



# Reduce Reimbursement Leakage Through Revenue Capture Audits

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# Reduce Reimbursement Leakage Through Revenue Capture Audits

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## Identify and Recover Revenue Sources.

In today's healthcare environment, capturing every cent of revenue due to a hospital, health system or physician group is a challenge. With the advent of legislative reform and changes in the systemic healthcare reimbursement structure, such as the evolving Accountable Care Organization model or value-based healthcare strategies, healthcare providers must take all measures available to identify, capture and collect every source of revenue available to them.

There are many reasons that inhibit revenue recoveries, such as satisfying payer documentation and complying with coding and procedure requirements. The elements for billing and collecting revenue are difficult to administer. Intricacies of the billing process and subsequent financial documentation create opportunities for breakdowns in the revenue cycle, which often result in lost revenue.

In addition to the typical challenges of collecting revenue, the conversion to ICD-10 and the resulting legislation create more healthcare reform challenges for revenue cycle executives to overcome.

There are many operational strategies available to providers to help improve financial results. Process improvements can come from human capital adjustments or by employing innovative revenue cycle technologies.

Unfortunately, regardless of the method(s) chosen to help improve revenue capture, lost revenue opportunities are bound to occur.

### The Need for Revenue Capture Audits, Billing Reviews and the Monitoring of Operational Best Practices.

A large source of lost revenue emanates from highly complex and labor-intensive tasks where human error is the cause. For the hospital setting, the required information needed to make certain determinations comes from several departments. For physicians to bill accurately, a billing specialist who understands the complexities of claims billing is needed. A shortage of qualified staff, inadequate technology solutions and staff turnover are contributing factors leading to errors after processing complex and time-consuming claims and supplying supportive documentation to comply with governmental reimbursement requirements.

Revenue capture audits and billing reviews can identify and capture revenue, which often is lost through the revenue cycle. Performing audits and billing reviews can also provide administrators and financial managers with valuable information to find the root causes of breakdowns in workflow processes.

All providers are challenged to allocate enough full-time personnel to review and correct billing issues before they result in potential forfeited revenue. The following areas offer opportunities for hospitals to uncover incremental revenue through performing revenue capture audits:

- Pinpointing missed reimbursable bad debt opportunities
- Identifying and resubmitting unprocessed claims for Medicare Reimbursement Diagnosis Related Group (DRG)
- Uncovering valid Medicaid eligibility coverage
- Discovering hidden Medicaid disproportionate share payments

- Ensuring that proper shadow billing requirements are met
- Classifying proper medical code sets (Including Medicare Advantage Hierarchical Condition Category codes)

Physicians lose revenue opportunities for a myriad of reasons. Many practices lose as much as 10 percent of revenue due to inaccurate, missing or lost charges. The following are strategies that can improve physician revenue capture through operational and follow-up billing reviews:

- Utilizing mobile technology to ensure claims get created and submitted for all services physicians provide to their patients.
- Eliminating paper charge capture can significantly improve cash flow.
- Having a good practice management system that suits the needs of the practice.
- Following a sound financial policy. It is important that a financial policy is documented in writing, has been reviewed by legal counsel and is verified and understood by the patient.
- Having a written internal workflow policy is critical and to ensure that key documentation processes are followed, such as timeliness of completing records, recording patient information, verifying entries, recording all procedures performed and recording a diagnosis for each visit.
- Ensuring the capture of diagnoses, services and procedures must be noted on an encounter form or via electronic capture system.

The knowledge needed to optimize revenue production for hospitals and physicians are different. For hospitals, identifying and rebilling for lost revenue opportunities requires cogent knowledge of the fast-paced changes to government and commercial payers rules and regulations. Hospital providers must have a close working relationship with individual fiscal intermediaries, follow internal procedures and protocols, and have direct access to Medicare and

Medicaid electronic data interface feeds so that they have access to data analysis engines where faster and more informed recovery determinations can be made.

For physicians, addressing billing issues proactively, following correct billing protocols, having updated tools to record medical data and the advanced systems to capture important information are all critical components to ensure revenue is documented and collected for all patient encounters.

Due to the complexity and skill required to identify and capture all sources of revenue, many hospitals and physician groups turn to outside consultants, utilizing revenue audit and billing review experts to assist them. In addition to working with outside consultants, a new trend is emerging where specialized advanced technologies are now available offering niche solutions for internal staff to perform internal audits and billing reviews themselves.

### What to Look For When Selecting Revenue Capture, Technology Audit and Billing Review Vendors

Choosing the right vendor is of paramount importance. Not all vendors are equal in quality and ability. Furthermore, not every vendor will be an appropriate fit for your hospital, health system or physician practice. Most importantly, it is critical to select the right vendor that you feel you can comfortably and effectively collaborate with.

An important consideration when selecting a revenue capture or billing review vendor is to choose a firm which can demonstrate a history of successful performance and skill. Consideration should also be given to vendors that have competencies in all areas applicable to revenue capture for your hospital or physician practice. Since revenue capture activities can be outsourced, it is important to have a choice between a firm which offers an internally driven technology solution that a hospital or physician group's staff can administer and an externally outsourced service solution.

By offering two models for performing revenue audits and billing reviews, revenue cycle executives have the option to choose a solution, which fits the hospital, health system or medical group's corporate culture and financial objectives.

Currently, very few companies can perform as a sole-source provider to address every key area of incremental revenue capture. Every vendor may have some competencies, but most don't offer a full spectrum of expertise, addressing all of the administrative challenges for hospitals and medical groups. Even fewer companies can offer both options of installing a leading edge software platform for the hospital's or physician's staff to use as an internal tool and offer the same expertise for fulfilling revenue capture activities as an outsourced solution.

Recently, select few companies have broken the basic standard of service typically seen in the marketplace and now offer an array of solutions, not available in the recent past. In today's healthcare vendor marketplace, there are audit and review companies that now can provide an excellent outsourced work product and offer the technology for internal use that can meet the criteria's listed above.

Choose your method of performing revenue capture audits and billing reviews carefully and select the right vendor for your organization. In doing so, your hospital, health system or medical group will minimize lost reimbursements and reap the benefits of capturing every cent of revenue due.

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