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Payment Assurance for Hospitals

From Transactional to Strategic

A Comprehensive Approach to Transforming your Front-End to improve Revenue Capture, Patient Experience, and Cost to Collect

alPAM October 11, 2018
Oak Brook, IL

Paul's Background

- 25 years in Patient Access, Revenue Cycle Management and Operations Leadership
- 3 years in Clinical Social Work in Acute Care facility
- MSW, MBA in Healthcare Admin, Finance & IT
- My passions:
  - Process Improvement (automating manual processes)
  - Making healthcare better for the patient at the POS
  - Empowering registration teams to improve revenue and patient experience
  - Music and the beach!

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My life's work: AccuReg

- 2005 – start up out of my garage, to give PA a better option
- 250+ hospitals in the US (offices in Mobile, Nashville)
- We understand Patient Access and innovate for the front-end only
- We solve four problems for hospitals – prior to patient service:
  - Front-End Denials Prevention
  - POS Collections
  - Financial Assistance
  - Patient Access Experience™

How are we different?
Predictive Analytics / Artificial Intelligence
Machine Learning Rules Engine that outsmarts payer tactics
Accountable Workflow
Embedded Staff Training
Comprehensive set of front-end tools

- Customer service culture with the highest KLAS scores x 5 years – recently dubbed the "High-Touch" Patient Access Company
- INC 5000 fastest growing companies, #1 in BlackBook for Service
- We give back (charities, causes, volunteer service in our industry; **NAHAM**)

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The Mission of Patient Access

- Create a positive patient experience
- Collect patient revenue at POS
- Be accurate, fast and friendly
- Identify, resolve and prevent Front-End Denials:
  - Eligibility/Benefits
  - Authorizations
  - Medical Necessity
  - Data Quality

<u>5 POINTS OF OPPORTUNITY:</u>

1. Ordering
2. Scheduling
3. Pre-Registration
4. Registration
5. POS/Charge-posting

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Transactional vs Strategic Revenue Cycle

Transaction Model

- Claims Processing
- Remit Processing
- Denials Management
- Contract Management
- Receivables Management
- Front-end Transactions:
  - RTE transactions
  - Auth transactions
  - Propensity transactions

Strategic Model

- Prevention-focused
- Predict and Prevent Denials
- Estimate and Collect Patient Liabilities
- Offer Financial Assistance
- Demographic Validation
- Insurance accuracy & compliance
- Pre-Registration focus

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Cold Truth about Transaction Technology

- Eligibility transactions (RTE) do not prevent eligibility denials
- Medical Necessity tools do not prevent MN denials
- Authorization tools do not prevent Auth denials
- Estimators do not increase POS collections (2% NPR)

Most were designed as transaction tools to generate profit vs solve problems

- Not fully automated (plus lack of CPT/ICD captured early)
- Not driven by a learning rules engine
- No workflow that alerts, guides and holds staff accountable to resolve
- Fragmented multiple tools – hard to implement and adopt

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Industry Standard KPIs, Benchmarks and Best Practices

Importance of Front-End KPIs

- If PA is the doorway to RCM and PX success, how do we know how well we're doing? MEASURE TO MANAGE.
  - Patient Access is the ONLY department within the health system that interacts with EVERY patient – on human and financial level.
  - RCM teams must play more defense than offense (proactive vs reactive RCM model)
  - As part of the RCM function, the PAS teams are the lowest cost with the largest impact to net revenue and patient experience
- Front-end performance correlates with back-end performance:
  - 95% Accurate Registrations = 95% Clean Claim Rate
  - Resolved Payer Requirements = Lower First Pass Denial Rate, Net Days AR, DNFB
  - POS Cash collected = greater total patient cash collected
  - Financial Assistance, Presumptive Charity and Eligibility = Bad Debt Reduction

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AccessKeys®: NAHAM's Key Performance Indicators

NAHAM is now defining performance standards with the AccessKeys®, including key performance indicators covering six domains:

- **Collections**
- **Conversions**
- **Patient Experience**
- **Critical Processes**
- **Productivity**
- **Accuracy/Quality**

