Reimbursement Strategies
EDDA November 2022

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Managing The Billing Process

- Track the important metrics
- Overall size of the AR
  - 40K visits runs ~ $2m
  - Days in AR-look for trends… **benchmark < 40** increasing days = danger sign!
  - Follow Gross and Net collection ratio
  - Maximize $ collected per patient
    - Allow accounts to mature
- Gross monthly revenue should be steady!
- Watch gross **charges** as an early warning sign

Billing Report: Mastering The Terms

Executive Summary: Charges, Collections and A/R Analysis						
	Aug	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Charges*	$1,770,746	$1,822,473	$1,768,146	$1,703,243	$1,851,191	$8,415,799
Collections*	$716,148	$770,177	$777,442	$748,679	$702,914	$2,315,360
# of Patients*	3,052	3,425	3,212	3,158	3,512	15,759
Refunds*	$3,846	$3,799	$3,723	$4,043	$3,325	$8,098
Cont. Adjs*	$629,306	$608,797	$669,277	$659,878	$670,200	$2,837,457
Free Care*	$4,875	$3,585	$3,535	$4,979	$3,471	$16,570
Bad Debt*	$101,845	$108,090	$74,814	$103,341	$119,915	$579,006
A/R*	$2,114,447	$2,186,279	$2,031,080	$2,020,489	$2,145,504	$2,035,504
AR Days*	39	39	37	36	38	36

Metrics to Monitor

- **Days in AR** - Should not trend up
- **Contractual adjustments** should not spike up
- **Monthly collections** should be steady
- **Average charge per patient** – small variations
- **Dollars collected per patient** – tight range
  - Allow accounts to mature
- Watch gross charges and your E/M distribution

Billing Practice Performance Reports: Date of Service Analysis

Date of Service Analysis						
CPT	**March**	**April**	**May**	**June**	**July**	**Total**
Total Charges	$1,808,884	$1,821,390	$1,815,147	$1,465,803	$1,852,778	$8,664,002
# of Visits	3,219	3,313	3,304	**3,030**	3,276	16,242
Avg Chg/Pt.	$462	$463	$459	$460	$461	$461
Collections	$650,452	$643,591	$644,899	$624,791	$690,779	$2,634,511
Avg Collect/Pt.	$189	$189	$188	$190	$191	$189

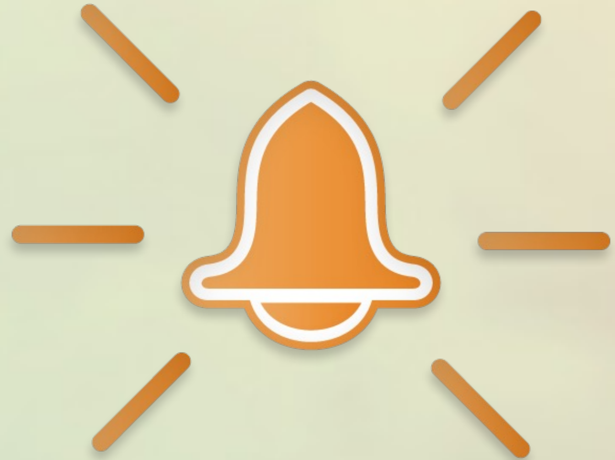
The 6-month look-back

Aged Trial Balance (ATB)

- Aging Analysis- a table displaying the A/R age by payer
  - 0-30 days, 30-60 days, 60-90 days, 90-120 days
  - Increase $$$ = warning sign!
  - Un-credentialed physicians
  - Clearing House failure
  - Billing company data file transfer failure
  - Alarm bells- monitor top 5 payers
    - Private pay increasing 45,60,75,….
    - BCBS
    - Medicare increasing

We Have a Problem!

ATB Warning Signs Increase $$$ Far Out



Payor Category	0 - 30	31 - 60	61 - 90	91 - 120	***121 -150**	151 - 180	**Total**
Blue Shield	$66,567	$23,476	$18,325	$5,567	$632	$67	$107,025
Medicaid	$7,928	$2,261	$2,051	$1,408	$781	$232	$16,521
Aetna	$23,439	$37,338	$48,116	$72,184	****$111,360**	$3,744	$297,116

Problem Soving: My Cash Is Down

- Go Back 60 – 120 Days
  - E/M Distribution
  - Volume
  - Charge per patient
  - Provider Enrollment
  - Electronic Submission process
- Carrier Specific Issues
  - Contracted vs Non Par Rates

My Cash Is Down

- Payer Policy changes
  - Inappropriate bundling (EKGs)
- Discounting of E/M with procedure
  - Not honoring 25 modifier
- Coding has drifted downward
- E/M diagnosis downcodes

BCBS Down-coding 99284/99285

To: Physicians and Other Health Care Professionals

Subject: Clinical Editing Policy - Evaluation and Management Coding

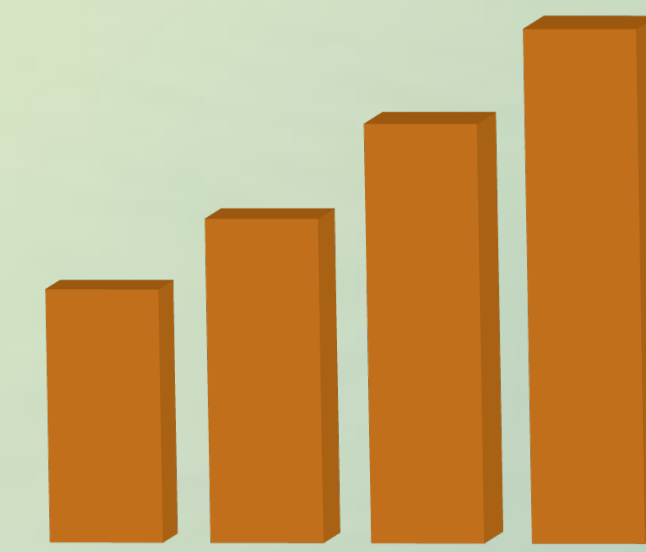
The Centers for Medicare & Medicaid Services has identified Evaluation and Management (E/M) coding as an area that has significant opportunity for increased accuracy. Effective with dates of service on and after

Excellus BlueCross BlueShield will adjust the level of E/M codes when appropriate.

Diagnosis codes will be used in determining the appropriate E/M level, using all diagnoses on the claim. If the diagnosis codes submitted do not support the level of E/M billed, the E/M code will be automatically adjusted to 1 or 2 levels lower at the time of adjudication based on the diagnosis code allowing the highest level.

Auto-Downcoding simply based upon Diagnosis!

Coding and Billing Benchmarking and Best Practices



- Electronic processes
  - No clearing house
- 100% Enrolled Providers
  - Project
- 99.75% of records received at 30 days - Project
- 3 days to bill drop
- Consistent charges and monthly cash flow
- Days in AR < 40 days
- Maximized $$$ collected per patient
- Net Collections ratio 98%
- 98% clean first pass claims
- **2023 DG Robust Preparation**
- **2023 DG Significant Education**
- Weekly RVUs/Patient
  - Group and provider
- No backlog!
- Billing Reports
  - Executive summary
  - Date of Service

