22%	22%	26%
Patient billing	21%	25%	25%
Coding	18%	33%	38%
Financial counseling	17%	17%	12%
Insurance verification	16%	18%	19%
Managed care/payer contract management	14%	20%	N/A
Registration functions	12%	14%	12%

Figure 3. What does your revenue integrity department/program handle as support rather than as a primary function?

	2022	2021	2020
Charge reconciliation	45%	43%	N/A
Decision-support functions	44%	36%	21%
Charge capture	40%	31%	55%
Claims auditing	40%	47%	33%
Coding	40%	34%	55%
Denials management	39%	38%	53%
Education	37%	33%	47%
Internal audit	36%	37%	50%
Managed care/payer contract management	33%	29%	24%
Quality	33%	30%	35%
Claims/payment reconciliation	32%	34%	24%
Clinical documentation integrity	32%	38%	34%
Chart auditing	30%	28%	46%
Correcting claim edits	30%	25%	45%
Patient billing	21%	23%	29%
Chargemaster maintenance	18%	17%	44%
Registration functions	16%	18%	14%
Insurance verification	12%	16%	16%
Financial counseling	8%	15%	6%

2022 State of the Revenue Integrity Industry Survey Report
<https://nahri.org/ri-week/2022-state-revenue-integrity-industry-survey-report>

ALIGNED STAFFING 1/3



Staffing considerations:

- Revenue Integrity Scope
- Size of Organization
- Provider Type
- Teaching Status
- Leadership Structure
- Level of Collaboration
- Use of Technology

ALIGNED STAFFING 2/3

Position	Role
Director	Responsible for the daily operations of the program
Manager	Responsible for the development, coordination, implementation, and oversight of the revenue integrity function
Senior Analyst	Responsible for directing activities of revenue integrity
Analyst	Responsible for performing daily activities of revenue integrity

Note that while NAHRI recommends the roles and responsibilities published, the roles may not present an all-inclusive list of needed roles and responsibilities



<https://nahri.org/resources?type=16>

ALIGNED STAFFING 3/3

KEY:

- **IP** = Number of facility inpatient discharges
 - One part-time non-managerial staff member per 15,000 annual discharges
- **OP** = Number of facility outpatient visits, including emergency services
 - One part-time non-managerial staff member per 150,000 annual visits, or
 - One part-time non-managerial staff member per 10 clinical departments
- **P** = Number of non-facility providers (i.e., billing on an HCFA 1500)
 - One part-time non-managerial staff member per 75 providers
- **TS** = Teaching status
 - Multiply total staffing from above by 0.15

NAHRI Staffing Algorithm

REVENUE INTEGRITY PROGRAM STAFFING ALGORITHM:

$$(IP + OP + P) \times TS = \text{Number of recommended revenue integrity non-managerial staff}$$

Example: Integrated Health System

IP	19,150 annual discharges	=	0.64 FTE
OP	340,799 annual visits	=	1.14 FTE
P	150 employed professionals	=	1.00 FTE
TS	AHA major teaching status	=	0.42 FTE
Total non-managerial		=	3.20 FTE
Managerial oversight		=	1.00 FTE
Total staffing		=	4.20 FTE

Example: Community Health System

IP	10,014 annual discharges	=	0.33 FTE
OP	328,250 annual visits	=	1.09 FTE
P	50 employed professionals	=	0.33 FTE
TS	No teaching affiliation	=	N/A
Total non-managerial		=	1.75 FTE
Managerial oversight		=	1.00 FTE
Total staffing		=	2.75 FTE

<https://nahri.org/resources?type=16>

INTERDEPENDENCE 1/2




What does it mean to be interdependent?

- Stakeholders and stakeholder processes are mutually reliant on each other
- Trust is maintained to also provide for stakeholder independence
- Support is given to other stakeholders for the benefit of all:
 - Encourages stakeholders
 - Promotes critical thinking
 - Provides for a variety of insights
 - Decreases stress and anxiety
 - Increases productivity and improves results
 - Improves stakeholder and staff retention

