

Financial Wellness Plan

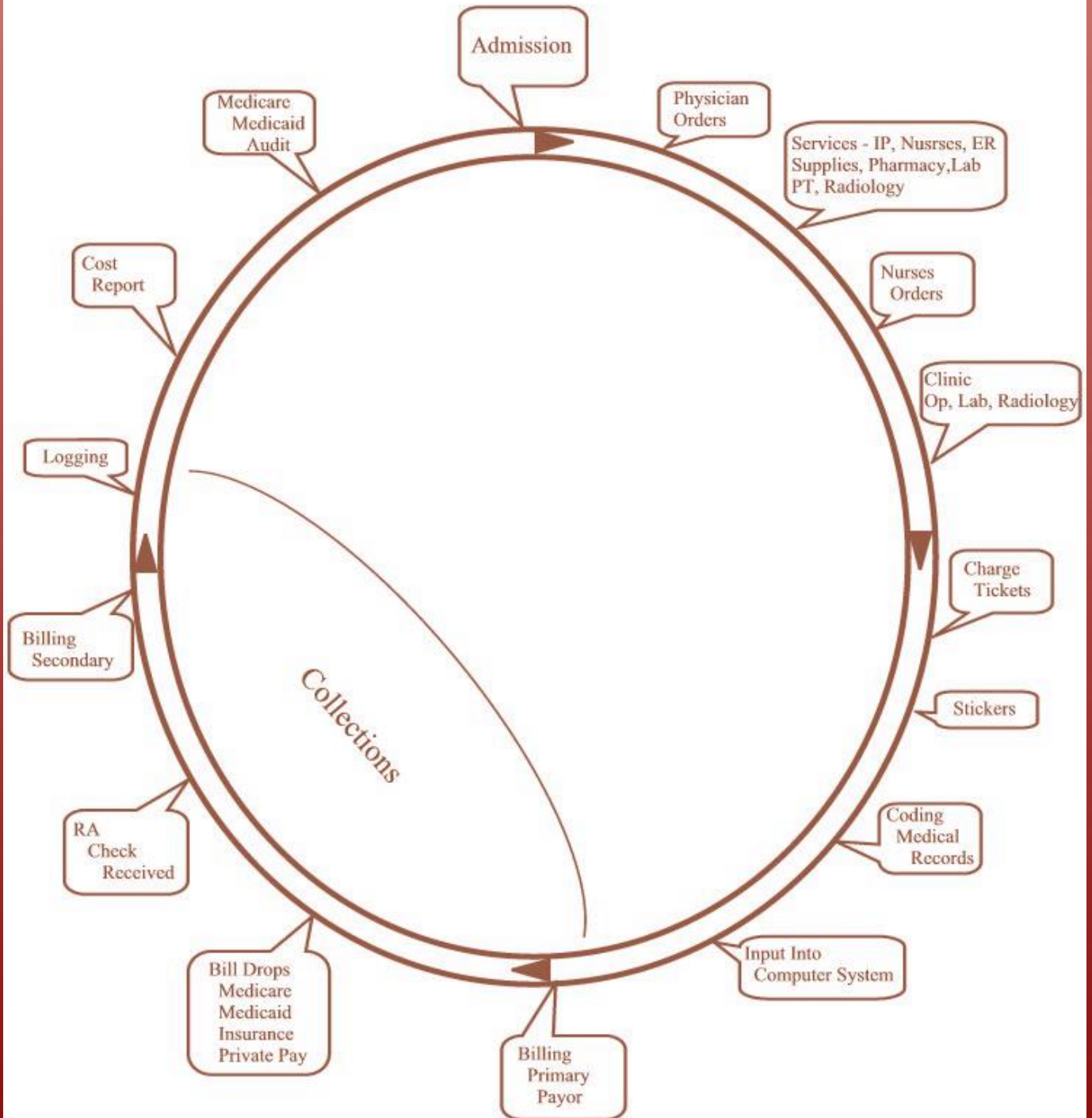
Improve Your Bottom Line

Presented By

**Financial Consultants of
Alaska and Washington**

Hospital Delivery of Services

Admissions, Charting, Billing, Collections



Hospital Strategic Plan Wellness Program

- **PHASE I**

- **Define scope project**
- **Identify problem areas**
- **Design overall project**