RVUs and Payments

RBRVS EQUATION

Work RVUs

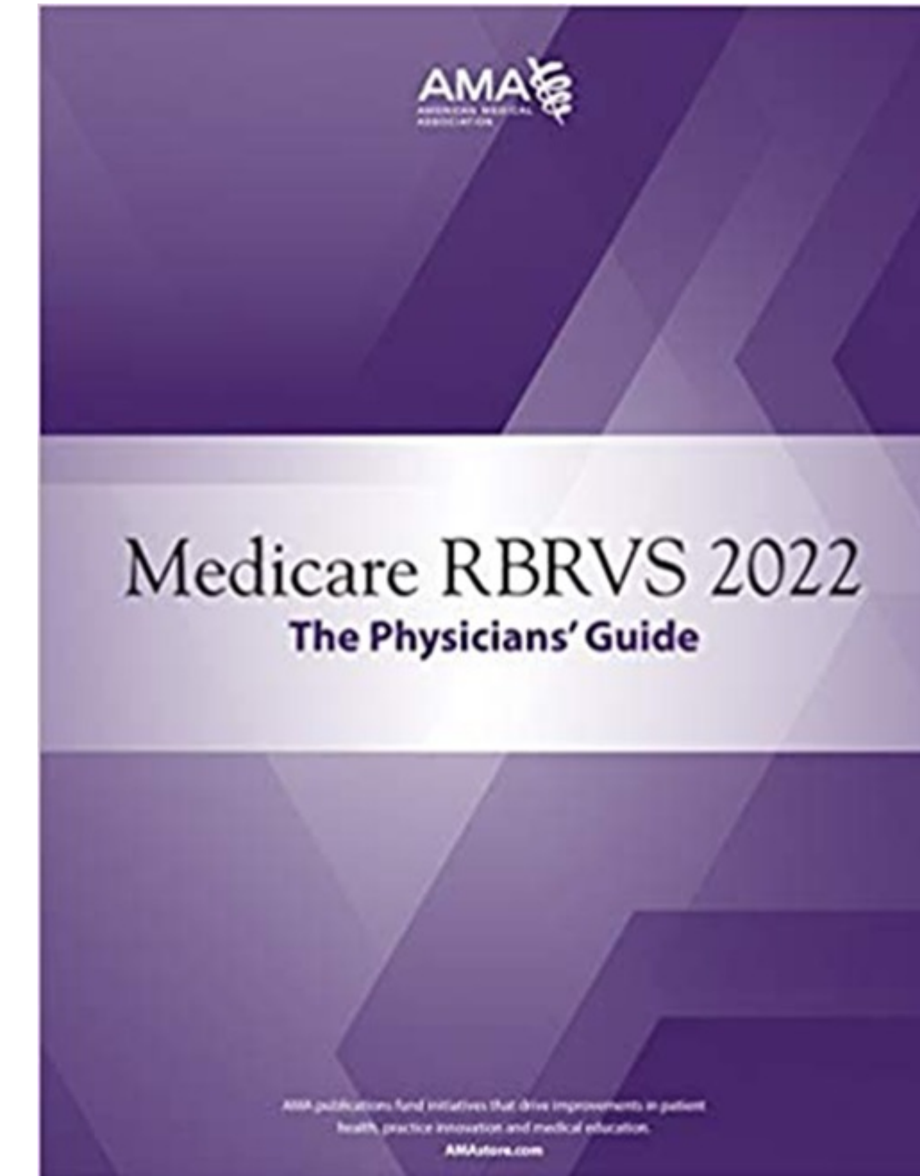
Practice Expense RVUs

<u>+Liability Insurance RVUs</u>

Total RVUs for a given code

RVU Total X Conversion Factor

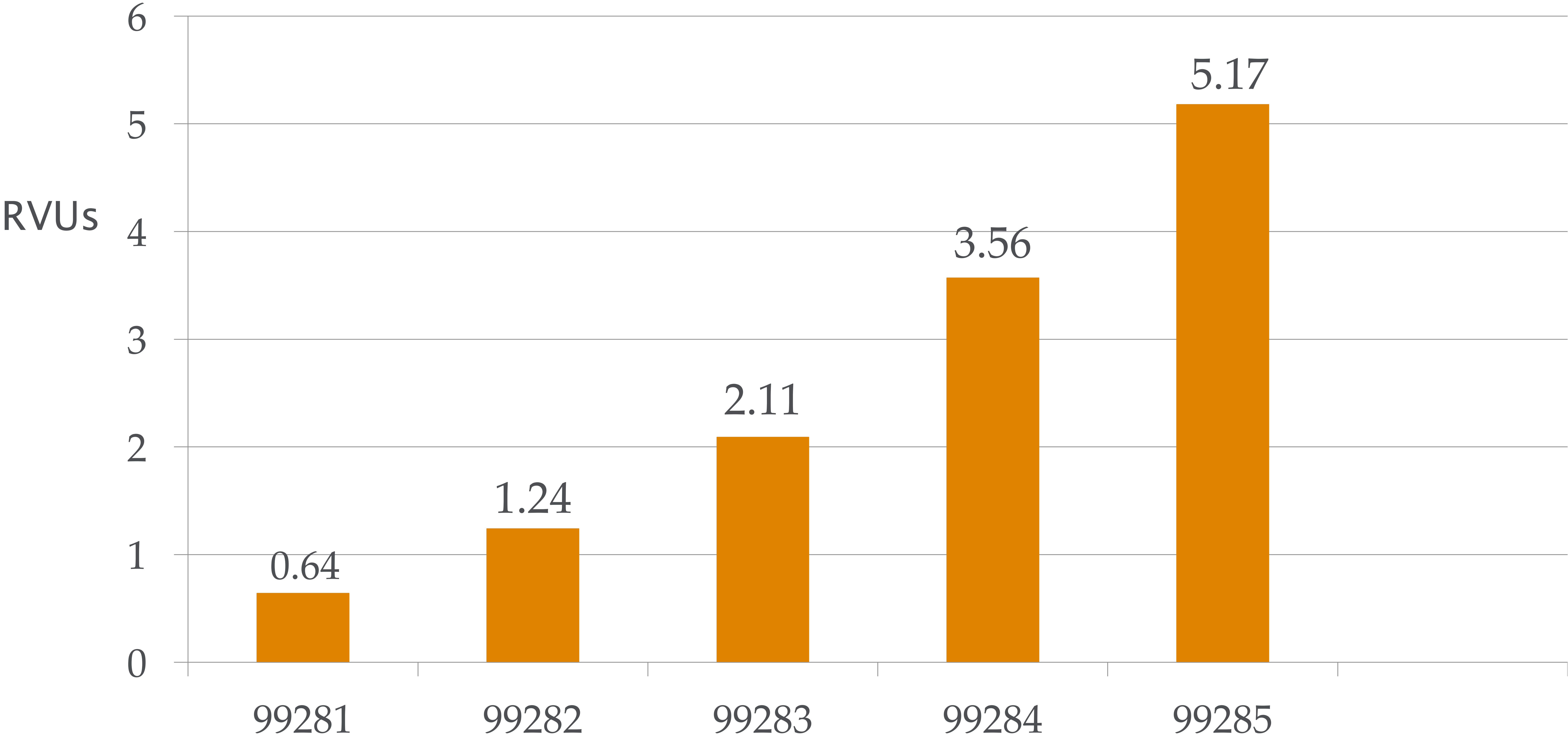
= Medicare Payment



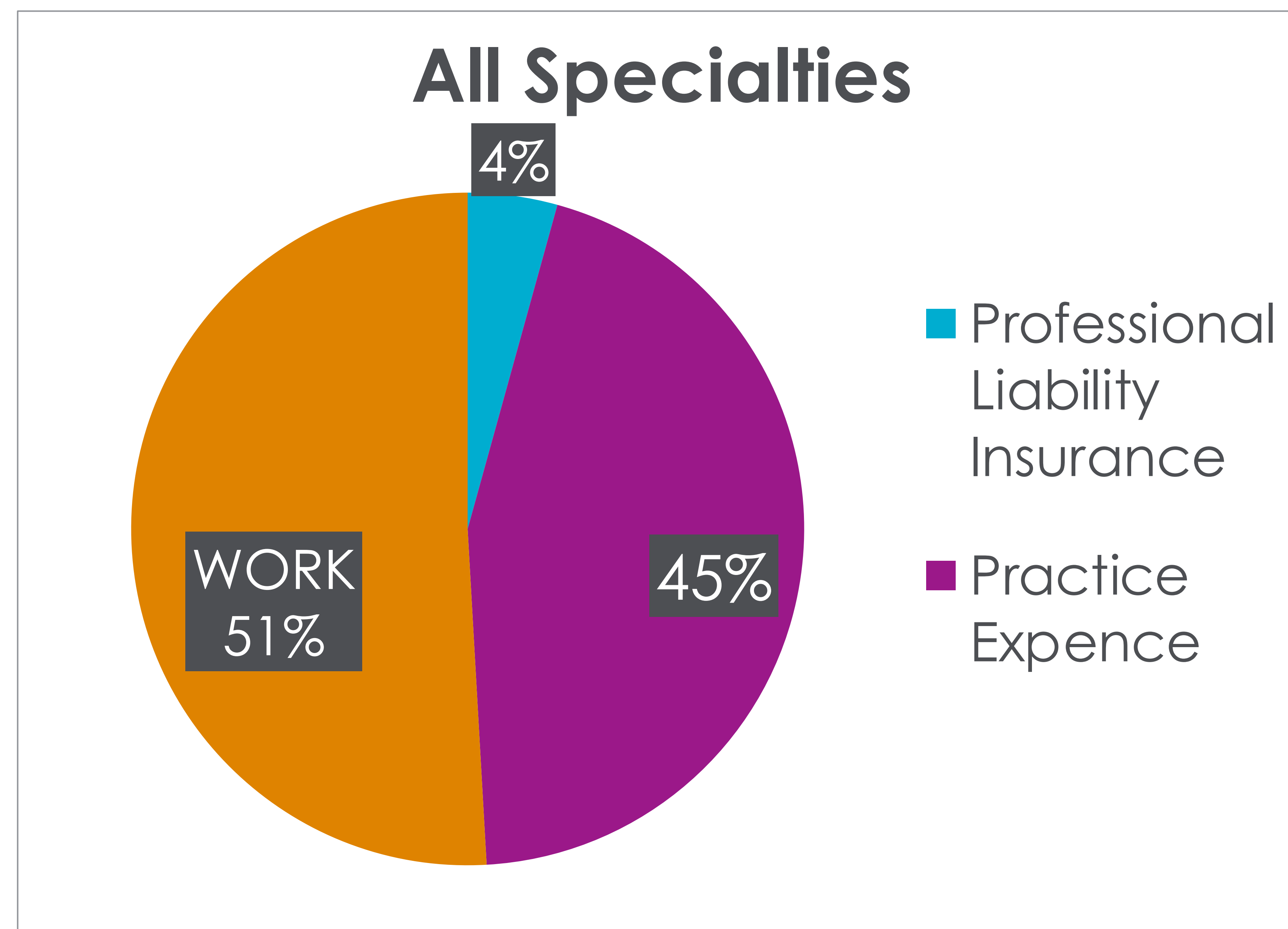
2022 RVU Component Detail

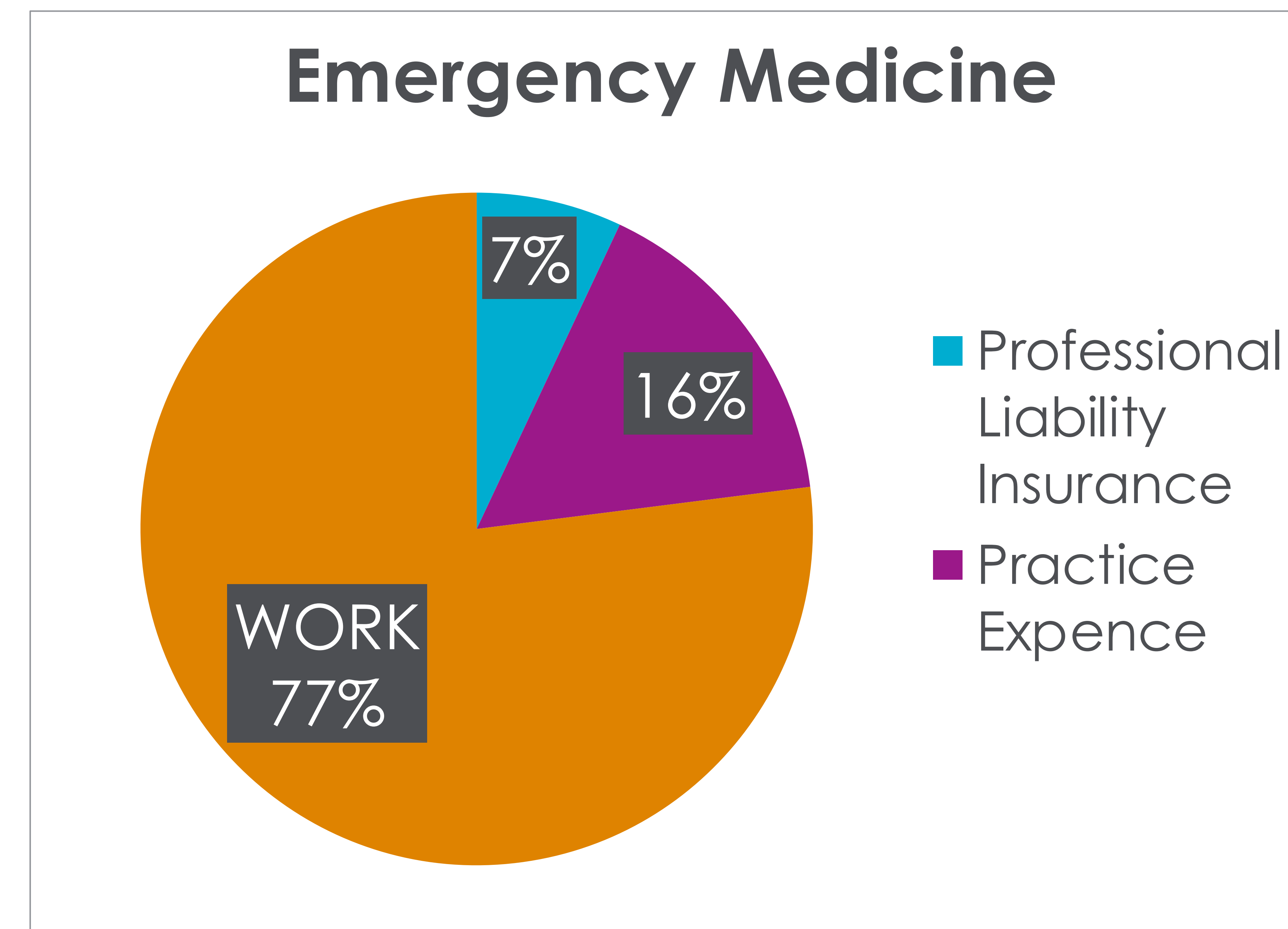
Code	2021 Work	2022 Work	2021 PE	2022 PE	2021 PLI	2022 PLI	2021 Total	2022 Total
99281	0.48	0.48	0.11	0.11	0.05	0.05	0.64	**0.64**
99282	0.93	0.93	0.21	0.21	0.10	0.10	1.24	**1.24**
99283	**1.60**	**1.60**	0.33	0.33	**0.17**	**0.18**	**2.10**	**2.11**
99284	2.74	2.74	0.54	0.54	0.29	0.28	3.57	**3.56**
99285	4.00	4.00	0.74	0.75	0.42	0.42	5.16	**5.17**