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ID#	DOMAIN	AccessKey (KPI)	EQUATION
POS-1	Collections	POS Collections to Revenue	POS Collections / Net Patient Service Revenue
POS-2	Collections	POS Collections to Total Patient Collections	POS Collections / Total Patient Collections
POS-3	Collections	POS Collection Opportunity Rate	POS Collections / POS Estimations
POS-4	Collections	Total POS Dollars Collected	Total Dollars Collected *(<= Discharge Date)*
POS-5	Collections	POS Collected Accounts Rate	Accounts Collected / Total Registrations
POS-6	Collections	Estimate to Registration Rate	Estimates Generated / Total Registrations[1]
POS-7	Collections	Estimation Accuracy Rate	Accurate Estimates / Qualified Estimates
CV-1	Conversions	Conversion Rate of Uninsured (Self-Pay Patients) To Financial Assistance Policies	Uninsured Patients Converted / Total Uninsured Patients
CV-2	Conversions	Conversion Rate of Insured (BAI Patients) To Financial Assistance Policies	BAI Patients Converted / Total BAI Patients
PX-1	Patient Experience	Patient Access Experience Rate	Total Survey Scores / Surveys Completed
PX-2	Patient Experience	Average Wait Time	Total Minutes Spent Waiting / Total Registrations
PX-3	Patient Experience	Average Reg Time	Total Minutes in Registration / Total Registrations
PX-4	Patient Experience	Average Pre-Reg Call Time	Total Pre-Reg Call Time / Completed Pre-Registrations
PX-5	Patient Experience	No Show Rate	No-shows / Scheduled Patients
PX-6	Patient Experience	Left Without Being Seen Rate	LWBS Patients / ED Registrations
PX-7	Patient Experience	Call Abandonment Rate	Abandoned Calls / Total Patient Calls Received
PX-8	Patient Experience	Speed to Answer Rate	Calls Answered <30 seconds / Total Patient Calls

ID#	DOMAIN	AccessKey (KPI)	EQUATION
CP-1	Critical Process	Eligibility Resolution Rate	Eligibility Issues Resolved / Eligibility Issues Identified
CP-2	Critical Process	Authorization Resolution Rate	Authorizations Obtained / Authorization Issues Identified
CP-3	Critical Process	Necessity Resolution Rate	Necessity Issues Resolved / Necessity Issues Identified
CP-4	Critical Process	Quality Resolution Rate	Quality Issues Resolved / Quality Issues Identified
CP-5	Critical Process	Identity Resolution Rate	Identity Issues Resolved / Identity Issues Identified
CP-6	Critical Process	Master Patient Index (MPI) Search Error Rate	MPI Search Errors / Total Registrations
CP-7	Critical Process	Completed Orders Rate	Completed Orders / Scheduled Patients[2]
CP-8	Critical Process	Return Mail Rate	Returned Mail Count / Mailings
CP-9	Critical Process	Address Resolution Rate	Address Failures Resolved / Address Failures Identified
P-1	Productivity	Insurance Verification Rate	Verified Registrations / Total Registrations
P-2	Productivity	Scheduled Patient Rate	Scheduled Patients / Total Registrations
P-3	Productivity	Pre-Registration Rate	Pre-Registrations Started / Scheduled Patients
P-4	Productivity	Completed Pre-Reg Rate	Pre-Registrations Completed / Pre-Registrations Started
P-5	Productivity	Average Registrations Per Person Per Day (PPPD)	Total Registrations / FTE's Registering
P-6	Productivity	Cost Per Registration	Labor Cost of PAS / Total Registrations
A-1	Accuracy	Initial Accuracy Rate	Error-Free Registrations at POS / Total Registrations
A-2	Accuracy	Final Accuracy Rate	Error-Free Registrations at Discharge / Total Registrations

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NAHAM's Pre-Registration Tasks and Tiers

Process Tiers	Tasks	Pre-Access Component
TIER ONE: Basic Pre-Reg	1	Review Scheduled Visits
	2	Verify Physician Orders
	3	Create Accounts in HIS/ADT
	4	Assign Medical Record Number
	5	Collect Demographics
	6	Verify Addresses
	7	Verify Employment/Retirement
	8	Determine Financial Responsibility
	9	Collect Insurance Information
	10	Contact Patient
	11	Quality Review
TIER TWO: Insurance Clearance	12	Insurance and Benefits Verification
	13	Medicare Secondary Payer/COB
	14	Medical Necessity Screening & ABN
	15	Authorization Screening & Obtainment
TIER THREE: Collection	16	Estimate Patient Liability
	17	Collect Patient Liability
TIER FOUR: Conversion	18	Screen for Financial Assistance
	19	Arrange Payment Plan
	20	Refer to Financial Resources
	21	Qualify and Enroll for New Benefits

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When looking at a large task, Creighton William Abrams, Jr., a U.S. Army General who commanded the military in the Vietnam War, said:

“The way to eat an elephant is one bite at a time.”

In other words, when you are faced with a difficult or complex task, you simply take it slow, one part at a time.