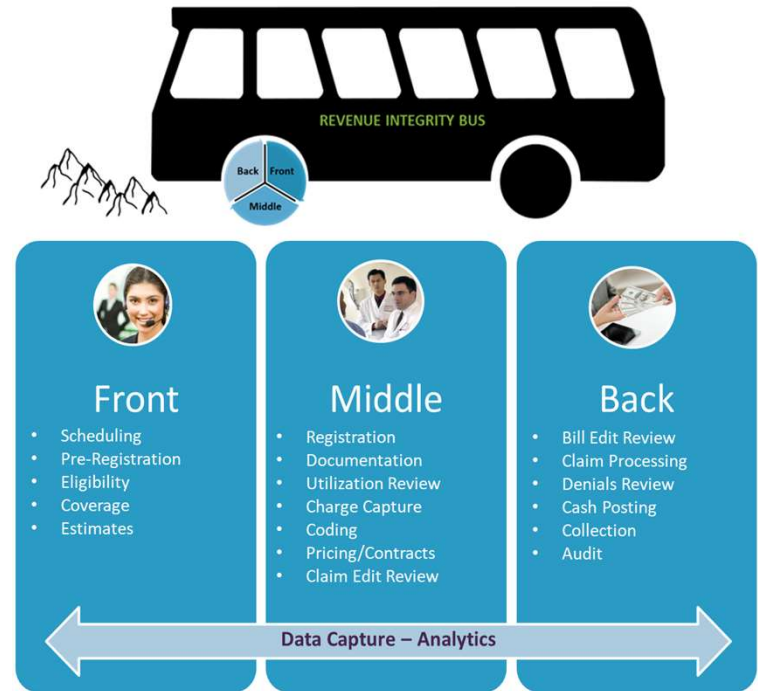
INTERDEPENDENCE 2/2

REVENUE CYCLE METRICS INTERDEPENDENCE

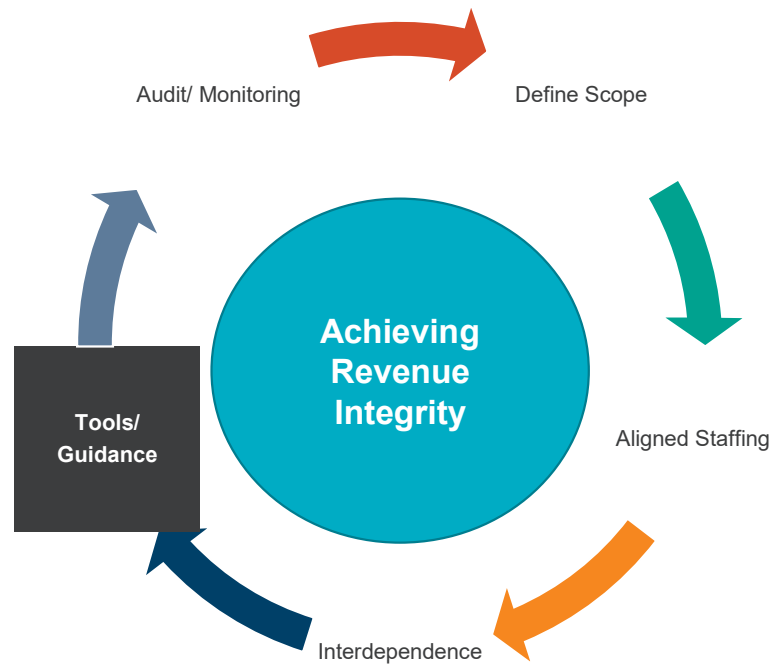


REVENUE CYCLE MEASURE	BETTER PERFORMING MEASURE KPI	INTERDEPENDENCE TO OTHER METRICS														
		FRONT	FRONT	FRONT	FRONT	FRONT	MIDDLE	MIDDLE	MIDDLE	MIDDLE	BACK	BACK	BACK	BACK	BACK	BACK
Medical necessity check rate	100% governmental and top-managed care payers	X	X	X												
Point of service payment	> = 95%	X	X	X	X			X								
Clean claim rate	> = 95%	X	X			X	X								X	X
DNFB	4-6 days gross revenue	X	X			X	X	X	X		X	X	X	X	X	X

NAHRI Journal, July 2020



TOOLS/GUIDANCE



Example Tools/Guidance:

- Policies/Procedures
 - Charge Reconciliation
 - Chargeable Supplies
 - CDM Maintenance
 - Work queue/Worklist Management
- Education/Training
 - Charge Capture Methodologies
 - Claims Handling
 - Workqueue/Worklist Management
 - Regulatory and Coding Updates

AUDITING/MONITORING 1/4



Top Initiatives of Revenue Integrity in 2022:

- CDM and Charge Capture Standardization
- Charge Capture Automation
- Charge Capture Controls
- Documentation Improvement
- Formal Workplan Development
- KPI Development
- Payer Integrity
- Process Simplification
- Staff Productivity and Quality Metrics
- Standardized Workflows
- Upskill and Reskill Staffing