- **PHASE II**

- **Collect all Medicaid claims with First Health and Medicare**
- **File Appeal on untimely Claims**

- **PHASE III**

- **Conduct Billing Procedure Review**
- **Design Proper Flow for Billing/R.A. Collecting**
- **Design controls and procedures for billing and tracking payments**
- **Design Job Descriptions For Billing**
- **Design proper & accurate Statistics Report**

- **PHASE IV**

- **Conduct In depth review of contractals**
- **Set target rates for contractals**
- **Review Charging procedures**
- **Capture all lost charges**
- **Review Claims for Compliance issues**
- **Analyze NSRH fee schedules with industry standards**

- **PHASE V**

- **Implementation of controls and procedures for billing**
- **Implement control and procedures for coordination with billing, accounting & medical records**
- **Implement procedures to enhance revenue**

Hospital Strategic Plan Wellness Program

- **PHASE VI**
 - **Design Benchmarks and target goals for billing and collecting staff**
- **PHASE VII**
 - **Conduct training for billing and medical records**
 - **Conduct training for management overseeing Billing and Contractuals**
- **PHASE VIII**
 - **Analyze Outpatient, Clinic, Emergency Room for APC acuity level of coding & billing**
- **PHASE IX**
 - **Logging of all Payors:**
 - Medicare
 - Medicaid
 - Commercial
 - Private pay
 - Bad debt
 - **Attempt to capture lost payments**

Hospital Strategic Plan Wellness Program

- **PHASE X**
 - **Design Financial Benchmarks & Indicators to Improve Bottom Line**
 - **Target Your Facility against Other rural Alaska Entities**
 - **Target improvement in facility operating margins and cash flow margins**
 - **Target efficiency and productivity**
 - **Improve charge capture**
 - **Payer strategies**
 - **Improve operational Performance**
 - **Training for Management on Monitoring Benchmarks**
- **PHASE XI**
 - **Training Staff**
 - **Training Department Managers**
 - **Training Hospital Board**

PHASE I

Meet with Staff

- **FCAW would initially conduct a review and then interviews with the Norton Sound program team to identify problem areas and discuss scope contract.**
- **Review and clarify the goals of Hospital regarding reporting, reimbursement, billing and training.**
- **Discuss the outcomes and products the committee members wish to obtain from FCAW.**
 - 1. REIMBURSEMENT AND COLLECTIONS COST REPORTING**
 - 2. ELECTRONIC, COMPUTER, SOFTWARE**
 - 3. TRAINING**
 - 4. THIRD PARTY BILLING**
 - 5. FINANCIAL BENCHMARKS, INDICATORS**

Gain a thorough understanding of the organizational structure.

Gain an understanding of all programs and services currently provided, and future proposed programs.

PHASE II

Collect Unpaid Claims

- **Do a complete analysis on all Medicaid and Medicare claims**
- **File an administrative review/ appeal with First Health for untimely Medicaid claims**
- **All Medicare billings reviewed for accuracy and resubmit if necessary**

PHASE III

Billing Procedure Review

- **Interview staff to gain an understanding for the flow of information once a patient has been provided service.**
- **Create controls and procedures for staff to follow for billing and payment documentation to accurately capture the activity on an individual patient's account.**
- **Create controls and procedures for the billing staff to follow and help track payments. This will help make sure all revenue that should be paid is in fact being paid.**
- **Create updated job descriptions for billing personnel to incorporate the new controls and procedures that will be put into place.**
- **Develop a reporting system from the billing department that will properly and accurately report patient statistics to maximize reimbursement.**