2022 RVU Increases With Each E/M Level



ED RVU Components: It's All About the Work RVUs





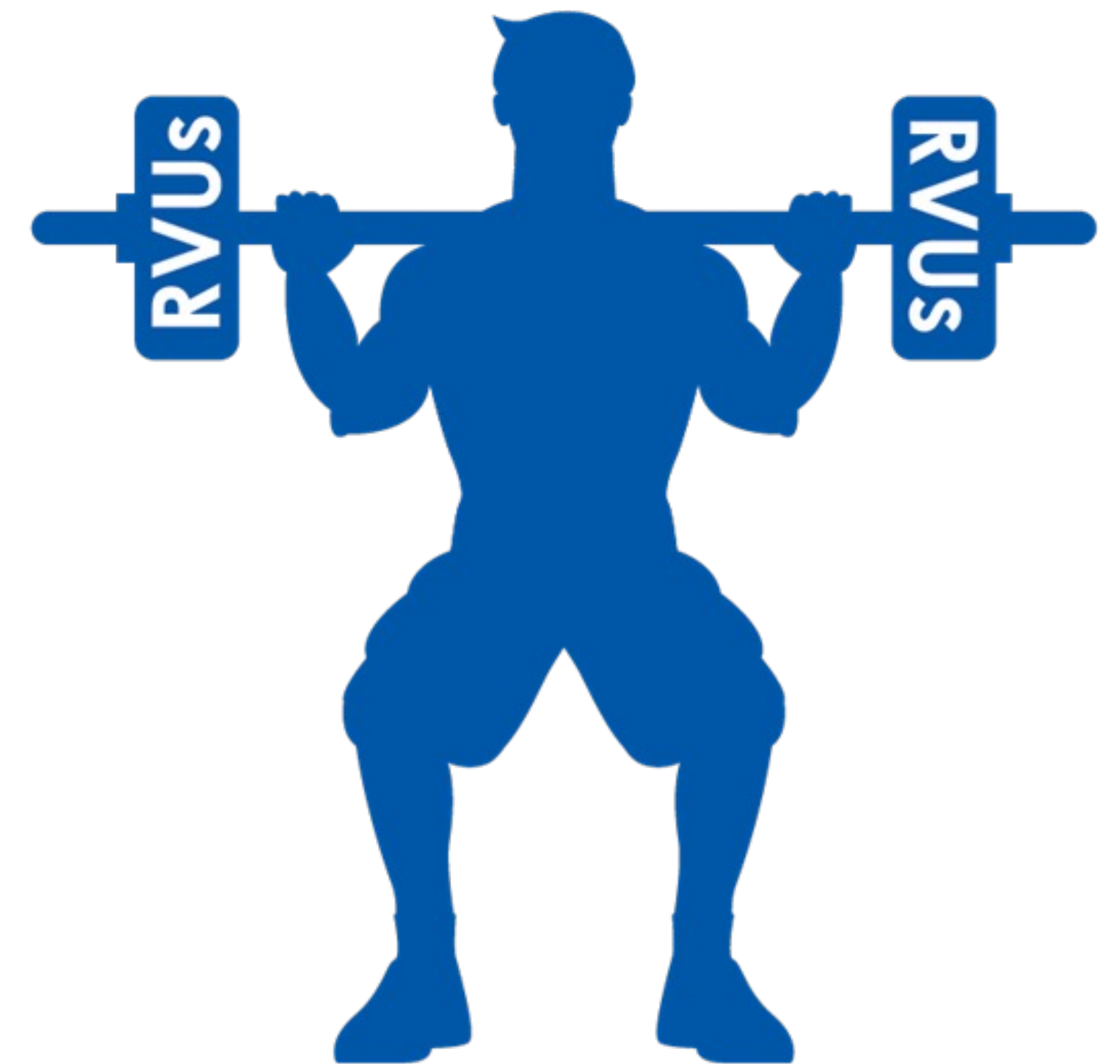
E Med has the highest percentage of Work to Total RVUs of any specialty since we have limited practice expense.

Valuing Work RVUs- The Work Horse of EMed Productivity

Surveys sent to specialty society members to gauge:

1. The time it takes to perform the service
2. The technical skill and physical effort
   - Complex laceration repair vs finger laceration
3. The required mental effort and judgment
   - Septic transplant patient vs ankle sprain
4. Psychological stress due to the potential risk to the patient

- Example of intensity variation:
  - Critical Care: Highest intensity E/M service
    - 30 minutes and 4.50 work RVUs
  - 99214 established Office code 30-39 minutes 1.92 Work RVUs



The ED RUC Process

- ED Work RVUs typically only reviewed as part of a large update
- Noteworthy Prior Work RVU valuations
  - 2007 big increases across the board
    - (99285 wRVU 3.06 - 3.80)
  - 2020 5% increase
    - (99283 wRVU 1.34 - 1.42)
  - 2021 5% increase
    - (99284 wRVU 2.60 - 2.74)
- 2023 ED revalued; part of documentation guidelines update

99284 Really Matters

- Prior work RVU was 2.74
- Initial published ruling: a decrease to 2.60
- Specific direct arguments made related to complexity
- Economic Impact:
  - 140 million ED Visits
  - 2023 99284 will be the highest frequency code
  - Model using 40% = 56,000,000 cases
  - Decrease of .14 RVUs per case
  - Impact to Emergency Medicine: **$260,000,000**

2022 Allowable by E/M Level

2022 CF: $34.6062

CPT Code	Payment
Level 1	22.15
Level 2	$42.91
Level 3	$73.02
Level 4	$123.20
Level 5	$178.91

ED Telehealth Update

- Current Federal Rule Making: ED and other key codes approved through 12.31.2023
  - ED 99281-99285
  - Critical care 99291-99292

- CMS recently extended certain telehealth waivers for 151 days after the PHE ends:
  - HPSA geographic waiver
  - The patient home location waiver

Telemedicine Overall Future Forecast

- 2022 CMS Final Rule 9928x codes continue 12.31.2023
- PHE ends potentially 2022 calendar year
  - Health Professional Shortage Area (HPSA) and Patient location of home require Congressional action
  - Congress provided 151 day extension to the key HPSA and patient location waivers
  - House Bill 4040: Advancing Telehealth Beyond COVID 19 Act passed July 28th
    - Continue flexibilities through 2024

Protecting Your Group

Which Version of The Future?

Payers Measuring Cost Drivers

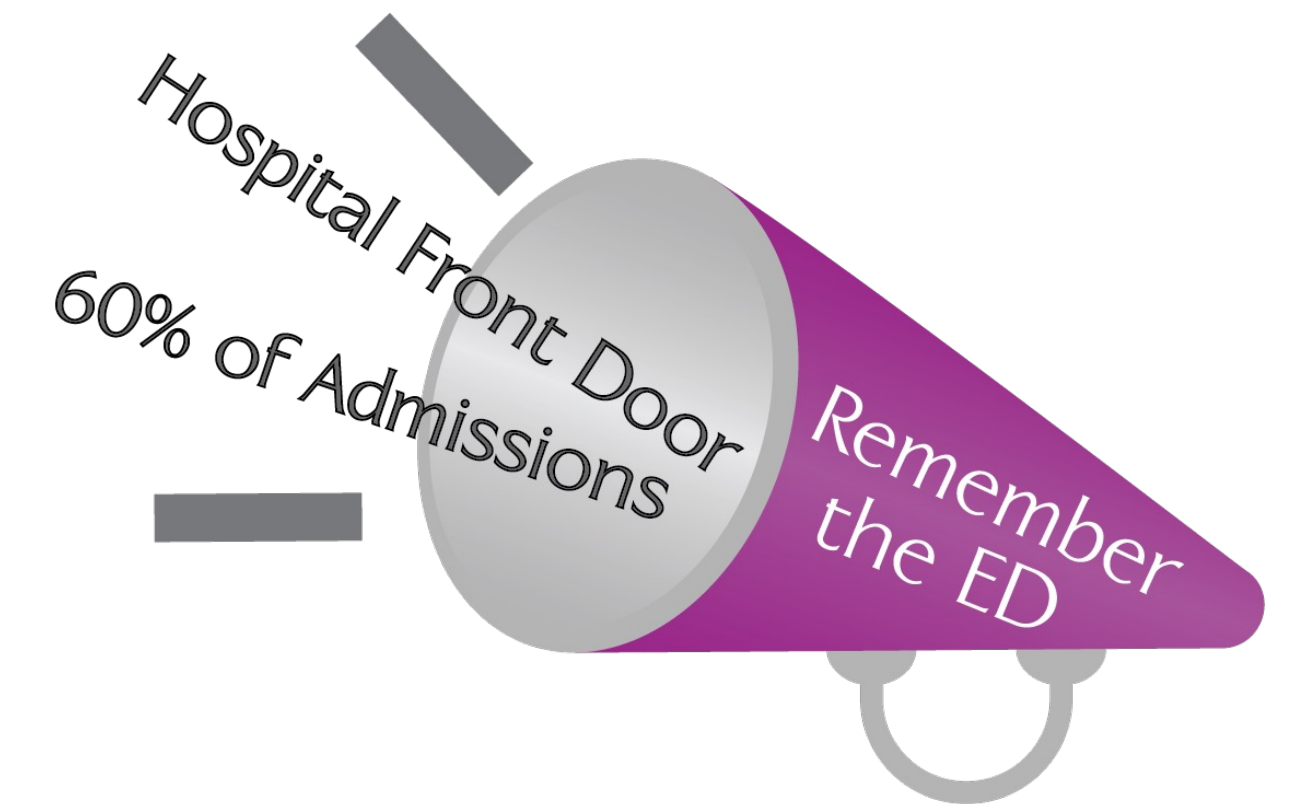
Utilization and Resources

The Immediate Future

- Everyone cares about cost
  - Your hospital
    - Entering into an ACO
    - Taking risk contracts
    - Insuring the community directly
  - The payers- will impact contracting and rates
  - The Feds
    - Medicare +/- 9% at risk cost & quality
      - MIPS program

Accountable Care Organizations
ED Concerns and Realities

- Revenue goes to the ACO (Hospital/PHO) for an acute episode…Hip fracture
- ED group value needs to be recognized
- Revenue goes to the ACO for chronic episode
  - Dialysis, Diabetes, COPD
  - Nephrology, Endocrine, PMD coordinate payment
- Hospital pays out to the Orthopedist, Primary Care Physician, Anesthesia, Consultants, and …the ED
- ED visits seen as system failures that add expense????



Revenue Contraction…. are we at the end of the line?

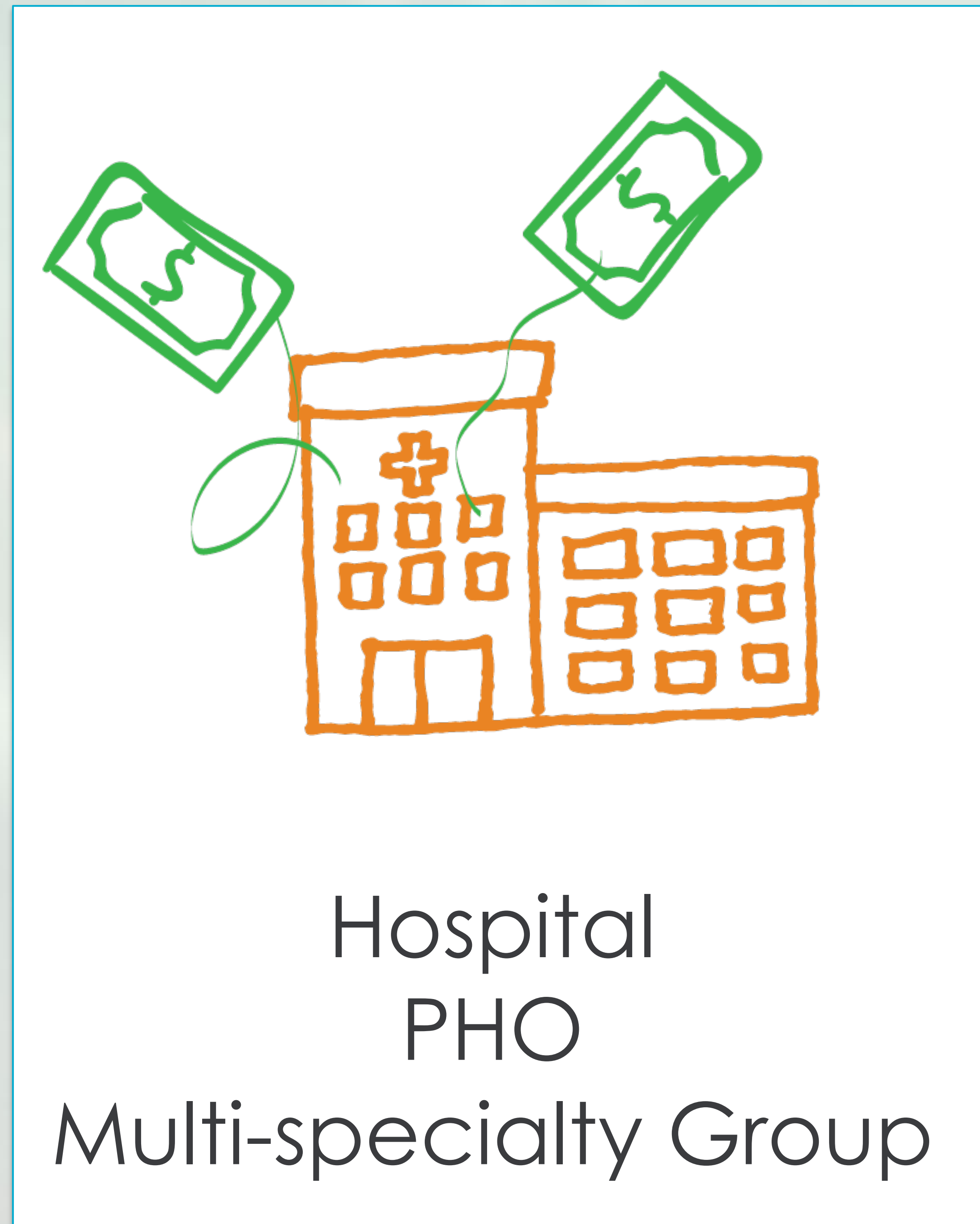
CMS ACE Demonstration

- The Acute Care Episode (ACE) Demonstration involves the use of a bundled payment for both hospital and physician services