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User's Guide

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ACCESSKEYS
naham's key performance indicators

KPI #1: POS Collections to Revenue

Equation:	"Good" Benchmark Example:	Data Source:
POS Collections / Net Patient Revenue	$100,000/month / $10 million/month = 1.0%	Payment Posting System / AR System

Definitions, Notes and Best Practice Recommendations

1. Point of Service (POS) Collections: any and all dollars collected and posted by Patient Access prior to and including discharge date. This includes patient payments made for:
   a. Self-pay accounts
   b. Initial payments collected for approved payment plans
   c. Estimated balance after insurance accounts including copays, deductibles and co-insurance.
   d. Payments made on prior balances and bad debt accounts if collected by Patient Access during the process of scheduling, pre-registering or registering the patient for upcoming services.

2. Net Patient Revenue (NPR): total revenue received for patient services less (or net) of contractual allowances and discounts. Note this figure represents Patient Service Revenue and does not include revenue from other sources such as donations, cafeteria, gift shop, parking fees, rent, interest, investments, etc.

3. Report this metric on a monthly, quarterly and annual basis. For maximum accountability, report the data at four levels; health system, facility, location and employee if possible.

4. Consider there may be variations in expected benchmarks depending on patient type (i.e. ED vs Surgery). Reporting by location allows for specific benchmarking to each patient type and location.

5. NPR is a commonly reported financial metric that you can find on your organization's Income Statement. Because it is tracked and monitored carefully by finance leaders, it is a credible denominator for Patient Access Managers to use in communicating and measuring POS Collections and allows for meaningful peer comparison to hospitals of any size. While there may be variations due to payer mix or patient types, we recommend using this metric in addition to at least two other POS collections metrics to get a complete picture of POS collections performance. Note that Better and Best benchmarks are achieved when people, process and technology are properly aligned and POSC best practice recommendations are implemented (see KPI #4).

POS Collections

NAHAM AccessKeys®: POSC

ID#	DOMAIN	AccessKey (KPI)	EQUATION	GOOD Benchmark Early Implementation Phase or Manual Process	BETTER Benchmark Middle Implementation Phase or Semi-Auto	BEST Benchmark Mature Implementation Phase or Auto Process
				National standard benchmarks represent progressive phases to achieving a high performing Patient Access team and are largely dependent on the level of executive support, community and board adoption, available technology, staffing, processes and use of best practices.		
POS-1	Collections	POS Collections to Revenue	POS Collections / Net Patient Service Revenue	1.0%	1.5%	2.0%
POS-2	Collections	POS Collections to Total Patient Collections	POS Collections / Total Patient Collections	30%	40%	50%
POS-3	Collections	POS Collection Opportunity Rate	POS Collections / POS Estimations	30%	45%	60%
POS-4	Collections	Total POS Dollars Collected	Total Dollars Collected *(<= Discharge Date)*	*Total POS Cash Collected compare to prior periods (no ratio or benchmark for peer comparison)*		
POS-5	Collections	POS Collected Accounts Rate	Accounts Collected / Total Registrations	20%	40%	60%
POS-6	Collections	Estimate to Registration Rate	Estimates Generated / Total Registrations[1]	**30%**	**40%**	**50%**
POS-7	Collections	Estimation Accuracy Rate	Accurate Estimates / Qualified Estimates	**85%**	**90%**	**95%**

NAHAM POSC Best Practices

1. Establish a Baseline
2. Identify Gaps
3. Provide staff with tools and training
4. Train Staff
5. Develop Collection Policies
6. Foster a Collections Culture
7. Continually Raise the Bar
8. Implement Incentives
9. Engage Physicians and Office Managers
10. Monitor POS Collections Performance

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Patient Access Experience

Patient Access Experience

- How does Patient Access effect PX?
  - Wait times
  - Reg times
  - Cost estimates
  - Payment Options (payment plans, discounts, loans, charity)
  - People remember how we made them feel
  - Pre-Registration – Four Tiers:
    - Basic registration completed (and not duplicated at POS)
    - Insurance clearance (elig/benefits/MN/Auth)
    - Estimation/Collection
    - Financial Assistance

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Data Science and PA

Data Science and Patient Access

AI and Machine Learning – predicts the future:

- Past denial patterns predict future denials
- Past physician order patterns predict future orders
- Past patient payment patterns predict future payment likelihood
- Estimation Accuracy Improvement process

Data analytics can help PA staff identify pre-denials, estimate more accurately, and collect more. It requires a learning rules engine and process, and a workflow that alerts, instructs and holds individuals accountable to RESOLVE.

