Beyond Basic Eligibility Verification

Revenue Integrity Series
Massachusetts Health Data Consortium
Introduction

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The revenue cycle

**PATIENT ACCESS**
Analytics and connectivity to identify coverage options and deliver complete financial clearance

**CLAIMING**
Insight, connectivity, and workflow to collect the appropriate amount from Payers

**PAYMENTS**
Engagement, automation, and collections to quickly and efficiently improve patient receivables

**Intelligent Healthcare Network™**
Connect the dots between payers, providers and patients to deliver predictive insights

**PROVIDERS**

**PATIENTS**

**PAYERS**
How Do Patient Types Compare?
Problem View: Self-pay & Bad Debt

Today, significant effort is applied to resolve inpatient and emergency AR, often minimizing potentially larger issues with outpatient AR.

1. Inpatient Accounts: 2.5%
2. ED Accounts: 20.4%
3. Outpatient Accounts: 52.5%
4. Other Accounts: 24.6%

*Graph based on actual provider performance and is presented to demonstrate potential issue scope
How Do Patient Types Compare?  
Problem Perspective: Money Drives Behavior

- These recovery efforts are largely manual and drive by perceptions of greatest value.
- When viewing the value and potential of all AR, subacute and outpatient recoveries can prove significant value to providers.
  1. Inpatient Accounts: 22.4%
  2. ED Accounts: 17.2%
  3. Outpatient Accounts: 53.2%
  4. Other Accounts: 7.1%

*Graph based on actual provider performance and is presented to demonstrate potential issue scope
How to Drive Results: Data, Analytics & Automation

\[ \frac{\text{Results}}{\text{Work}} = \text{Productivity} \]
How to Drive Results: Data, Analytics & Automation

How can you impact your results?

\[
\frac{\text{Results}}{\text{Work}} = \text{Productivity}
\]
How to Drive Results: Data, Analytics & Automation

Results / Work = Productivity

What impacts your effort?
How Can Technology Be Part of the Solution

1. Interview and verify all patient demographic and coverage info at point of entry

2. Be aware of and execute on all coverage sources

3. Evaluate patient financial need and enroll in Medicaid\Financial Assistance programs

4. Identify payment risk and differentiate collections

5. Analyze claim pre-submission for under\over coding risks and payments for contractual variances
Identify and Execute on All Funding Sources

Potential Impact of Analytics:
- Up to 40% of self-pay accounts have existing medical coverage at time of service
- Solutions must leverage more than often limited hospital data
- Response times must be rapid (under 24 hours)
- Solutions must be accurate and capable of removing the noise
- Approximately 40% of coverages are limited and do not apply to all episodes of care

Potential impact based on the experience of Change Healthcare
Over a five month period:

- ~300k self-pay accounts were screened
- ~93k accounts were found to have billable insurance in less than 24 hours

Graph based on actual lab performances over a five month period

**Up to 33% of the total self-pay problem could be solved through a well integrated, analytics based insurance identification solution.**
Patient Financial Modeling Leads to Insights

Recognizing patient financial need allows labs to:
- Direct low income patients to hospital enrollment and FAP processes
- Secure long-term funding sources for reoccurring patients
- Identify financial need before you invest in FTE and other resources
- Become an advocate for patients and improve overall hospital processes

Table is an example from a Change Healthcare client
# Identify Risk To Differentiate Collections

## Table

<table>
<thead>
<tr>
<th>Risk Model</th>
<th>Patient Volume</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Low Risk</td>
<td>109,990</td>
<td>43%</td>
</tr>
<tr>
<td>Moderate Risk</td>
<td>93,688</td>
<td>36%</td>
</tr>
<tr>
<td>High Risk</td>
<td>53,102</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>256,780</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Score</th>
<th>Patient Volume</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>10</td>
<td>41,775</td>
<td>16.27%</td>
</tr>
<tr>
<td>9</td>
<td>36,293</td>
<td>14.13%</td>
</tr>
<tr>
<td>8</td>
<td>31,922</td>
<td>12.43%</td>
</tr>
<tr>
<td>7</td>
<td>25,220</td>
<td>9.82%</td>
</tr>
<tr>
<td>6</td>
<td>23,613</td>
<td>9.20%</td>
</tr>
<tr>
<td>5</td>
<td>25,010</td>
<td>9.74%</td>
</tr>
<tr>
<td>4</td>
<td>19,845</td>
<td>7.73%</td>
</tr>
<tr>
<td>3</td>
<td>19,675</td>
<td>7.66%</td>
</tr>
<tr>
<td>2</td>
<td>17,676</td>
<td>6.88%</td>
</tr>
<tr>
<td>1</td>
<td>15,751</td>
<td>6.13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>256,780</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Table is an example from a Change Healthcare client
Uniform Scoring Can Allow Targeted Processes

Chart is an example from a Change Healthcare client
Optimized Revenue Cycle Workflow

**EDI**

- **Intake**
  - Ineligible and Self-Pay
  - Eligible

**UPDATE**

- Coverage Identification
- Enrollment

**PAYMENT**

- Collections
- Payment Plan
- Early Out

**PAYMENT RISK**

- Low
- Moderate
- High

**FINANCIAL NEED**

- No
- Yes

**501(r) Accounts and FA Apps**
Defining Patient and Visit Neighbors using Machine Learning:

- Similar patients
- Similar visits
- Global similar patients/visits
- Expected charge correlations

Ensemble model merges scores. Built-in business rules for net cash impact

Scoring and rank-ordering of billing anomalies:
- Account
- Missing charge
- Prioritized by probability and net cash impact

Intuitive visualization enabling the efficient identification and correction of:
- Ranking of likely missing charges
- Auditor performance tracking
- Opportunities for improvement
- Feedback into models
- Potential root cause insights

Daily Feedback Model
Rules/Protocols changes
Half yearly model refresh
Charge master Updates
Application Enhancements
Technology Can Identify Larger Trends to Empower Auditors and Increase Revenue

*Graph based on global claims analysis of Change Healthcare platform users

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toxoid Products missing Administration charges and toxoids</td>
<td>~15%</td>
</tr>
<tr>
<td>Complex Drugs missing Complex Drug Infusion charges</td>
<td>~9%</td>
</tr>
<tr>
<td>Angioplasty and other cardiovascular procedures missing C-codes / Implants to be billed separately</td>
<td>~3%</td>
</tr>
<tr>
<td>Anesthesia, Surgery and Recovery hours missing for day surgery accounts</td>
<td>~3.5%</td>
</tr>
<tr>
<td>Radiology studies with Contrast missing Contrast material charges</td>
<td>~3%</td>
</tr>
<tr>
<td>ER patients with Chest pain diagnosis missing EKG Charges</td>
<td>~1%</td>
</tr>
<tr>
<td>96360-96549 IV Push, Infusions missing including initial infusion missing for accounts with additional pushes</td>
<td>~0.3%</td>
</tr>
<tr>
<td>Observation patients missing observation hours and ER Patients missing ER level charges</td>
<td></td>
</tr>
<tr>
<td>Many other areas like Lab charges, Radiology, Drugs etc.</td>
<td></td>
</tr>
</tbody>
</table>
Things to Remember & Questions

1. Technology exists today to drive uniform patient screening for insurance, financial need and propensity to pay.

2. Most HIS, PMS and IT systems provide an integration infrastructure.

3. Businesses must be willing to leverage analytics and automation to optimize labor and outcomes.

4. When applied, technology affords the ability to act as systematic challenger and safety net to existing processes.

5. Operational cost reductions and revenue increases far out way the cost and effort to deploy.
THANK YOU

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