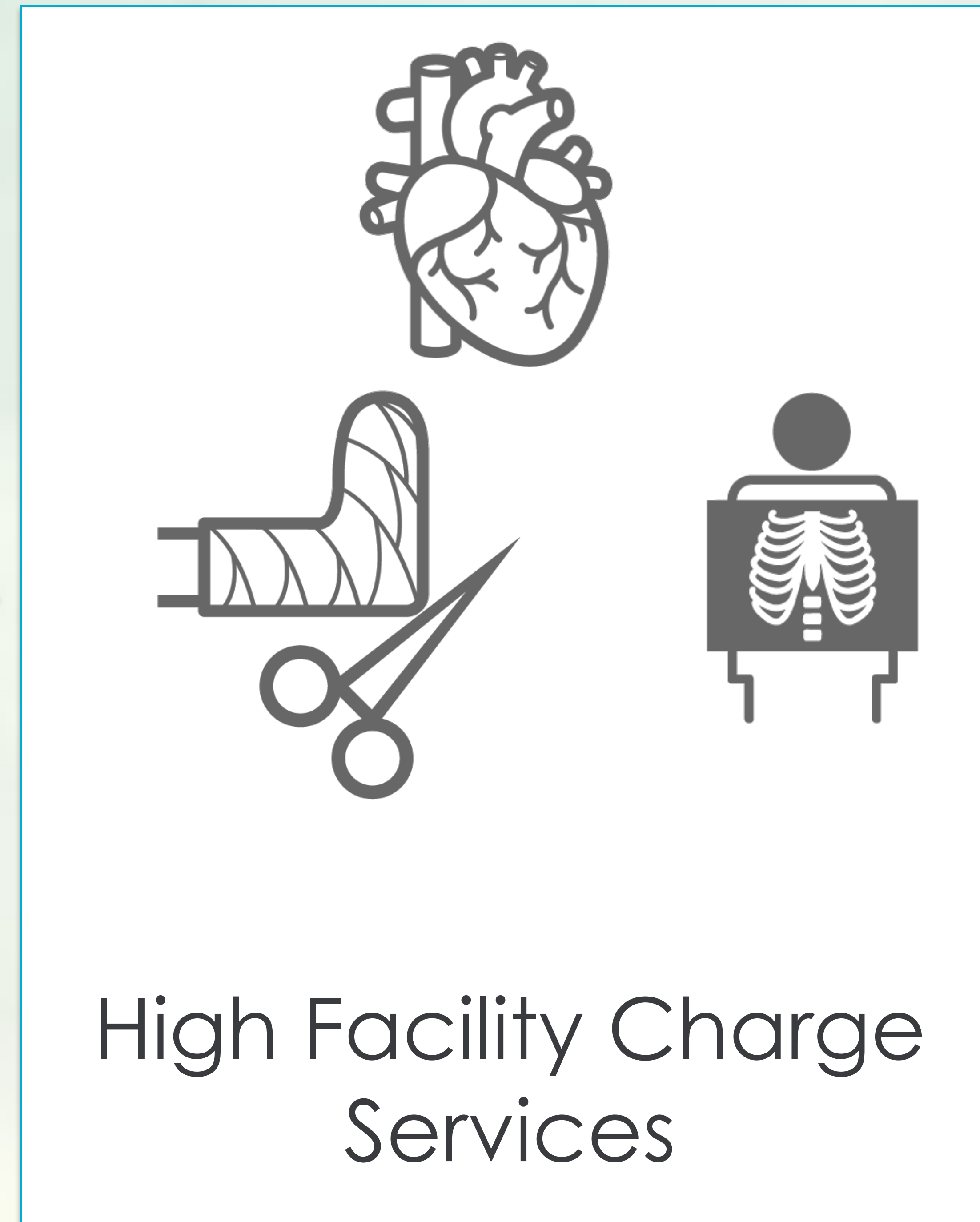
- Global payments covering all Part A & Part B services
  - 28 cardiac inpatient surgical services
  - 9 orthopedic inpatient surgical services
- ED physician claims are billed to Medicare and Trailblazer denies the claim…N67 remark code

RARC N67: Professional provider services not paid separately. Included in facility payment under a demonstration project. Apply to that facility for payment.

