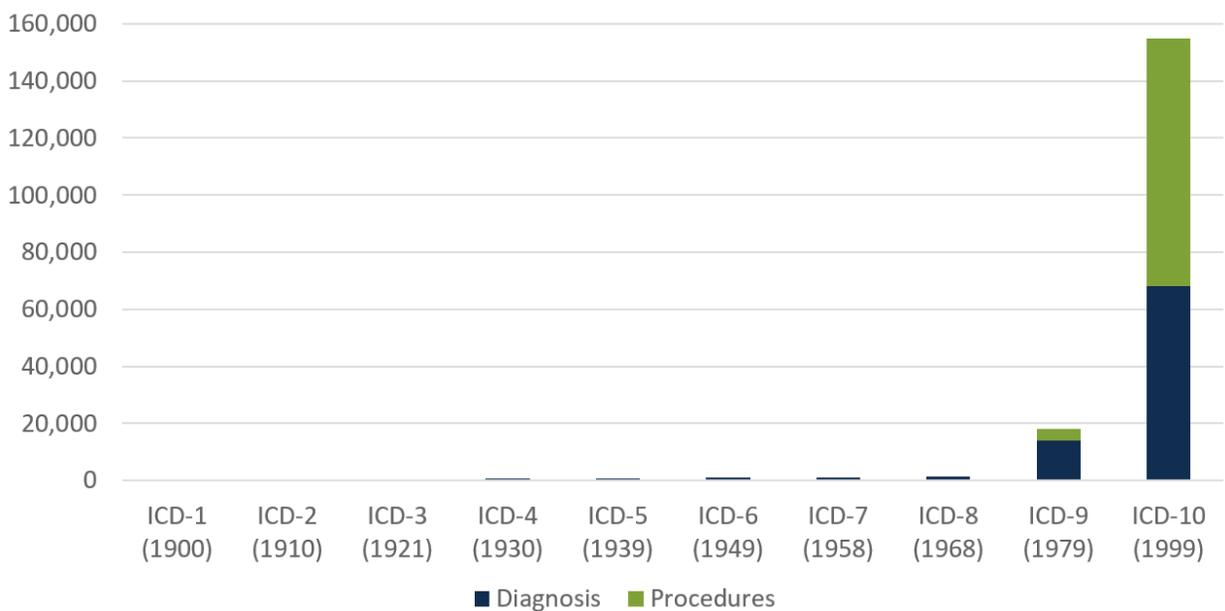## DRG Validation Done Differently

To Our Healthcare Clients and Friends:

We all know ICD stands for International Classification of Disease, but what a lot of us don't know is ICD used to stand for International Classification of Death. In the early 1900's it was all about monitoring death rates. It all started with ICD-1 where there were only 191 official ways to die. We have come a long way over the years, ICD-9 there were 18K+ diagnosis and procedure codes, now with ICD-10 there are over 155K+.

We all have our favorite ICD-10 codes, such as "V91.07XA: Burn due to water-skis on fire, initial encounter" or "W61.62XA: Struck by a duck, initial encounter". Technology has become a must with so many codes to keep track of. Across our clients inpatient discharges we see a 2% - 4% DRG Validation opportunity, with an average of $3K - $4K net lift per opportunity. In our experience across the country, the average hospital is leaving millions of dollars that are rightfully theirs on the table every year.

Chart: Diagnosis and Procedures codes by ICD version — ICD-1 (1900), ICD-2 (1910), ICD-3 (1921), ICD-4 (1930), ICD-5 (1939), ICD-6 (1949), ICD-7 (1958), ICD-8 (1968), ICD-9 (1979), ICD-10 (1999). Legend: Diagnosis, Procedures.

BACKGROUND

AHIMA sets the bar stating we should strive for 95% coding accuracy. Given all the pressures on our HIM departments we should feel great about hitting this 95% accuracy. For years we have been leveraging internal and external manual audits to see where we fall on the accuracy spectrum. Manual audits are resource intensive, and require quick turn around given Medicare's tight 60 day from first payment to rebill timeframe. By leveraging technology to find those needles in a haystack, we can get even closer to the illusive 100% accurate rate.

CHALLENGES

Our HIM departments hold the check book to our organizations revenue! If we don't have robust CDI and Coding policies and processes in place, we will not collect the maximum allowable dollars for the services provided. Below are several of the challenges our HIM departments face daily.