AUDITING/MONITORING 2/4

UNDERSTANDING KPIS VS BENCHMARKS

KPI

Provides the means to measure

- Calculates
- Quantifiable
- Understandable
- Provides Focus

DENIAL WRITE-OFFS AS A PERCENTAGE OF NET PATIENT SERVICE REVENUE (AR-6)

Equation:

$$\frac{\text{Net dollars written off as denials}}{\text{Average monthly net patient service revenue}} = \frac{\text{Patient Financial System}}{\text{Income Statement}}$$

Benchmark

Resulting measure to provide direction

- Compares
- Reliable
- Identifies Variances
- Provides Context
- Directional
- Actionable

MAP Award for High Performance in Revenue Cycle: Physician Practice Winners Aggregated data from 5 MAP Award winners for High Performance in Revenue Cycle: Physician Practice

		Claim Denial Rates
Percentile	75	4.6%
	50	4.7%
	25	6.5%

2021 HFMA MAP Keys

AUDITING/MONITORING 3/4

Common KPIs, Benchmarks and Considerations

KPI	HFMA Benchmark
Aged Accounts Receivable >=90 days ¹	18.3%
Net Days in A/R ¹	38.4
Days in DNSP ¹	3.4
Bad Debt ¹	0.6%
Aged Accounts Receivable >=90 days ²	13.1%
Claim Denials ²	4.6%
Charge Lag Days ²	1.3

¹ 2021 HFMA Map Award High Performing Hospital Winners 75th percentile

² 2021 HFMA Map Award High Performing Physician Winners 75th percentile

KPI	AHIMA Benchmark
Inpatient Coding Productivity	24/day
Ambulatory/Outpatient Coding Productivity	40/day
Emergency Department Coding Productivity	120/day
Ancillary Test Coding Productivity	240/day

KPI	ACDIS Benchmark
CDI Query Rate	30-40%
Physician Query Response Rate	90+%

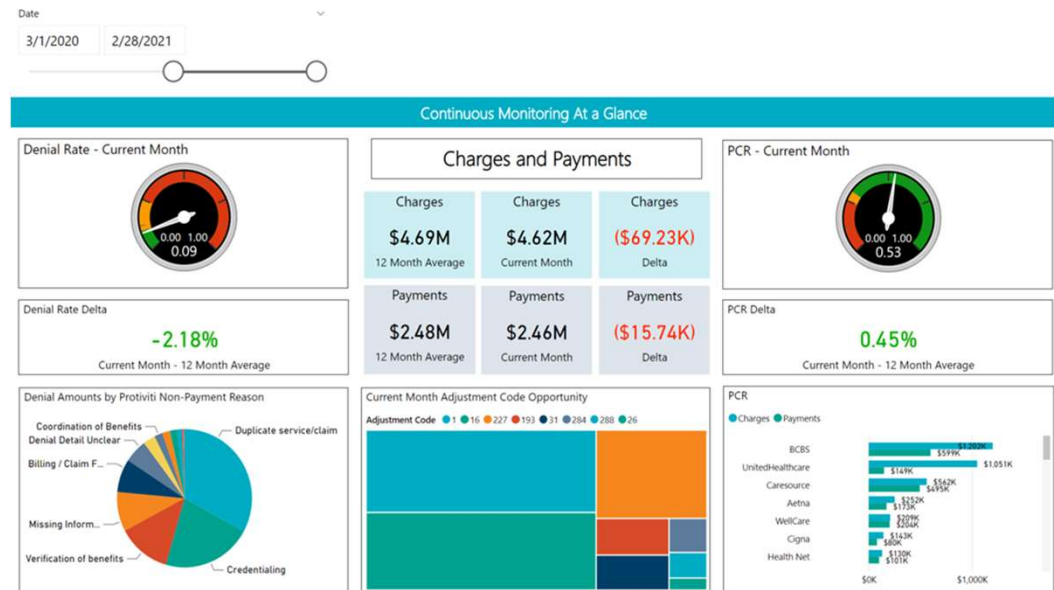
KPI	NAHAM Benchmark
Point of Service Collections to Revenue	2%
Point of Service Collection Opportunity	60%

AUDITING/MONITORING 4/4

REPORTING ON PERFORMANCE

Key Considerations:

- Be concise
- Provide visuals
- Identify the timeframe
- Provide a comparison or trend
- Indicate steps taken to inspire change
- Highlight stakeholder collaboration



Protiviti RiHT Tool, example dashboard

Q&A



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