

Case Study: Optimization of Charge Capture & Coding Operations

Engagement Background

Culbert Healthcare Solution was engaged by a large medical group who provides comprehensive care for cancer patients. Over 400 clinicians provide services in ten medical and surgical specialties out of 80 practice locations.

Charge capture and coding workflows are very complex. Clinical documentation and capture occur in their core oncology-oriented EHR, while other systems capture charges for laboratory, radiology, pharmacy and inpatient related charges. All charges flow into a single practice management system for billing and A/R management. The EHR and practice management systems in place have been in place for almost two decades. These applications were selected when the practice was comprised of 14 medical oncologists.

Organizational growth, service line expansion, and the complex nature of charge capture processes led to the request for an independent review of their coding and charge capture processes to identify opportunities for improving the overall efficiency and effectiveness of these processes. The goals of this assessment were to identify and qualify financial improvement opportunities derived from the following:

1. Income statement improvement opportunities through revenue enhancement by capturing missing charges, cash acceleration by decreasing charge and claim lag, and reduction in coding related denials.
2. Improving RAF scores through enhanced HCC coding.
3. To identify balance sheet improvements through reduction in Days in A/R.

Approach

Culbert conducted a comprehensive review of current KPIs, workflows, policies, procedures, staffing roles, responsibilities and costs, and IT system design. A critical component of our analysis was to determine the extent to which their antiquated IT application infrastructure supported or hindered optimal workflows and staffing efficiencies.

Findings & Recommendations

From a missing charges perspective, Culbert identified an opportunity to increase annual net patient revenue by \$8.7M. These charges should have been captured through enhanced EHR configuration, automated coding rules, and charge reconciliation processes.

Culbert identified a \$97M balance sheet improvement opportunity by mitigating coding related denials before claims went out to payers.

Lastly, the reduction in charge lag and claim lag associated with coding issues would result in a \$9M balance sheet improvement.

Culbert developed a detailed implementation roadmap which included the necessary changes to people, processes and technologies in order to realize these improvement opportunities.

People

Culbert recommended the creation of a centralized Revenue Integrity team. This team centralized management of the following activities:

- Coding for all procedures was shifted from physicians to the coding team. Providers were only responsible for E&M coding.
- Shift of coding responsibility for certain specialties from their compliance team to the revenue integrity team.
- Coding related claim edits and coding denials were shifted from billing office staff to this team to be worked by coding specialists.
- Centralized CDM maintenance.

Process

A major driver of workflow inefficiencies relates to limitations of their practice management system to support a large multi-specialty billing operation. With the adoption of our IT recommendations detailed in the following section, revisions to workflows included:

- Coordination and communication of revenue cycle performance information between practices, billing office and IT staff.
- Established an End of Day charge reconciliation processes, with defined responsibilities between practice managers and revenue integrity teams.
- Capture of charge edits before the charges hit the billing system (pre-A/R as opposed to post-A/R).
- Implemented HCC coding process to improve Risk Adjusted Factor.
- Developed formal coding education program and feedback loop between revenue integrity and providers.
- Management of annual coding updates.

Technology

Culbert provided short-term IT recommendations to address immediate opportunities with defined ROI opportunities, as well as longer term IT considerations which would align IT priorities with the strategic goals of the organization (growth, patient experience, research, service line expansion, operational efficiencies).

- Address backlog of EHR optimization initiatives related to order management and closing encounter functionality.
- Updated Order sets in the EHR to capture appropriate charge information.
- Selected [RCxRules Revenue Cycle Engine](#) as coding workflow tool for centralized management of all coding edits/reviews/rules pre-A/R, and to support new HCC coding

workflow in real time. Move all EHR and interface rules associated with coding edits into RCxRules.

- Develop automated charge reconciliation reports.
- Evaluate new practice management system with more robust rule-based functionality to automate workflow, assign and prioritize accounts, and improve staff productivity,
- Consider integrated EHR/PM platform