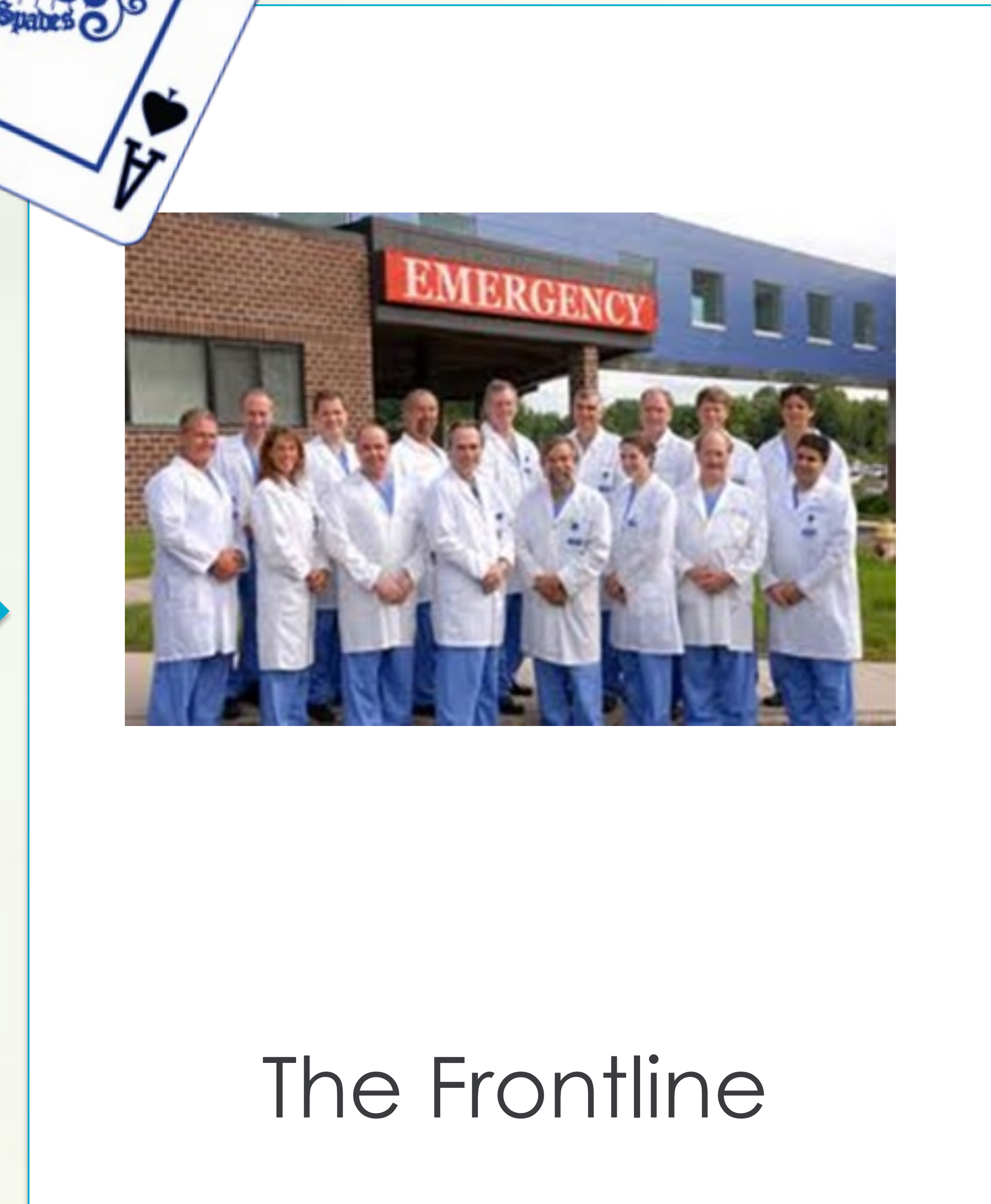
Being ACE'd



Hospital
PHO
Multi-specialty Group



High Facility Charge Services



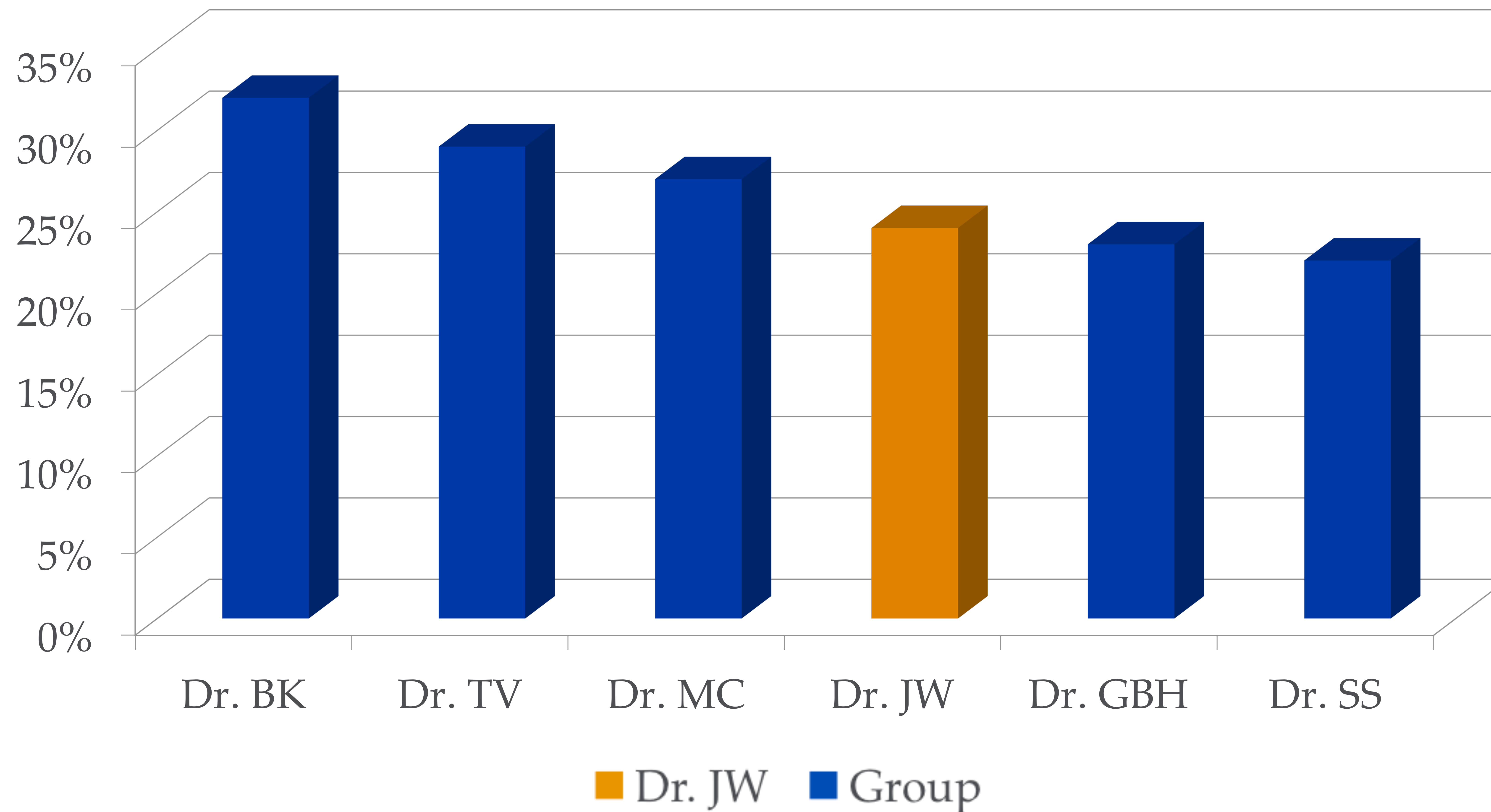
The Frontline

ACO/ Episode/ Bundle Preparation Strategies

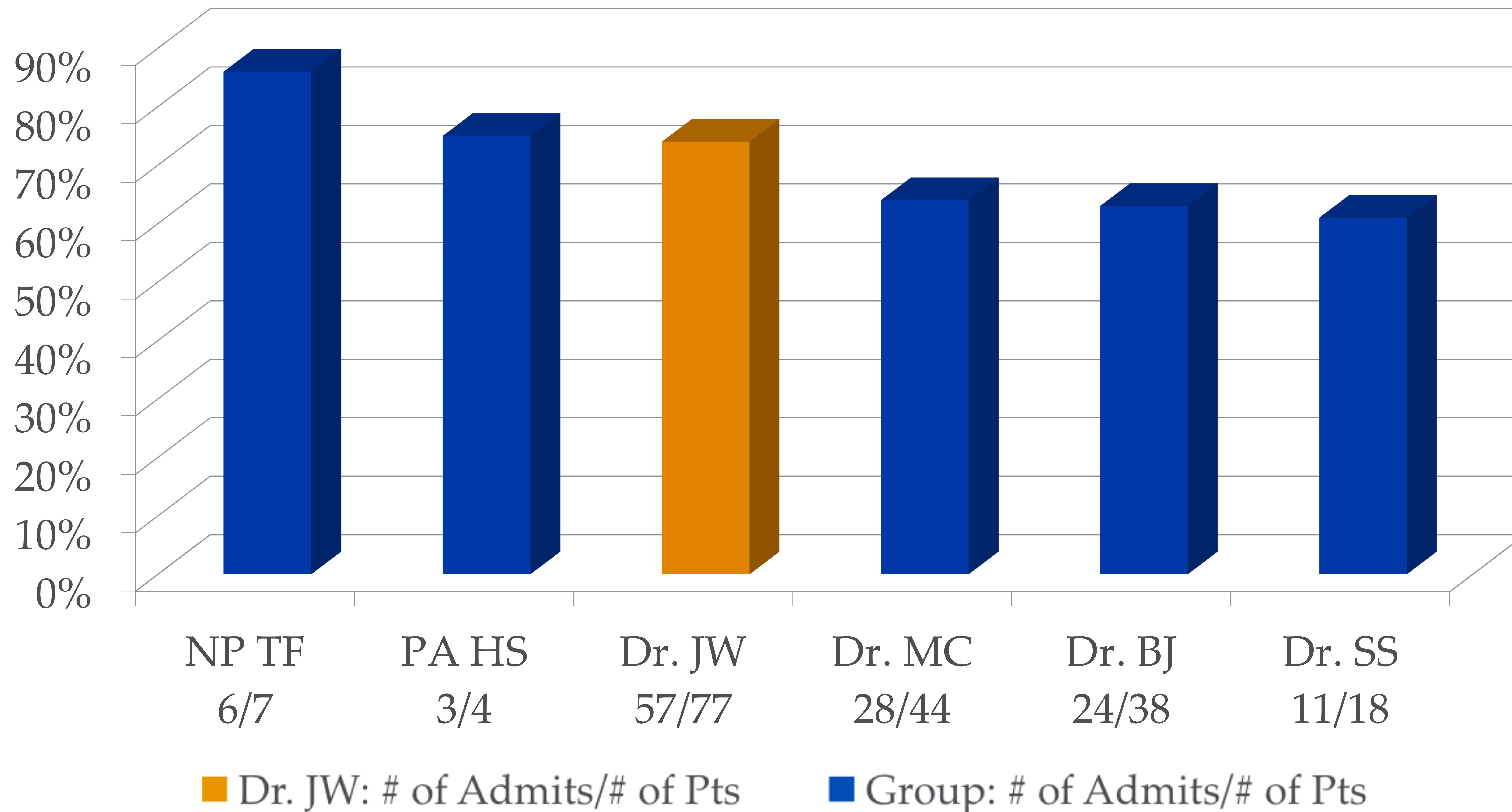
- Have a seat at the table
- Opportunity not a threat
  - We are the safety net
  - The hub of the treatment delivery wheel
- Be aware of ED opportunities for impact
- Nobody will develop your data favorably
- Come prepared with your own data!

