



Tools for Revenue Cycle Success and Team Satisfaction: **IT'S ALL CONNECTED**

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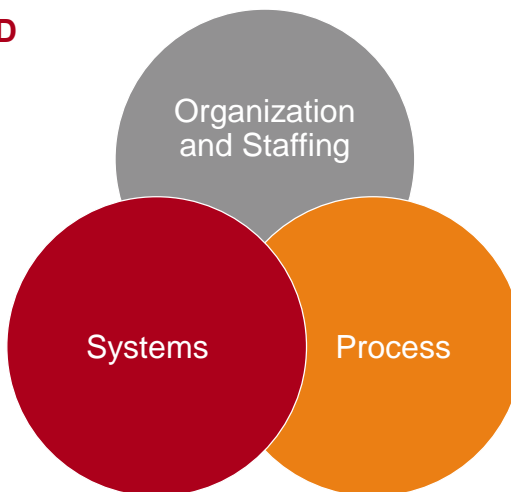
Objectives for the session

To gain insight into the environment in which you operate by taking a closer look at your revenue cycle and key operational indicators and trends to assist you in gaining control over your operations and achieving your goals and success.

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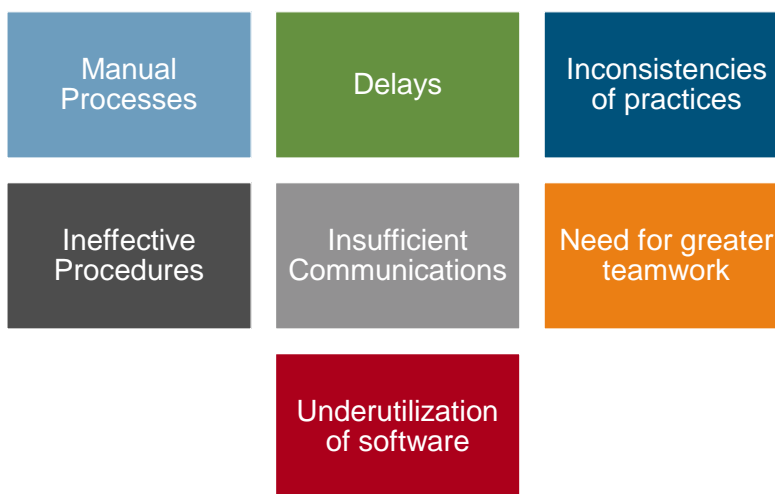
Revenue Cycle IT'S ALL CONNECTED



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Challenges to revenue cycle optimization



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Achieving revenue cycle optimization

Standardization

- Develop applicable policies, procedures, and guidelines for the revenue cycle team.
- Develop job responsibilities and training manuals.
- Develop a revenue cycle activities calendar.
- Create a standard set of key statistical and financial indicators for each facility to facilitate monitoring of accounts receivable.

Automation

- Increase functionality and utilization of information technology.
- Reduce reliance on paper and manual recordkeeping, and information exchange.

Cultural Shifts

- Create a plan for knowledge sharing and cross-training.
- Engage all members of the revenue cycle team including administrators in sharing accountability for collection of receivable balances.

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Who are the people on your revenue cycle team?



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STANDARDIZATION

- Policies and procedures manuals
- Education and training
- Billing office calendar
- Software implementation and utilization
- Share best practices

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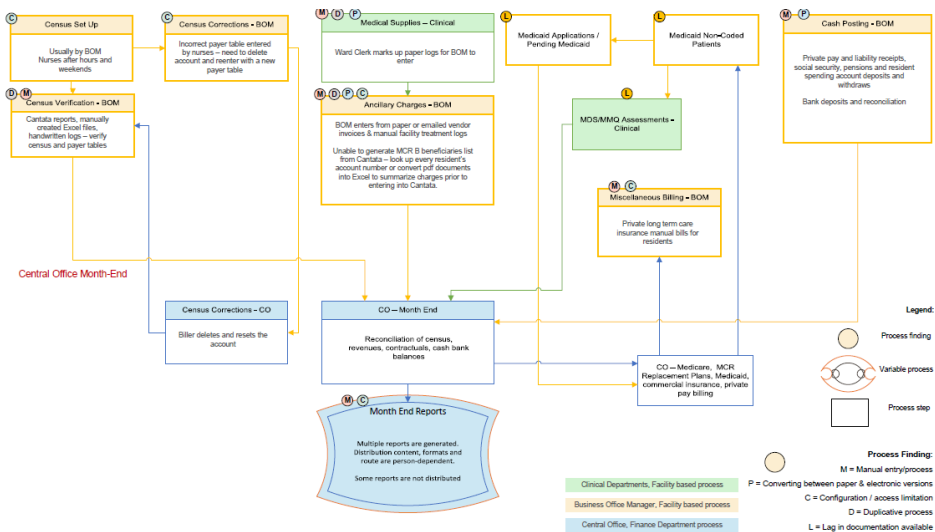
Sample monthly billing office activities