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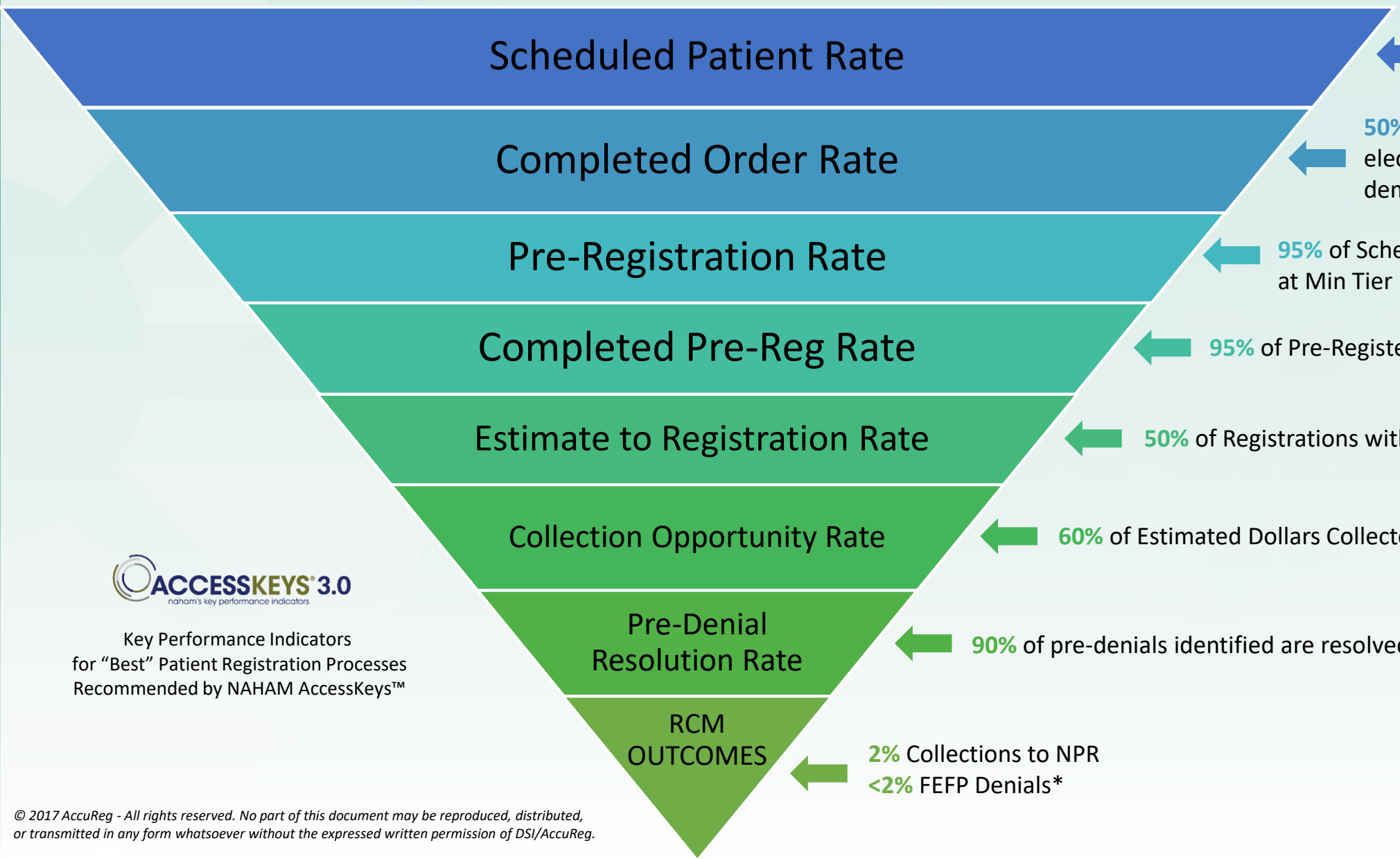
Patient Access Vision

Front-End RCM Transformation Blueprint™



80% of expected registrations are scheduled >48hrs prior to arrival

50% of scheduled patients with electronic orders have complete data; demographic, insurance and CPT/ICD