BE PREPARED

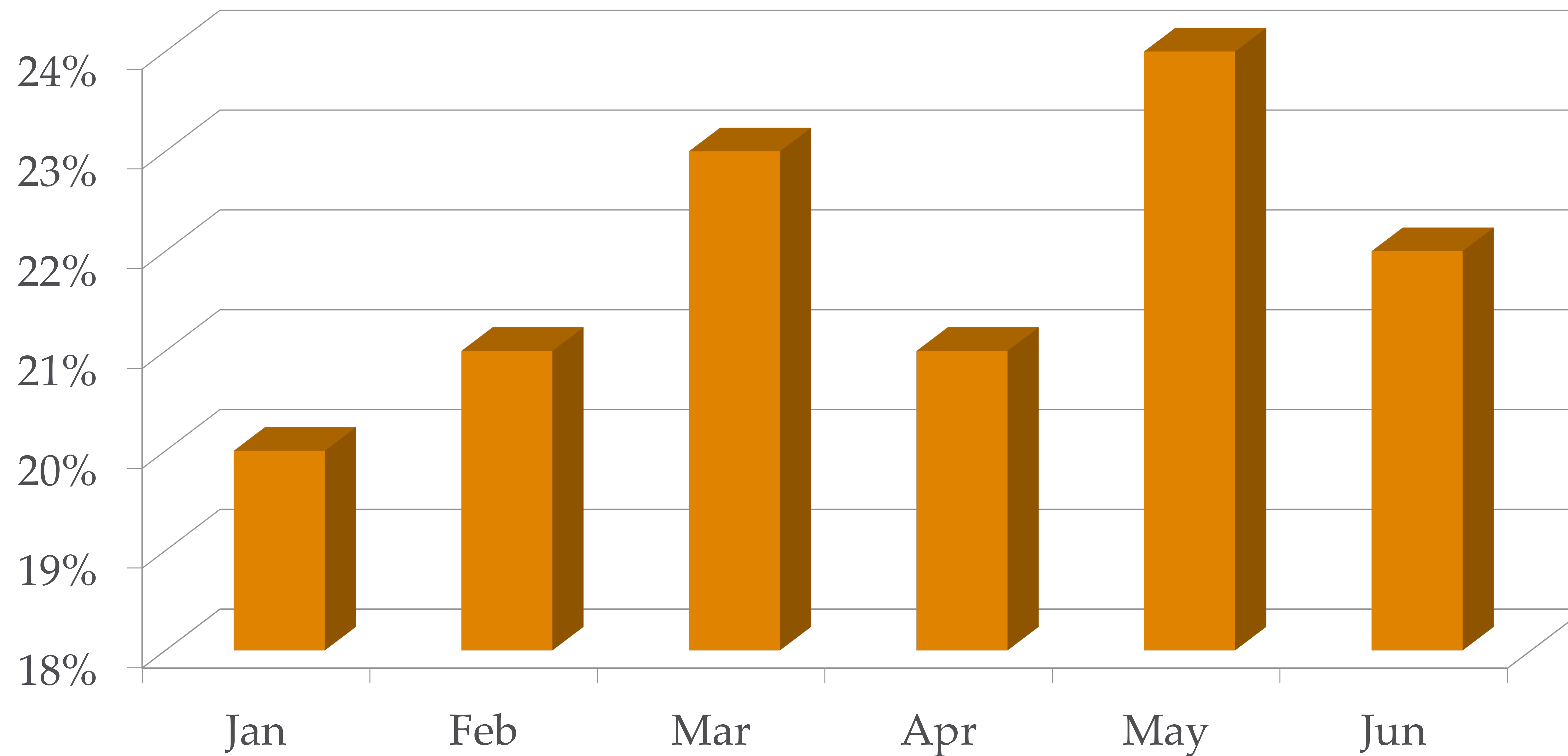
Admission Rate - Provider



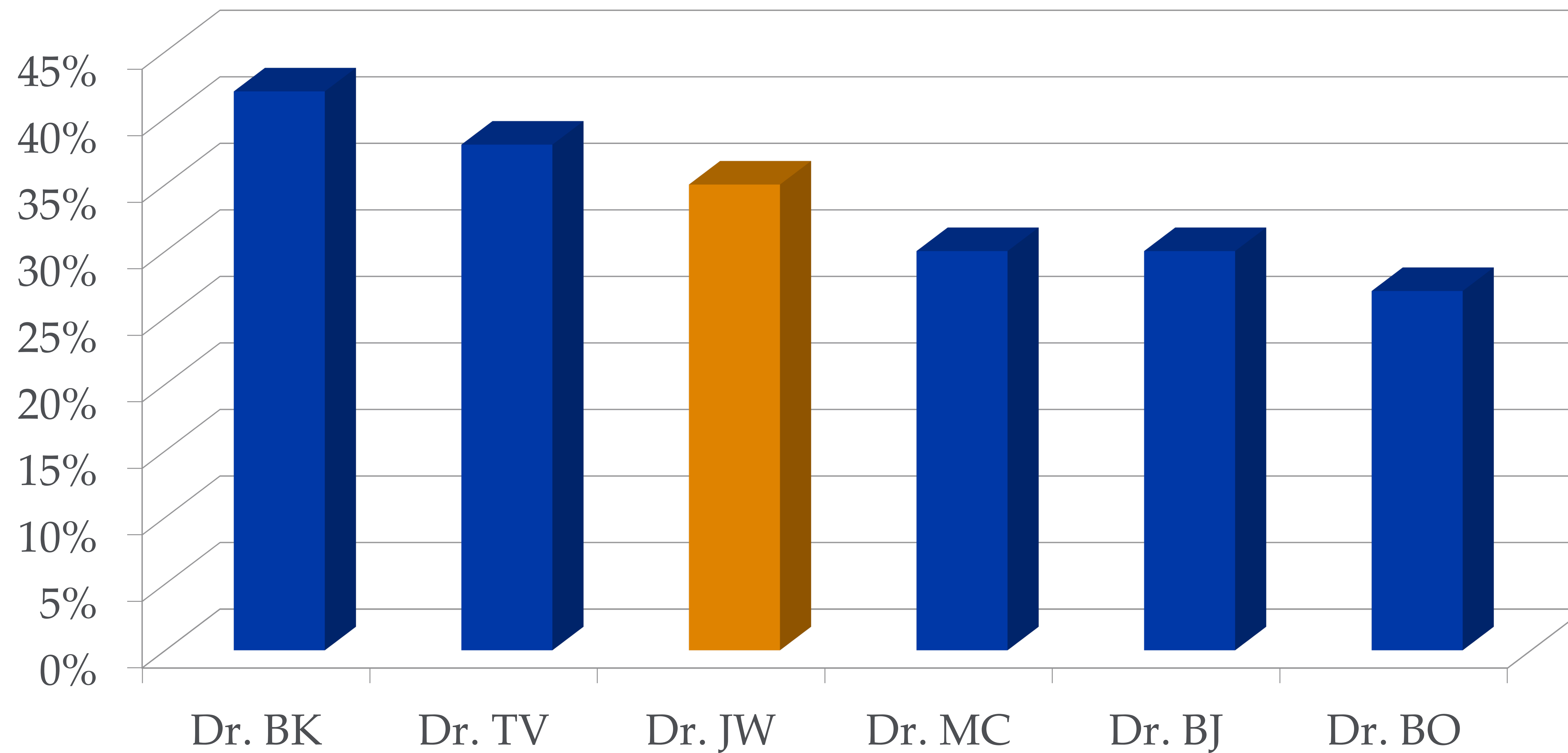
Pneumonia Admit Rate by Provider



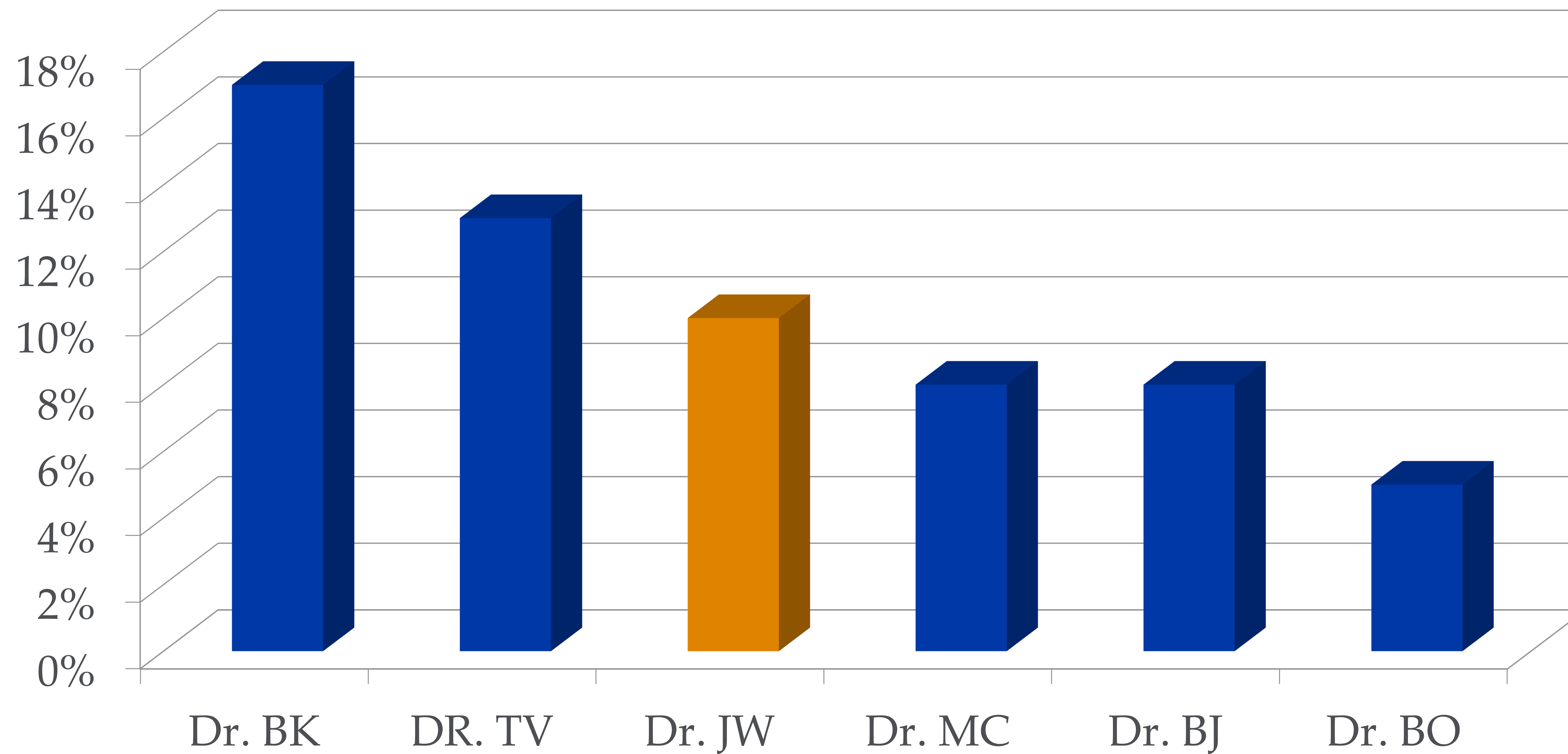
CT Utilization Rate - Month



CT Utilization Rate - Provider



Chest CT Utilization Rate By Provider for PE



Protecting Your ED’s RVUs

RVU Production

Dr. Jones sees a weak and dizzy 80-year-old. He obtains extensive history from the family. The work up includes a Head CT, full cardiac evaluation with labs, and an EKG.

He speaks with the PMD and her cardiologist.

The patient is admitted.

RVUs: 99285 (5.17) + EKG (.24) =5.41

While waiting for the labs reduces a nursemaids elbow.

RVUs: Nursemaid's (2.33) + 99283 (2.11) = 4.44

82% more productive

RVU Production

RVUs/Patient X Patients/Hr =

91% E/M Level **Fast/Efficient**

RVUs/Hr

2022 Common ED Service RVUs

Procedure	RVUs
EKG (93010)	0.24
Finger laceration- Simple 2.6 – 7.5 cm (12002)	1.74
Facial laceration- Intermediate 2.6- 5 cm (12052)	5.81
Central line placement (36556)	2.47
Chest tube placement (32551)	4.61
CPR (92950)	5.39
Shoulder dislocation reduction (23650)	8.89
Colles' fracture reduction (25605)	15.34

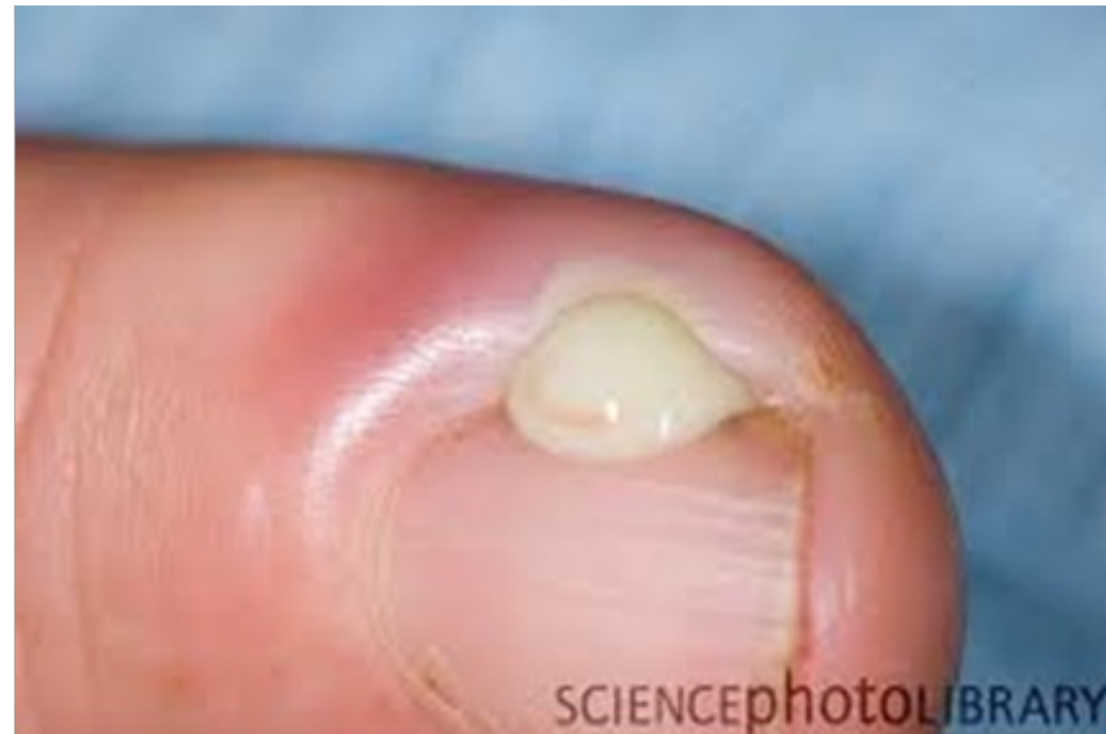
Compare to E/M value	RVUs
99282	1.24
99285	5.17
Critical Care (99291)	6.33

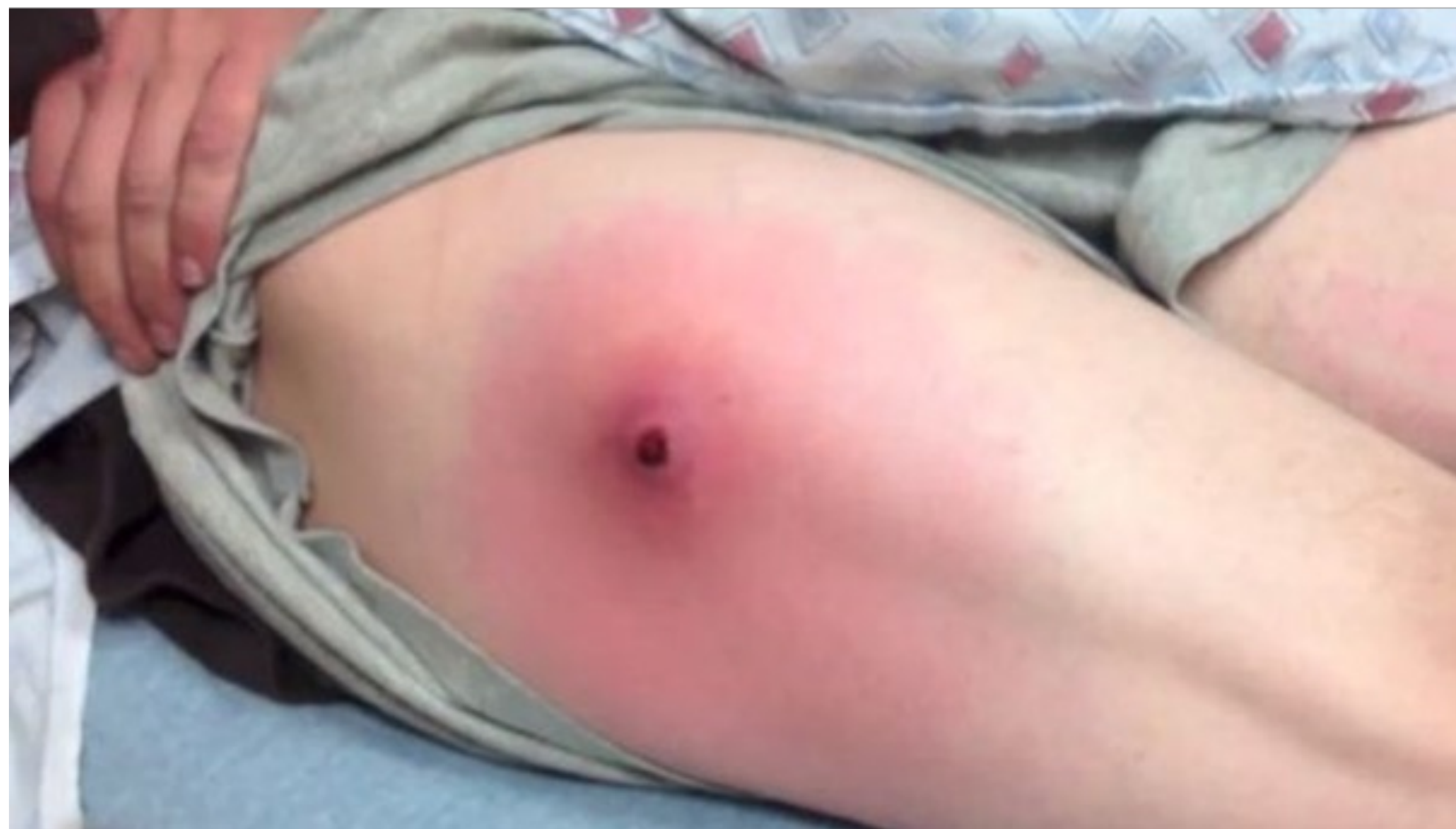
Surprises	RVUs
TMJ dislocation reduction (21480)	0.91
A-line insertion (36620)	1.29
LP (62270)	1.82
Patellar dislocation reduction (27560)	10.12