Week 1	Reconcile prior month census Post charges	Reconcile resident trust and ensure all cash payments posted to operating account	Post ancillary charges	Medicaid billing Day Care billing Transfer cost of care from social security pensions to operating account	Generate, review, print private and cost of care billing, "past due" notices and concern letters Resident trust statements (quarterly)
Week 2	Post Rehab charges Post Pharmacy charges	Review Medicaid portal for submitted claim status, work on resolution of pending or denied items	Post cash payments Follow up on prior month A/R meeting action items	Review MDS/PPS adjustments, resolve open items	Medicare A and B billing "Shadow" billing for MCR replacement plans No-pay statistical reporting claims
Week 3	Commercial insurance billing Process resident trust payments	Review aging report, collections activities	Check for unbilled Medicare and Medicaid claims	Review and post MaineCare payment	Review Medicaid portal and NGS website for applicable trainings and register to participate
Week 4	Post cash payments Review patient liability log, follow up on unpaid balances	Follow up on open insurance claims Check for required refunds for discharged residents File liens on estate as needed	Medicare credit balances review and correction Prepare for accounts receivable meeting	A/ R Meeting Post cash payments	Review and post Medicare payment Review open MCR claims and correct as needed Send co-pay bills

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Automation: Facility month-end



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CULTURAL SHIFTS

- Tone at the top
- Roles and responsibilities
- Cross training
- Goal setting
- Take and give credit for what you already do

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Roles and responsibilities

Recommended Billing and Collections Roles and Responsibilities – Long-Term Care

Operations Area	Task	Primary Individual	Secondary/Support Individual
Admissions			
	Pre-admission screening/insurance verification	Admissions Coordinator	Receptionist, Business Office Coordinator
	Short stay pre-authorization or recertification, commercial insurance	Admissions Coordinator	ADON/Clinical Supervisor, Unit Manager, Business Office Coordinator
	Admission contract – billing policies, insurance cards	Admissions Coordinator/ Business Office Coordinator	Social Services
Cash Collection			
	Opening mail, copying/depositing checks	Receptionist	Business Office Coordinator
	Application of cash to resident accounts	Business Office Coordinator	Central Office Billing Specialist
	Cash receipts reconciliation	Business Office Coordinator	Central Office Billing Specialist
	Medicare, MaineCare, commercial insurance, VA	Electronic remittances processed by Central Office Billing Specialist	Finance
Resident Funds			
	Collecting/issuing cash	Receptionist	Business Office Coordinator
	Maintenance of resident trust account (Vision)	Receptionist	Business Office Coordinator
	Reconciliation of resident trust account	Business Office Coordinator	Central Office Billing Specialist
	Quarterly statements of resident trust fund	Business Office Coordinator	Central Office Billing Specialist

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Results!
IS IT WORKING?

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SHORT-TERM BENCHMARKS AND TRENDS

- Days to billing
- Percent cash collected to amount billed
- Percent of claims billed
- Number of claims pending Medicaid
- Trending of aging buckets
- Level of communication
- Feedback

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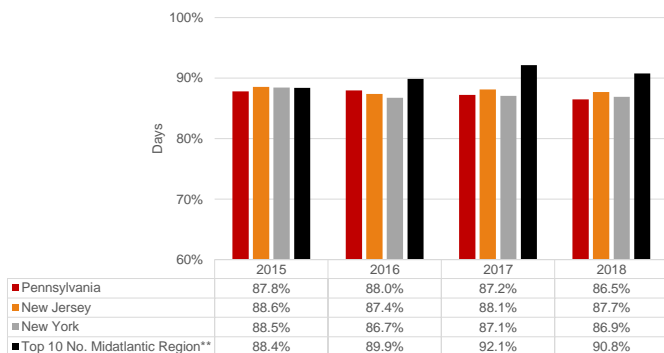
LONG-TERM BENCHMARKS AND TRENDS