PHASE IV

Accounting Review

- **FCAW will obtain an understanding of the current accounting system.**
 - Document the purpose of each department, expense code and revenue code within each accounting system.
 - Redesign the chart of accounts and accounting structure for compliance with standard health care reporting requirements.
 - Review the charge master and revenue usage reports to ensure that charges are being properly matched to expenses.
- **Analyze the contractals in depth.**
- **Target rates for the contractals will be set, monitor performance.**
- **Determine the system flaws causing the lack of capturing charges for services.**
- **Medicaid Physician billing reimbursement would be analyzed to ascertain that all allowable Medicaid physician payments were collected.**
- **Capture lost charges before timely filing expires.**
 - **FCAW will review claims for compliance issues and prepare and submit a report regarding compliance issues. Discuss and implement solutions. Write policies and control procedures to help keep things in order.**
 - **Analyze fee schedules compared to the other Alaska rural facilities and the industry standards.**

PHASE IV

Accounting Review Continued

- **FCAW will do a mini-audit to see how revenue and expenses match up for the first half of FY 2006.**
- **Prepare summary report for managers by payor or previous claims lost, and claims that can be recaptured.**

PHASE V

Implementing Billing Procedures

- **Controls and procedures implemented to help coordinate accounting, billing and medical records. The end result is that: the general ledger, the revenue & usage report, total patient revenue and medical records statistics will all tie.**
- **Our firm will implement procedures to enhance revenue.**
 - **Pricing**
 - **Capture all charges**
 - **Documentation and Coding**

Phase VI

Benchmarks

- **FCAW will design benchmarks and target goals for the billing staff to follow for performance standards.**
 - **Timely billing**
 - **Accuracy**
 - **Collect deductibles & co-insurance**
 - **Bill secondary insurance**

PHASE VII

Billing Staff Training

- **FCAW will train the billing and medical records staff for proper & accurate reporting for patient statistics & revenue.**
- **The management overseeing the billing office will be trained on billing procedures and contractual write-offs.**
- **Payor detail report for Billing and Accounting Staff with procedures and controls to address billing issues.**

PHASE VIII

Medicare APC's

- **Analyze Medicare: Outpatient, Clinic, & Emergency Room for the APC acuity level of coding & billing**
- **Implement Emergency APC Activity Coding**
 - **Get paid for the services that are provided with physician and nurses time along with the resources used**
 - **Physician Education**
 - **Direct Feedback to Physicians at least quarterly**

PHASE IX

Tracking & Logging

- **Medicaid Revenue and Patient Statistical Data – FCAW has the ability to analyze patient revenue and statistical data directly from the intermediary. This information can then be summarized and sorted electronically for analysis.**
- **Logging of all Payors**
 - **FCAW will assist in logging Medicare and Medicaid logs**
 - **Commercial**
 - **Private pay**
 - **Bad debt**

PHASE X

Financial Indicators & Benchmarks

- **Develop benchmarks and financial indicators for the hospital to improve bottom line. Semi-annually benchmark the performance of your organization to at least the 75th percentile of like hospitals.**
 - Days Cash on Hand
 - Total Operating Margin
 - A/R Days
 - Gross Price per Discharge
 - Contractual Allowance Percentage
- **Compare entities against other comparable rural entities**
- **Improve the way revenue is captured**
- **Total Payor Revenue - FCAW would develop a profile based upon size, population served and health care services provided. FCAW would utilize inpatient and outpatient cost to charge ratios from hospitals with similar profiles in Alaska and the Pacific Northwest. The data would also be compared to similar facilities in order to project reasonable operating revenues, by department, based upon Norton Sound's existing patient volumes and billing data. The projected revenue data could then be used to:**
 - Develop a pricing structure.
- **Payer Strategies (Medicare, third Party contracting)**

PHASE XI

Training

- **Train the Hospital Board Members how to monitor the Financial Indicators and Benchmarks that have been set.**
- **Train the Department Managers**