- **DNFB/Suspense**: Pressure on the days to get bills out the door is under constant scrutiny (i.e., the faster we get bills out the quicker we collect revenue)
- **Resource Constraints**: Turnover, vacation, sick days, maternity leave, outsourced coding, weekend coverage etc. (i.e., we are always challenged to do more with less)
- **Productivity**: Often times we put productivity numbers in place that can often be at expense of quality
- **Physician Documentation**: We are at the mercy of our physicians, residents, PA's, and nurses not only to document timely but document accurately
- **Industry Change**: We are aiming at a moving target as the industry is always changing with quarterly and annual updates. The most notable change is ICD-10

INSIGHTS

We all strive to have robust CDI and Coding departments, leveraging many internal processes or vendors for CDI and physician education, CDI prioritization, Computer Assisted Coding (CAC), and manual coding reviews. Even with all these great processes in place, we still have opportunity to improve. With the large majority of our payers paying on DRG, accurate documentation, diagnosis and procedure identification is of the upmost importance. Today, more than ever it's critical to have an independent third-party to act as a safety-net, especially one that can leverage technology with clinical experts to target that elusive last 5% toward the holy grail 100% accuracy.

Accuracy should always be the #1 most important item for providers (as it is for Revint Solutions). Accuracy can and should come with a significant revenue lift. In our experience in dealing with hospitals and health systems of all sizes across the country, we see roughly 2% - 4% opportunity, with an **average of $3K - $4K net lift per case**. Take us up on our offer to complete a free assessment and see how DRG Validation, when done differently (leveraging our technology), is 20 times more efficient than traditional manual audits.

Just this month, we kicked-off a new client (a mid-sized regional health system) who has a very strong, a very well-staffed, and a very well-trained team who utilized computer assisted coding and a number of quality reviews prior to billing. In the first 30 days of our post-bill review, we identified over $800K in net revenue, one case for $77K, an Impella DRG. Our technology flagged this claim and our clinical experts reviewed the record

INSIGHTS CONT'D...

to pinpoint the opportunity. Most importantly, **the client agreed with our DRG shift recommendation which resulted in a $77K increase**.

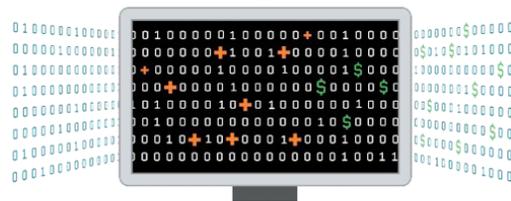## Automated DRG review solution

Healthcare Auditor
25-30 charts per day

Auditors must review: All **2,000 charts**

Chart Review Time: 65 - 80 days

Algorithms / Rules
Minutes to run rules

Auditors review: **100 charts (5% anomaly)**

Chart Review Time: 3 - 4 days

20x more efficient

SUMMARY

We all know 100% accuracy is NOT an achievable target, with all the pressures on HIM, the human touches, and the 155K+ ICD-10 diagnosis and procedure codes. By leveraging a technology enabled DRG Validation solution with clinical experts, we can tighten the gap and get closer to that unobtainable target of 100%.

We are pleased to have the opportunity to present this information to you. If you have any comments or questions, please contact me at (503) 830-3936.

Truly Yours,
Jason Merck
EVP, DRG Validation | Revint Solutions

Meet the Author | Jason Merck

Jason has 20 years' experience in the healthcare industry, specializing in technology. Jason has spent his entire career focused across the Mid and Backend of the Revenue Cycle. His strengths are in developing intuitive technology solutions and processes that solve real world healthcare challenges.

REVINT SOLUTIONS IS AN INDUSTRY LEADER IN REVENUE RECOVERY AND CONSULTING SERVICES. WE OFFER A FULL REVENUE INTEGRITY SAFETY NET FOR ALL TYPES OF HEALTHCARE PROVIDER ORGANIZATIONS.

OUR SOLUTIONS

TRANSFER DRG

IME | SHADOW CLAIMS

OUTPATIENT REVENUE RECOVERY & OPTIMIZATION

DRG VALIDATION

UNDERPAYMENT RECOVERY

CONSULTING SERVICES

INTERIM MANAGEMENT

SUPPLEMENTAL SUPPORT SERVICES

MEDICARE REIMBURSEMENT

PAYER VERIFICATION

RESULTS
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**

EXPERIENCE
We employ **400+** employees with over **20 years** of healthcare experience to bring the best of cutting-edge **analytical tools** to the revenue integrity space

VALUE
We offer the most value in every engagement by expanding our capabilities to support your entire **revenue cycle management process**