- Days in accounts receivable
- Bad debt write offs per patient day
- Improvement in listing of significant balances
- Trending of aging buckets
- Percentage of denials (return to provider)
- Liquidity

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Average Facility Occupancy



** Top 10 No. Midatlantic Region represents the ten facilities in PA, NY & NJ with the highest Medicare profitability per patient day in the corresponding fiscal year.

SOURCE: HCRIS DATABASE

DEFINED:

$$\frac{\text{Total facility resident occupied days}}{\text{Total facility available days}}$$

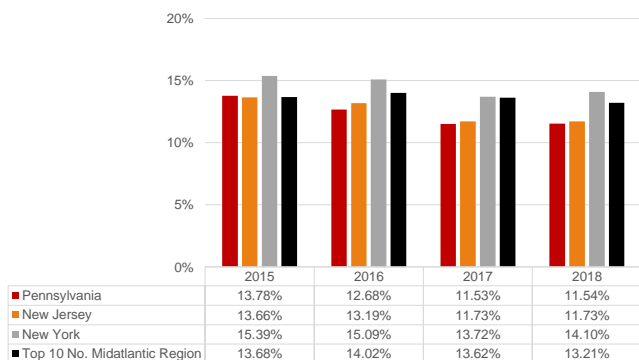
Average facility occupancy is calculated by dividing total patient days by the total facility available bed days as reported on Worksheet S-3, Part I.

Industry average occupancy rates have been slowly declining.

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Average Medicare Utilization



** Top 10 No. Midatlantic Region represents the ten facilities in PA, NY & NJ with the highest Medicare profitability per patient day in the corresponding fiscal year.

SOURCE: HCRIS DATABASE

DEFINED:

$$\frac{\text{Total Medicare days}}{\text{Total skilled unit days}}$$

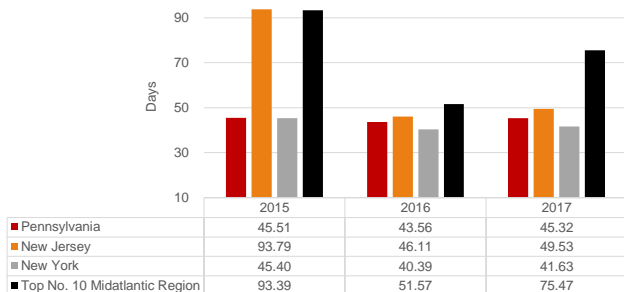
Average Medicare utilization is calculated by dividing total Medicare days by total skilled care unit days, as reported on Worksheet S-3, Part I.

As Medicare is considered a quality payer, higher Medicare utilization usually allows providers to have better margins. However, costs must be controlled to achieve favorable results.

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Average Length of Stay, Skilled Unit, Medicare



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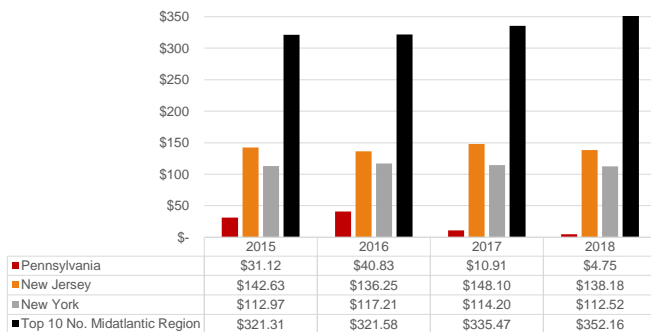
Average length of stay for PA has been increasing. As the proposed FFY20 payment system (PDPM) favors shorter stays, facilities will need to consider lengths of stay balanced with occupancy levels.

SOURCE: HCRIS DATABASE

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Average Medicare Profitability per Patient Day



** Top 10 No. Midatlantic Region represents the ten facilities in PA, NY & NJ with the highest Medicare profitability per patient day in the corresponding fiscal year.