Direct RVU Enhancers

- Protect 83% 99281-99285
  - Robust Education
  - Significant Preparation
- Critical Care
  - 6.33 vs 5.17 RVUs
  - 1.16 RVUs = $50
- Complex I and D
  - Packing
  - 3.08 vs 5.40 = $80
- Laceration Repairs
  - Layered or Heavy Contm.
  - 2 RVUs = $70
- 40,000 visit ED
- EKG: .24 RVUs
  - $80,000
- X Ray: $160,000
- Ultrasound
  - $50,000 - $75,000
- Benchmark your coding
  - The intent was not to decrease the coding
  - Best Practices – follow weekly
  - Critical Care 4-6%

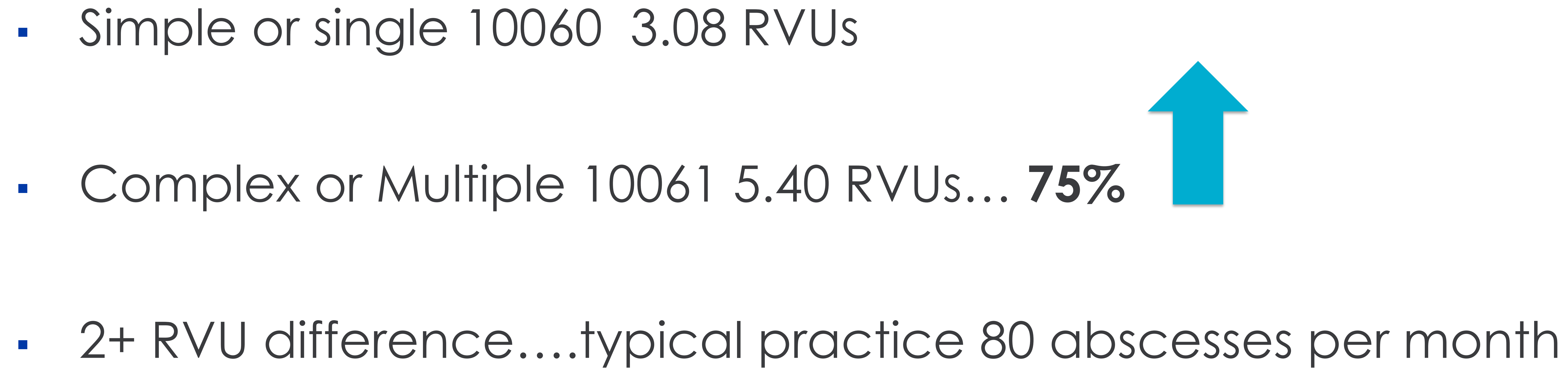
Abscess Drainage





- Simple or single
  - Furuncle, paronychia
  - Superficial
  - Single
- Complex or multiple
  - Probing
  - Loculations
  - Packing

2022 Abscess Valuation



- Simple or single 10060 3.08 RVUs
- Complex or Multiple 10061 5.40 RVUs… **75%**
- 2+ RVU difference….typical practice 80 abscesses per month

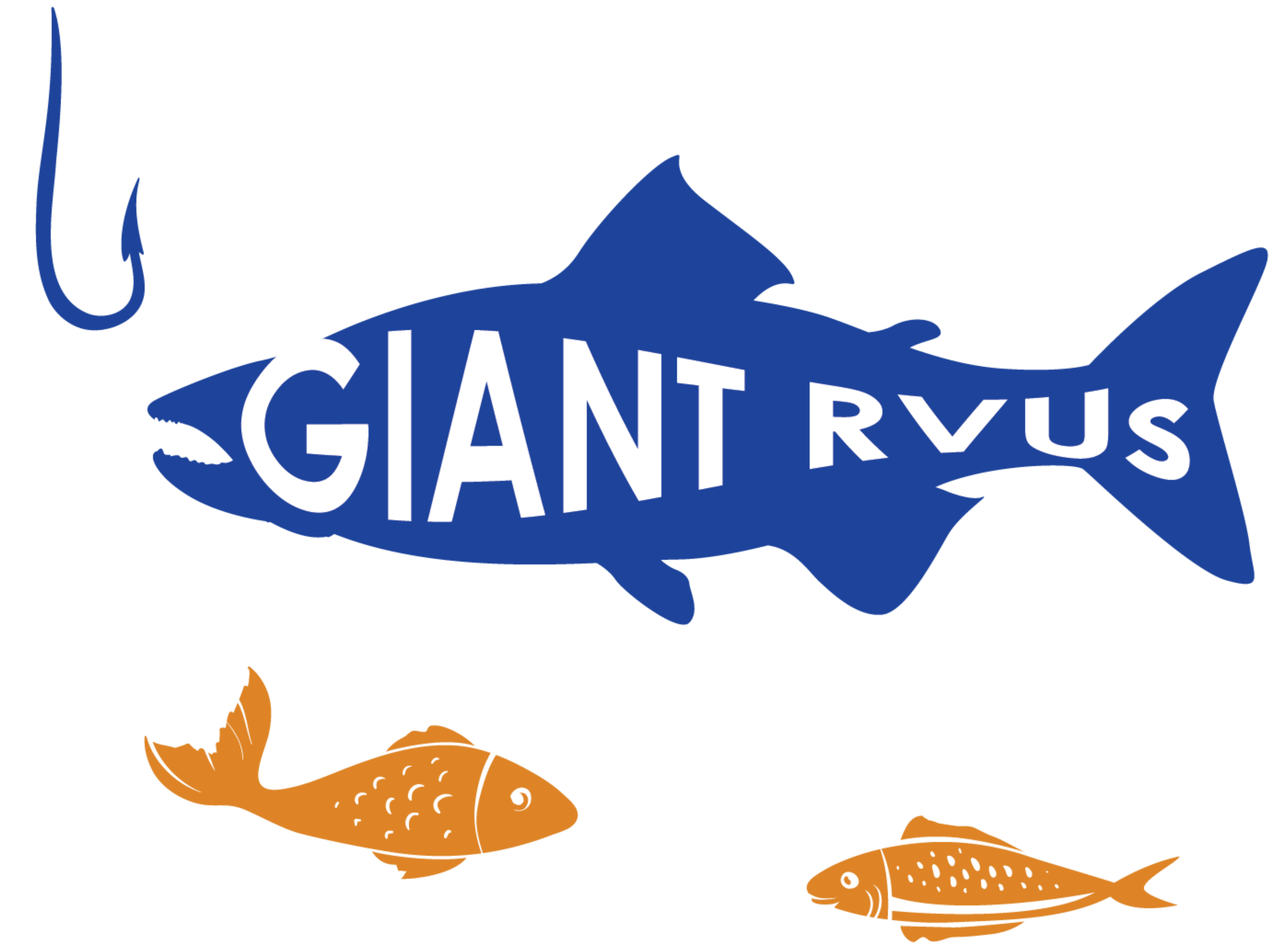
Additional 2,300 RVUs per year!

Well Documented I&D

INCISION AND DRAINAGE: Verbal consent obtained, Performed by attending, Indicated for cutaneous abscess, There are no contraindications, Anesthesia is lidocaine 1% without epinephrine, 3ml, Incision and drainage of inguinal/groin, simple, Incision was made over area of fluctuance, Explored for loculations, Irrigated, Packed with sterile gauze, Drained, Pus drained, 25, ml, Blood drained, 10, ml, Dressed, Neurovascular status normal after procedure, Tetanus NA, No complications, Patient tolerated procedure well.

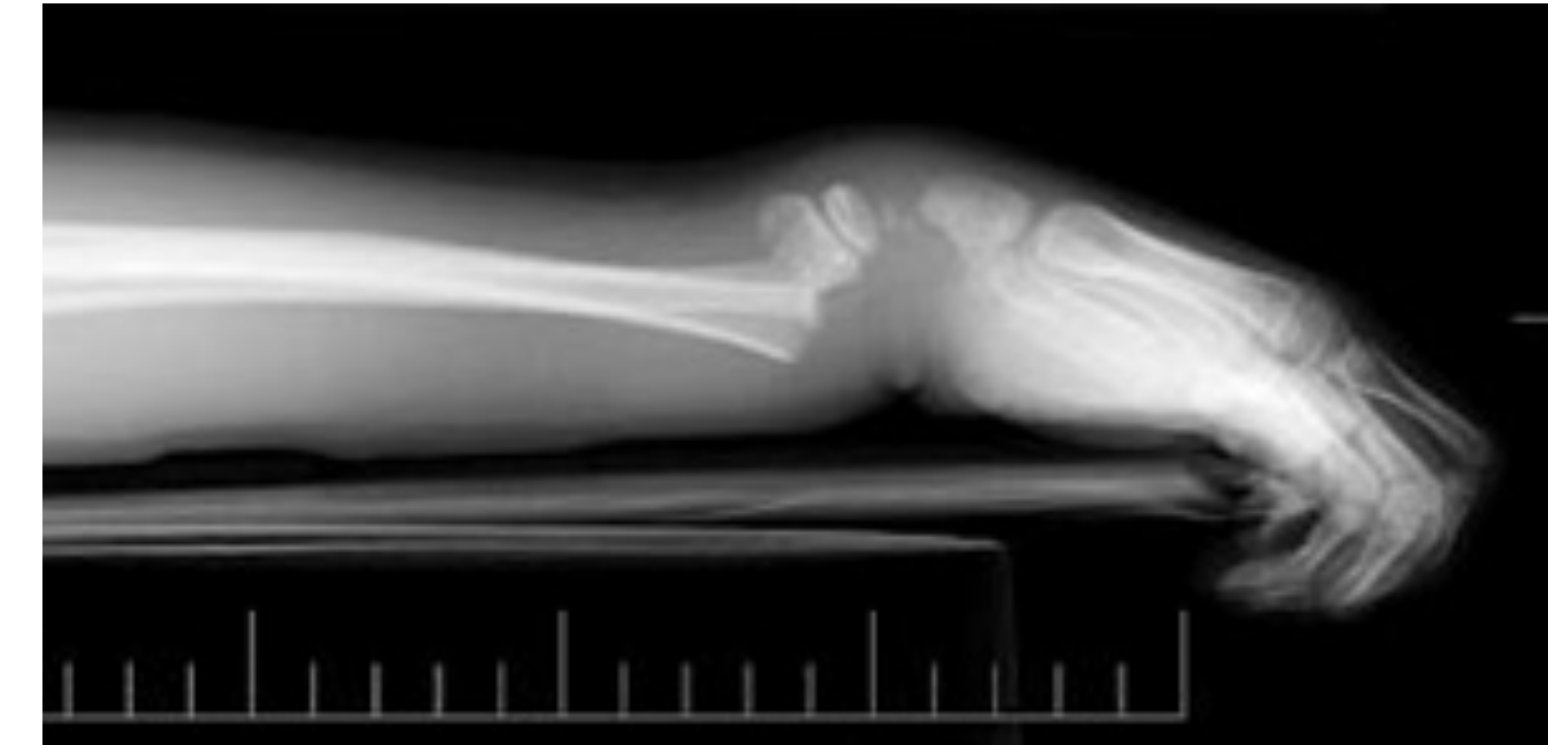
2022 Joint Reductions…Giant RVUs

- Hip traumatic (27250)   5.33 RVUs
- Hip post arthroplasty (27265)   12.28 RVUs
- Shoulder (23650)   8.89 RVUs
- Elbow nursemaid's (24640)   2.38 RVUs
- Elbow formal (24600)   10.20 RVUs
- Ankle (27840)   11.46 RVUs
- Finger IP (26770)   7.82 RVUs



Distal Radius Fracture Manipulation

- Capture with 25605 -54
- 25605 > 15 RVUs
- $400



EMERGENCY DEPARTMENT COURSE AND DIAGNOSTIC DATA: This is a 56-year-old female with right wrist pain, status post fall. The patient's x-ray of the right wrist showed Colles fracture of the distal radius with ulnar styloid avulsion. There is some mild dorsal angulation and displacement of the distal fragment.

The patient's hematoma block was performed with 10 mL of 1% lidocaine without epinephrine. The fracture displacement was reduced by me. A plaster sugar-tong splint is placed by me. Postreduction x-ray showed improvement of the dorsal angulation of the distal radius. The distal radial articular surface is now essentially perpendicular to the long axis of the radial shaft. There is no subluxation or dislocation.

