UNLOCKING THE MAGIC OF YOUR REVENUE CYCLE

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Disclosure of Commercial Interest
I have commercial interests in the following organization(s): BKD, LLP
-Title: Director & Managing Director
-Employer: BKD, LLP
-What the Company Does: CPA & Advisory Firm

Once Upon A Time...
Keeping Ogres out of the Kingdom
Admissions Checklist

- The Magic Potion
  - Establish & enforce staff responsibilities
  - Track admission items are complete
  - Timely communication with clinical & billing office staff
  - Know who the payer is because cash is King
  - Ensure payer requirements are met

- Happily Ever After
  - Reduced frustration in the castle at month end
  - Enhanced compliance with policies and procedures
  - Better communication and retrieval of key information
  - Decreased denials from insurance villains

Preventing an Insurance Folktale
Insurance Checklist

<table>
<thead>
<tr>
<th>Form/Policy</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Welcome Letters</td>
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<tr>
<td>Admission Agreement</td>
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<tr>
<td>HIPAA &amp; Privacy Act Notice</td>
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<tr>
<td>Notice of Facility Practices</td>
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<td>Resident Rights</td>
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<tr>
<td>Authorization to Obtain &amp; Release Medical Records Information</td>
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<tr>
<td>Financial Agreement</td>
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<tr>
<td>Copies of all Payer Cards (Front &amp; Back)</td>
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<tr>
<td>Insurance Verification Form</td>
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<tr>
<td>Copy of Social Security Card</td>
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<tr>
<td>Ship Determination on Admission</td>
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<tr>
<td>Medicare Secondary Payer Determination</td>
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<tr>
<td>Assignment of Benefit</td>
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</tbody>
</table>

- The Magic Potion
  - Check active coverage
  - Determine timely filing limits
  - Establish payment methodology
  - Track authorization requirements
  - Verify out of pocket costs

- Happily Ever After
  - Decreased denials due to non-coverage and timely filing
  - Avoided mythical A/R
  - Better communication with residents and responsible parties of the Kingdom
Dealing With Damsels in Distress

Collections Policy

- The Magic Potion
  - Set defined policies on follow up and collection efforts
  - Distribute in admissions packets
  - Sets the expectation for payment upfront
  - Enforce consistently
- Happily Ever After
  - Communication with families upfront avoids private pay surprises
  - Provides biller clear framework for follow up
  - Management support of collection efforts

Segregation of Royal Duties

- The Magic Potion
  - Examining who does what
  - Safeguards the assets of the kingdom
  - Segregate access, recording, and monitoring functions
  - Implement additional mitigating controls
- Happily Ever After
  - Cash flow is not dependent on one lone maiden or prince
  - Improved safeguards against misappropriation
  - Effective management oversight
Slaying the Dragon

Consolidated Billing

- The Magic Potion
  - Determine expenses in advance
  - Consider place of service exclusions
  - Negotiate payment
  - Provide notices
  - Prompt payment

- Happily Ever After
  - Reduced expenses
  - Enchanted providers
  - Better adherence to royal regulations

UNLOCKING THE MAGIC OF YOUR REVENUE CYCLE
When Someone Leaves the Kingdom
Turnover

- The Magic Potion
  - Establish a back-up plan—don’t count on Cinderella to never leave her Step-Mother
  - Know the process
  - Access, Access, Access,
- Happily Ever After
  - Less reliance on the Fairy Godmother
  - Avoiding cash flow interruptions
  - Decreased stress

Reverse the Spell of Incorrect Claims
Triple Check Process

- The Magic Potion
  - Communication among the Royals
  - Improved claims accuracy
  - Enhanced compliance
- Happily Ever After
  - Decreased denials
  - Increased compliance with rules and regulations
  - Able to find required items when the Big Bad Wolf knocks.
Measuring the AR Bean Stalk

- The Magic Potion
- Utilize Accounts Receivable Benchmarking Tool
- Average Days to Collect
- AR Turnover
- Days Cash on Hand