DEFINED:

Medicare program income, net
Medicare resident days

Average Medicare profitability is calculated by dividing net Medicare program income, net of sequestration, by the number of Medicare patient days.

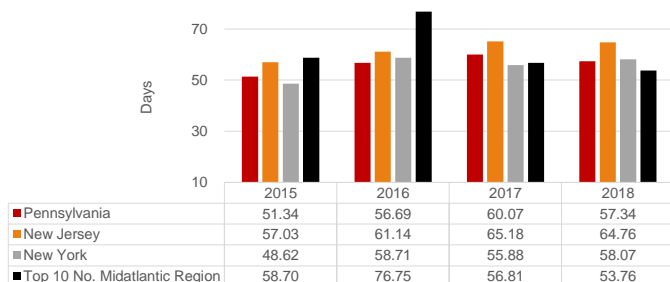
Pennsylvania Medicare profitability is far below New York and New Jersey.

SOURCE: HCRIS DATABASE

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Average Days in Accounts Receivable



** Top 10 No. Midatlantic Region represents the ten facilities in PA, NY & NJ with the highest Medicare profitability per patient day in the corresponding fiscal year.

DEFINED:

$$\frac{\text{Days in accounts receivable, net}}{(\text{Net resident service revenue}/365)}$$

Average days in accounts receivable are calculated by dividing accounts receivable (net of bad debt allowance) by net resident service revenue divided by number of days in the cost reporting period.

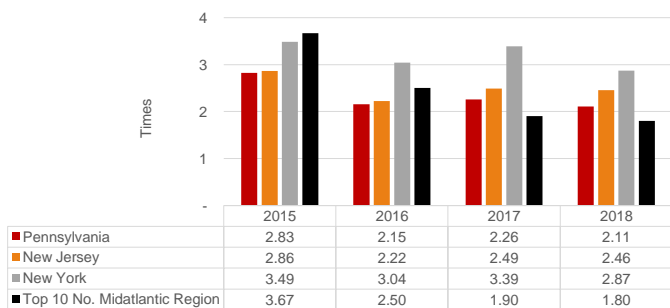
Profitability does not always correlate to cash flow.

SOURCE: HCRIS DATABASE

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Average Current Ratio



** Top 10 No. Midatlantic Region represents the ten facilities in PA, NY & NJ with the highest Medicare profitability per patient day in the corresponding fiscal year.

DEFINED:

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year.

Declining liquidity since 2015 for all measurements.

SOURCE: HCRIS DATABASE

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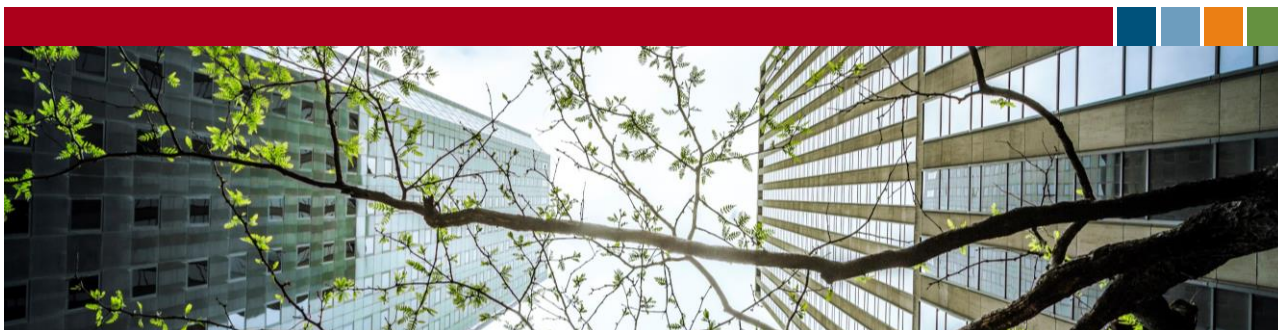
KEY TAKEAWAYS AND NEXT STEPS



- Revenue cycle optimization requires coordination of people, processes and system
- Revenue cycle team extends beyond your business office
- Monitoring your results is key to revenue cycle optimization

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QUESTIONS & DISCUSSION

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Link to Revenue Cycle e-book

<https://advisors.berrydunn.com/ltc-rev-cycle-opt-ebook-landing-page-download-0>

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