Critical Care: The Math

CPT Code	2022 RVUs
99283	2.11
99284	3.56
99285	5.17
99291	6.33

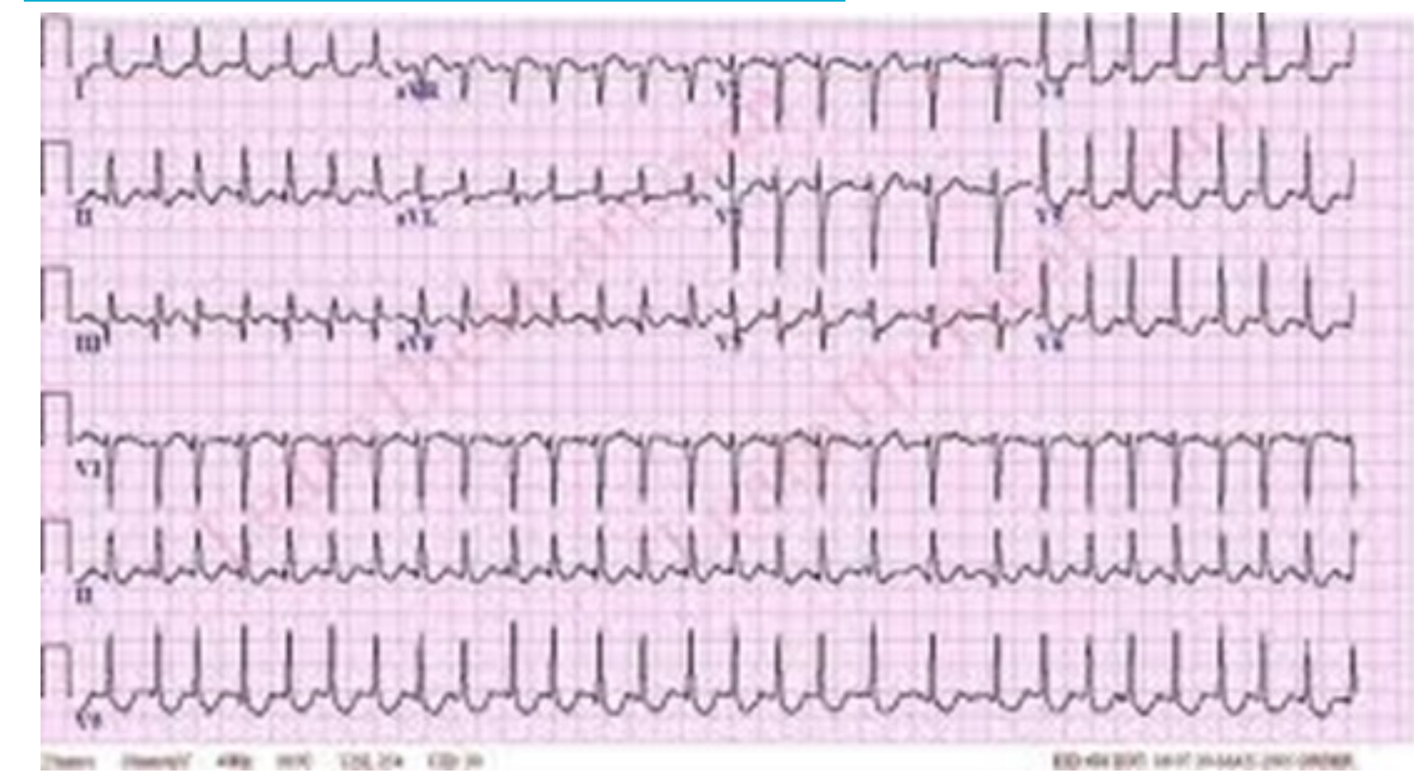
- 1.16 RVUs > 99285
- 8-hour shift
- 2 critical care pats.
  - Capture 2.3 RVUs
  - .3 RVUs per Hr.

Circulatory: Rapid A-Fib

- Rapid A-fib requiring Cardizem drip
- Medical Decision Making:

62-year-old with history of CABG 2018. Complains of rapid heartbeat with chest pain. EKG shows A-fib with RVR HR 170's-180s BP normal. Given cardizem 20 mg bolus. Rate still 150s with 2/10 chest pain. Additional 10mg bolus given with drip started. Heart rate now 100-110. BP normal CP resolved.

Hard Findings
Interventions

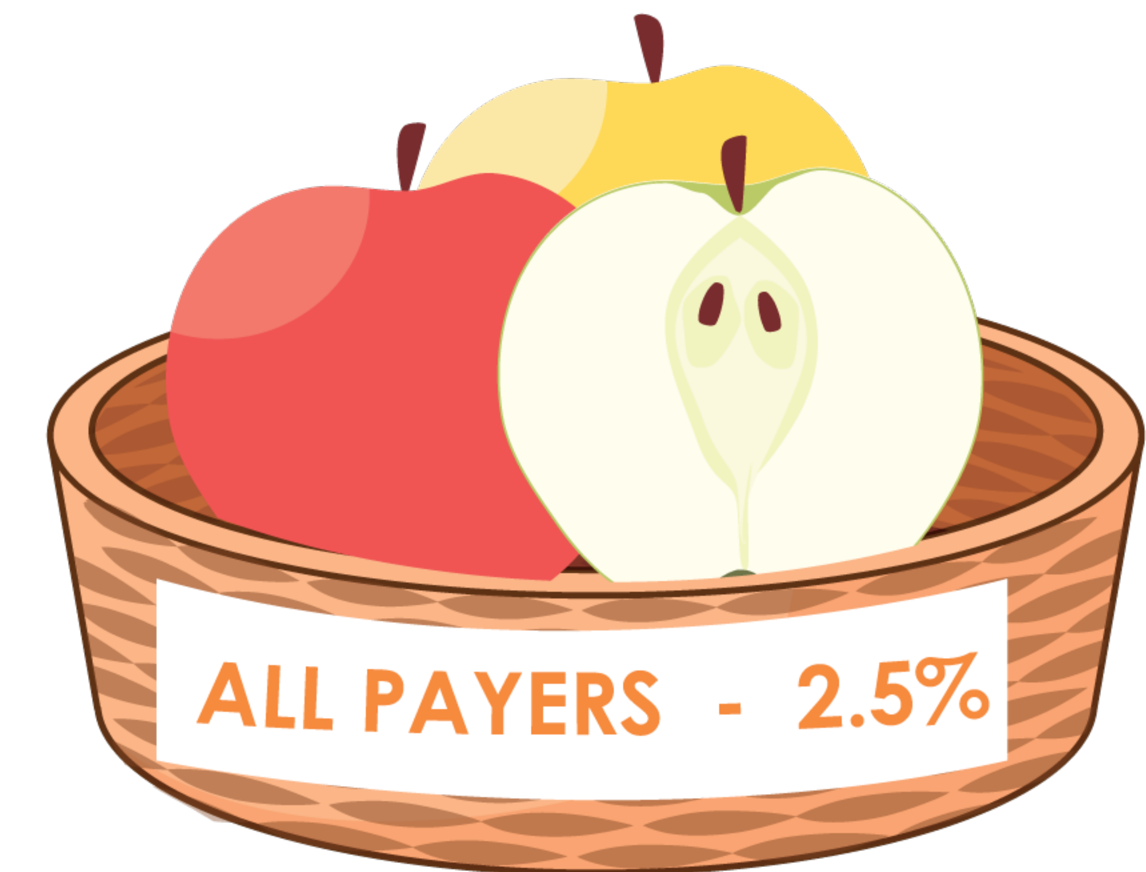


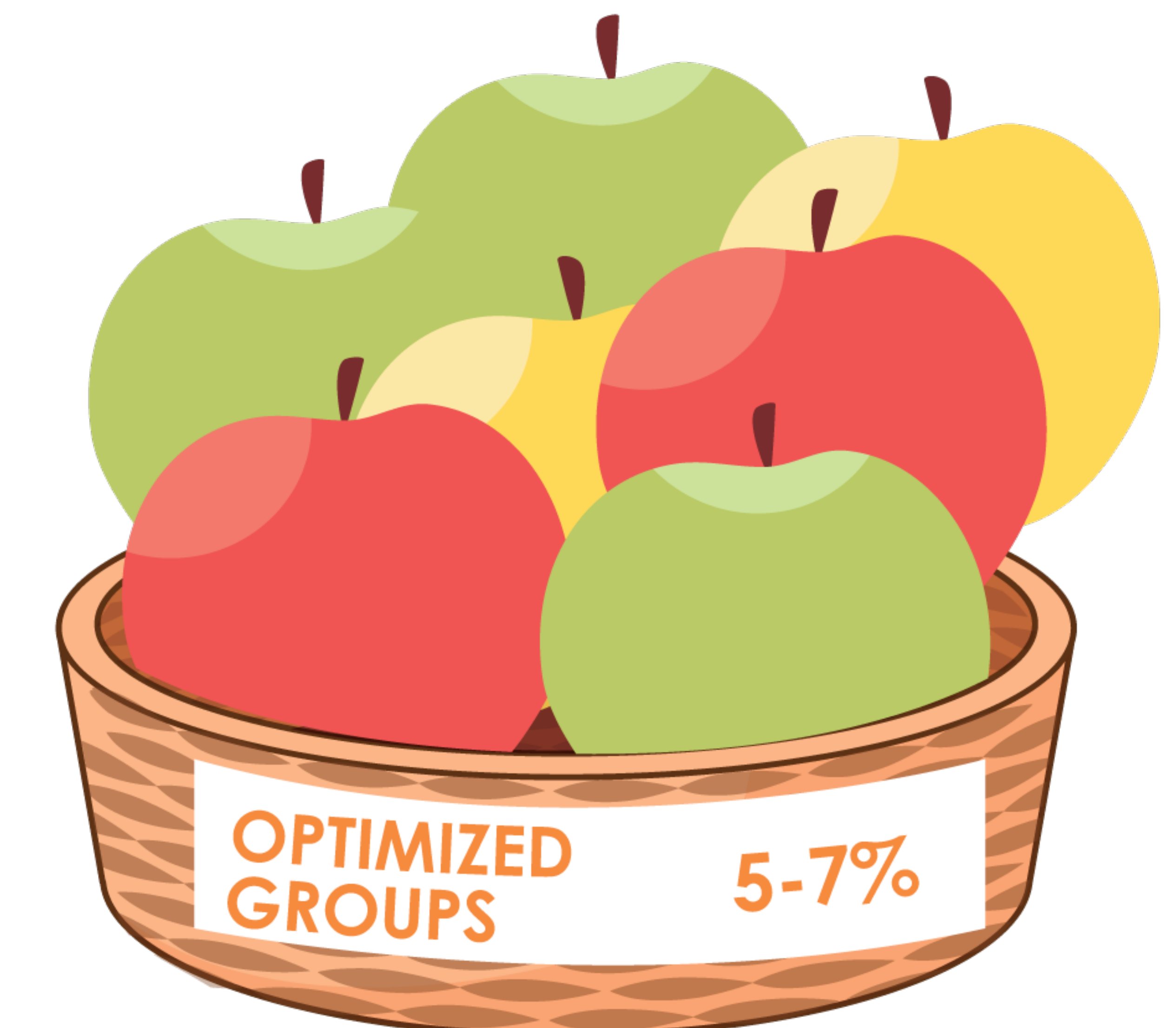
- Clinical Impression: Afib with RVR
- Critical Care Time: 40 minutes, excluding billable procedures

CV: Afib w/RVR, Sx SVT, ACS/active CP or EKG changes, Non Q wave MI

Benchmarking Critical Care

- Most admissions to ICU setting
  - Benchmark ICU admit rate against 99291
- Nationally ~2.5% all payers (under utilized)
  - Optimized groups approach 4-8% all payers
- Medicare Benchmark Data
  - National 8.5%
  - CA(S) 13.2%
  - PR 0.5%





Safeguard Your Group!

- Know your data…will likely form the basis for practice perception and payment
- Understand your utilization profiles
  - Admission rates, Diagnostic imaging
  - Others already tracking this data
- Optimize your Reimbursement
  - 2023 DG Education and Preparation:
    - 83% of your RVUs
  - Procedure capture
  - Critical Care

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