- Happily Ever After
- Identifying collection issues early
- Compare performance to peers
- Establishes goals and guidelines for the billing department

Avoiding the Beast

Medical Review Denials

- The Magic Potion
- Be on alert for claims with SB6000 code
- Establish who is responsible
- Use a checklist or a coversheet to organize documentation
- Keep copies
- Move AR balances to a separate clearly labeled “ADR” payer class
- Utilize a tracking spreadsheet

- Happily Ever After
- Fewer denials due to:
  - Missing or incomplete information
  - Failure to provide information timely
  - Claims paid more timely

Fine Tuning: Accounts Receivable Tool

Step 1: Collect Patient Information
- Name
- Address
- Phone

Step 2: Your Key Metrics Will Populate
- Average Days to Collect
- Days Cash on Hand

Happily Ever After
- Identifying collection issues early
- Compare performance to peers
- Establishes goals and guidelines for the billing department

In the picture:

- Measuring how long patients are taking to pay the organization
- Average days to collect and average days cash on hand
- Establishing goals and guidelines for the billing department

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<tr>
<td>Patient's Information</td>
<td>Days Cash on Hand</td>
</tr>
<tr>
<td>Average Days to Collect</td>
<td>Days Cash on Hand</td>
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For more information, visit bkdcareers.com/clinical-experience
The Curse of Bad Debts
Exhibit 1 Eligible Claims

The Magic Potion
• Know what claims are eligible
• Follow normal collections policy
• Write off at the appropriate time
• Utilize a separate write-off code to segregate write-offs

Happily Ever After
• Increased reimbursement from claims
• Decreased questions from MAC on desk reviews

Unlocking The Magic of Your Revenue Cycle

Submitting
- Claims billed timely with appropriate denial documentation
- Must have Medicare Remittance Advice with paid Medicare Part A claim before potential coinsurance write-offs can be considered

Note: It's critical to use a calendar or scheduling tool to submit in a timely fashion. Failure to do so not only jeopardizes the claim but also prevents you from being reimbursed for the bad debt.

Cost Reporting
- Must be written off in both the accounts receivable ledger and general ledger in the cost-reporting period to which bad debt is being claimed

Reimbursable Claims: Dual Eligible
- Dual Eligible - Medicare portion of coinsurance when the state either no longer pays or doesn't pay the full amount of the coinsurance
- Must have Medicare "No-Pay" Remittance Advice before setting off as bad debt
- Reduce coinsurance by any payments from Medicaid (if applicable)

Reimbursable Claims: Non-Dual Eligible
- Non-Dual Eligible - Private pay when considered uncollectible
- Issuance of bill to responsible party within normal billing cycle or as soon as discharge or death
- Reasonable attempts to collect coinsurance
- Documentation must be provided to support collection attempts via subsequent billings, collection letters, telephone calls, personal contacts, etc.
- Must use collection agency due to normal practice for non-Medicaid collections
Overseeing Your Castle
Effective AR Aging Review

• The Magic Potion
  - Set a defined meeting time
  - Involve management
  - Ask specific questions
  - Set thresholds
  - Use billing notes or a spreadsheet to document collection efforts

• Happily Ever After
  - Accountability on follow up
  - Increased cash flow
  - Avoid large write offs
  - Effective and efficient management of receivables

Future of this Fairy Tale

• The Magic Potion
  - Be prepared for change
  - Monitor costs
  - Be able to communicate your fairy tale
  - Open the draw bridge from time to time

• Happily Ever After
  - Being prepared
  - Communicating the Fairy Tale in a world of Scary Tales
  - No Jesters in the court

Free Resources From Your Fairy Godmother

Sign up for BKD Thought ware

Medicare Rates

Access to tools on our website
http://www.bkd.com/industries/health-care/long-term-care/resources.htm

Access to the Link
http://www.bkd.com/thelink
Let's Continue
This Fairy Tale Adventure

Follow us on LinkedIn or Twitter or see information at the Link!
www.bkd.com/thelink

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