

Where are Outpatient Revenue Recovery and Optimization Opportunities? Here's What We've Learned!

To Our Healthcare Clients and Friends:

Over the last decade, Revint Solutions has recovered millions of dollars for our clients by identifying missed or incorrectly coded outpatient charges. These are real dollars collected on zero balance claims that passed billing edits and provider quality assurance measures. Why does this happen, where are the major opportunities, and what can providers do to capture this revenue in the future? In this edition of *Revint Insights*, we will share some key revenue recovery and optimization strategies, discuss the look back window for retrospective billing, and highlight some key areas of opportunity.

BACKGROUND

The goal of Revenue Integrity can be summarized as “properly capture and correctly bill for services performed to ensure revenue realization”; however, this is extremely difficult in today’s complex and rapidly changing healthcare reimbursement system. Medicare for example has made several changes to the reimbursement model over recent years which has bundled services and reduced revenue paid to providers. Furthermore, these changes have a ripple effect beyond Medicare to any payers that use the Medicare Outpatient Perspective Payment System (OPPS) model and reimburse a percentage of Medicare rates. Consequently, ensuring revenue integrity today requires subject matter experts who understand contracts, fee schedules, coding requirements, medical records terminology, charge master, and revenue cycle throughput. To manage this risk, many providers have created internal task forces, committees or new positions to identify missed revenue opportunities. Additionally, software companies have responded by building various tools to analyze charges. While these efforts help in limiting revenue leakage, they also contribute to a false sense of security leaving providers without a safety net to ensure revenue integrity.

CHALLENGES

Why is it so challenging to simply get paid for services performed? The truth is no one person knows everything, so coordination between all the subject matter experts is required. While Revenue Integrity committees and task forces minimize risk, the majority of Providers struggle to keep up with the pace of change for a number of reasons including:

- Outdated, inaccurate, and incomplete charge masters
- Prices not compliant with hospital policy and set below fee schedules
- Communicating the addition of new services
- Ensuring charge reconciliation is performed
- Billing edit backlogs, late charges, and denials
- Contractual changes and updates
- New coding rules including bundling of services

These are just some of the many challenges that may present obstacles to get paid for services rendered. Moreover, recruiting and retaining subject matter experts with the critical thinking and problem resolution skills presents another challenge as capacity often exceeds the resources at hand. Lastly, the addition of new charge capture software does present some challenges, as facilities traditionally struggle with high false positive rates and findings that include charges that do not yield additional net revenue.

INSIGHTS

Despite the best internal efforts and software solutions to overcome the challenges associated with revenue integrity, many providers are still experiencing revenue leakage. So where is this revenue leakage and how can it be identified? First, it's important to differentiate revenue leakage into two categories:

- **Revenue "Recovery"** – Involves retrospectively rebilling a corrected claim to collect additional cash because a code was missed or incorrectly charged. The medical record supports the rebilling for these claims and they are within the timely filing window.
- **Revenue "Optimization"** – This is prospective opportunity for a "net new" provider revenue stream.

Revenue "recovery" is a laser focused look at individual claims by an auditor experienced in identifying what was missed. We learned that there is no one size fits all when it comes to revenue recovery as each provider is unique; however, surgical coding and pharmacy are typically two areas of consistent opportunity. In some cases, it may be possible to go back up to four years to recover this money for Medicare claims via the clerical reopening process.

INSIGHTS CONT'D...

Interestingly, we've learned the larger opportunity goes beyond the one-time retrospective revenue "recovery". In fact, revenue "optimization" often yields significantly better results. Unlike the laser focused look at one claim, "optimization" involves a more comprehensive look at charging patterns vs. other providers performing similar services. We often find charging disparity for different hospitals in the same health system. Like revenue recovery, the results vary across providers, but we tend to consistently find opportunity in the labor and delivery area. Unfortunately, it is not always possible to rebill the optimization findings retrospective because the medical record is not documented appropriately and capturing these dollars prospectively will involve training and education.

SUMMARY

Identifying revenue recovery and optimization opportunities requires **people** with subject matter expertise, well thought out **processes** to ensure coordination, and **technology** to analyze accounts and create efficiencies. These co-dependencies are essential to ensuring revenue integrity and limiting revenue leakage. More importantly, the ability to segregate retrospective from prospective opportunities empower Providers to not only recover previous unbilled charges, but also address systemic problems and fix the root cause. As we move forward into the ever-changing world of healthcare reimbursement, the value of having a well-coordinated and effective Revenue Recovery and Optimization program has never been more important.

We are pleased to have the opportunity to present this information to you. If you have any comments or questions, please contact me at 610-742-7094 or rob.jones@revintsolutions.com.

Truly Yours,
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Meet the Author | Rob Jones

Rob has over 20 years in the healthcare financial management industry. Before joining Revint Solutions, he served as the Vice President of Patient Financial Services for Mercy Health System. In that position, Rob was responsible for a multi hospital centralized business operation focused on billing, accounts receivable management, customer service, account maintenance, and contract compliance.



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We provide a full suite of reimbursement services to over **1,600** healthcare organizations in the U.S. and help recover over **\$475 million** of underpaid or unidentified revenue for our clients annually across **48 states**.

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