95% of Scheduled Patients Pre-Registered at Min Tier 1

95% of Pre-Registered Patients Completed at Tier 4

50% of Registrations with Estimates Generated

60% of Estimated Dollars Collected Pre-Service

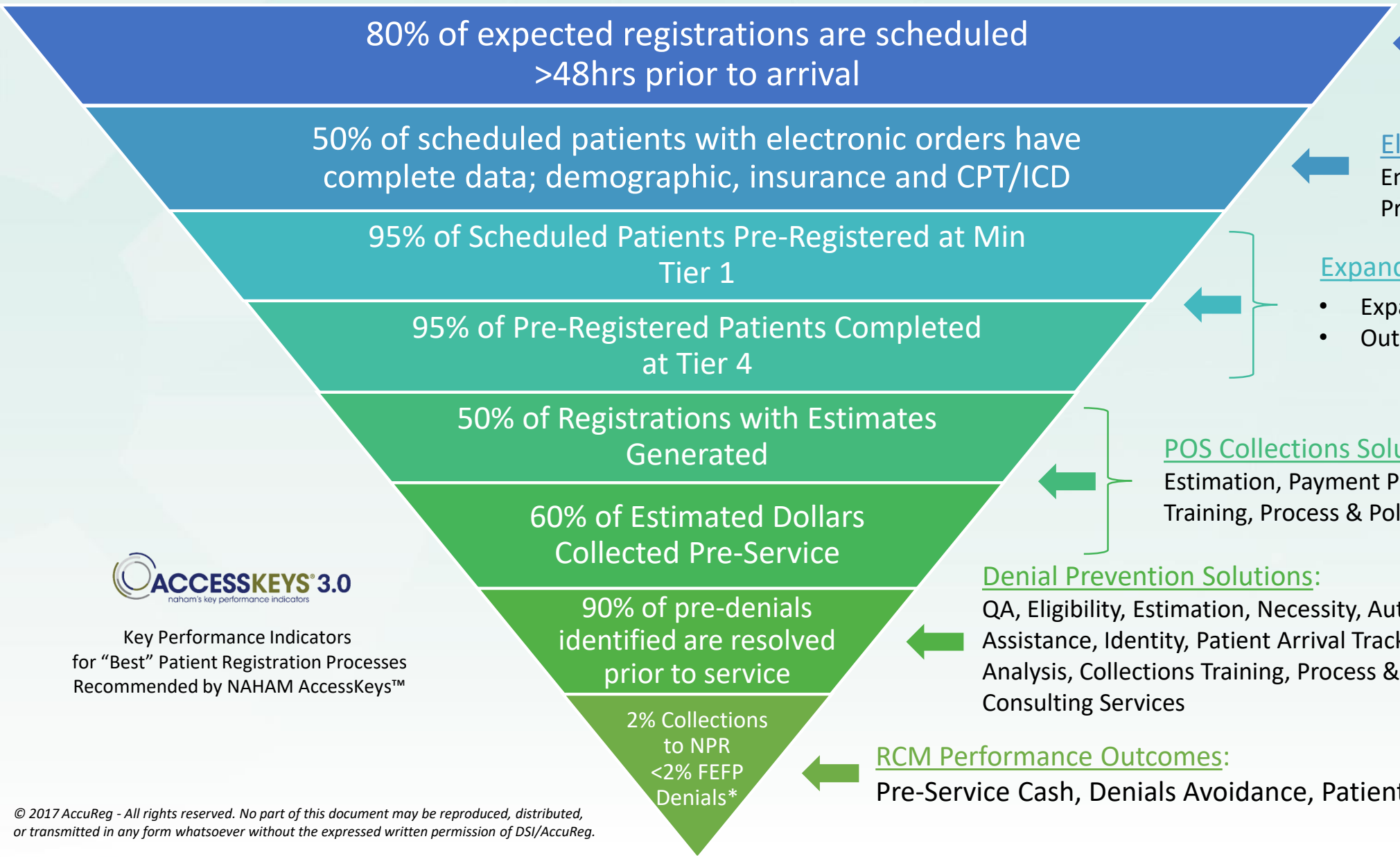
90% of pre-denials identified are resolved prior to service

2% Collections to NPR
<2% FEFP Denials*

ACCESSKEYS® 3.0
naham's key performance indicators

Key Performance Indicators
for "Best" Patient Registration Processes
Recommended by NAHAM AccessKeys™

Front-End RCM Transformation Blueprint™



Physician Engagement:
Revenue Impact Education, Process Redesign, Training

Electronic Orders: Fax to Portal, Enforce Payer Requirements, Process Redesign, Training

Expand Pre-Reg Operations:
- Expand Internally
- Outsource Service

POS Collections Solutions:
Estimation, Payment Processing, Collections Training, Process & Policy Consulting

Denial Prevention Solutions:
QA, Eligibility, Estimation, Necessity, Authorization, Financial Assistance, Identity, Patient Arrival Tracking, Education, Denials Analysis, Collections Training, Process & Policy Redesign Consulting Services

RCM Performance Outcomes:
Pre-Service Cash, Denials Avoidance, Patient Access Experience®

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Key Performance Indicators
for "Best" Patient Registration Processes
Recommended by NAHAM AccessKeys™

Thank You & Questions?

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