CASE STUDY:
Transitioning from Outsourced to In-House Centralized Billing Program

The discovery process revealed procedures that did not support the changing regulations and ongoing need to ensure accurate claims that reflect the clinical information...

~ Joan McCarthy, MJ, LNHA, RAC-CT
Reimbursement and Operations Specialist at ProviNET Solutions

Transitioning from an outsourced billing program to an in-house centralized billing program

Revenue cycle management and financial outcomes are tied directly to efficient information sharing between clinical and operational systems and financial systems. A clearly-defined process for sharing this information beginning before admission at pre-registration and following through to admission, treatment, discharge, and finally billing will provide the most successful results.

The typical revenue cycle strategy for long-term care providers depends on clinical data flowing directly to billing and collections in the most efficient process.

Bringing the billing process to an in-house, centralized billing program requires multi-level planning across all disciplines and management structures in a multi-facility organization. The changes in billing requirements and healthcare environments led one California-based provider to review their billing systems and to explore opportunities for increased efficiency and regulatory compliance for their five campuses. The initial Discovery process revealed procedures that did not support the changing regulations and the ongoing need to ensure accurate claims that reflect the clinical information needed and support the services reflected on the claims. The provider was outsourcing their billing, and staff was required to bridge the gap between the clinical information and the billing information. There was an immediate realization that efficient and comprehensive systems were needed to ensure compliance with regulations and to improve the revenue cycle.

Even though the five facilities were different in the types and numbers of residents being served, the billing processes could be structured to achieve similar results across those facilities.

PLANNING
ProviNET Solutions was asked to work with the organization to consolidate the billing process and to assist with the development of clinical systems to improve compliance and accuracy across all disciplines. After initial planning, our reviewer conducted an online evaluation of a select number of Minimum Data Sets (MDSs) to assess the types and amounts of services being provided. This also enabled us to assess the quality and completeness of the MDS sample.
A review of claims was conducted as the next step in the initial analysis process. Schedules were then set up at each facility to conduct on-site documentation reviews and staff interviews. On-site reviews provided the opportunity to look at facility-level procedures and to appraise the documentation practices that ultimately drive and support billing. Each facility had varying levels of electronic records, and the on-site reviews revealed the staff comfort level with an enhanced electronic health record. Additionally, the review of clinical documentation focused on compliance with State and Federal regulations. On-site interviews with staff members including the business office staff provided an objective analysis of job responsibilities and the cohesiveness of the interdisciplinary team.

As we discovered in similar reviews with other organizations, the financial teams were not aware of the clinical process and there was minimum communication between the two groups. In some instances we noted that detailed information regarding the resident condition and functional ability was not easily accessed or shared by the interdisciplinary team. This caused a disconnect between the Business office and informational resources needed to create claims. Our discovery processes provided us with the information necessary to recommend next steps in the efforts to bring billing in-house and centralize the billing process. This process also included a review of any opportunities to expand the use of electronic healthcare records in the facilities.

### IMPLEMENTATIONS

The first five-steps were the standardization of procedures to best utilize their current software capabilities:

1. “Common processes” were designed to provide specific steps for each user to complete the assigned tasks for that user. These common processes were set up in the software to ensure user compliance.

2. The Admission process, data entry, and verification of information were made standard across each facility. This enabled the interdisciplinary team to understand the job functions of admitting the resident and verifying vital information.

3. Census management and daily verification of resident status was coordinated among the facilities. Procedures to complete new and changing census information were developed with facility management, which provided accurate census management across the facilities.

4. Diagnosis coding (basic to the billing process) starts prior to Admission and needs to be verified by the clinical team on an ongoing basis. This was easily managed within the software, and steps were developed to capture the medical conditions that supported the need for skilled services and promoted focused clinical documentation that reflected individual resident care.

5. A Billing Task List was developed to document job functions for facility and billing staff. Ancillary billing processes:
   - Room and board for all insurance billing (including Medicare/Medicaid) and private billing was verified in the software, and Product and Service codes were properly set up in the system to ensure appropriate bills.
   - Therapy information sharing was changed to reflect the need for ongoing accuracy:
     > Therapists were asked to input data (daily logs) directly into facility software.
     > Imports were set up with the therapy vendor for Part B billing.
   - Pharmacy was also set up to allow the import of charges directly from the pharmacy vendor, allowing for accurate, easily downloaded pharmacy charges when needed.
   - Medical equipment charges were set up as a data entry with appropriate Product and Service codes in the current system.
   - Other ancillaries were determined on an as-needed basis and were set up through the creation of import files as appropriate.
Training was provided at the facility level

- This was a joint project utilizing the “train the trainer” method to ensure that each facility had staff to continue training new employees as needed.

- Managers received high-level training sessions on the various processes, admission, completion of MDSs, timing requirements, and billing at the centralized location.

- Clinical, accounting, and therapy staff received hands-on training in regards to job function and processes.

“Go-live” discussions

- Timing of claim submission and private pay billing included the following steps:
  > Notification was discussed and given to the contract billing company. This step was initiated to coincide with the billing contract and there was a cooperative effort to make sure that information was shared and no claims were missed in the process.
  > Electronic claim submission enrollment was verified with the MAC (Medicare Administrative Contractor).
  > Informational systems were tested for completeness.
  > Systems to monitor Medicare census days and compare those with days billed were initiated.
  > A system to follow-up with verification of appropriate claims was developed.
  > Go-live dates and specifications were discussed with the team and documented.

- Prior testing of claims submission and acceptance at MAC level was completed.

Actual go-live billing per plan included these follow-up measures:

- Follow-up testing to ensure accuracy of claims
- Review of Remittance Advice
- Monitoring posting of remittance

SUMMARY

The organization has successfully brought their billing in-house, which led to more timely and accurate claims as well as a greater appreciation between the many clinical and operational staff and the finance team.

The project led to the ability of the IT staff at the organization to establish an ongoing implementation of the electronic medical record. ProviNET assisted in the introduction of Touch Screens, Clinical Notes and other electronic advancements.
Case study written by: 
**Joan McCarthy**
MJ, LNHA, RAC-CT 
Reimbursement and Operational Specialist

Joan serves as ProviNET Solutions' Reimbursement and Operations Specialist and is a vital resource in helping our healthcare clients stay current and meet Federal and State regulations. She also assists them in staying competitive through the use of emerging technology and processes.

- Over 20 years of experience in the healthcare industry
- Master of Jurisprudence in Health Law from Loyola University Law School
- Licensed Nursing Home Administrator and RAC certified in MDS 3.0
- Expertise also includes analysis of operational and clinical systems to ensure efficient and accurate management of services.
- Well versed in Medicare billing as well as Medicaid services and often works on-site with clients to do facility staff training, chart reviews, systems management, reimbursement and outcomes analysis.

Joan currently assists facilities to implement an electronic health record. She works with the unique needs of each facility to assist staff and management to initiate different aspects of an electronic health record including MDS completion, claims development, CNA documentation and other clinical and accounting processes. Joan's many areas of expertise makes her yet another example of the professionalism ProviNET Solutions is proud to offer to our many clients on a daily basis.

cell: (708) 574-1686
e-mail: jmccarthy@provinet.com

For over 20 years, ProviNET has been providing IT solutions you can trust for clients in healthcare and senior services. ProviNET is a full service Information Technology consulting company offering a vast array of products and services

Born out of a long-term care provider, ProviNET is very familiar with the strict demands and urgent needs of the long-term care marketplace. ProviNET started out as the internal IT department for Providence Life Services, headquartered in the Chicagoland area. Providence Life Services owns and operates more than a dozen senior living communities throughout the Midwest and places a high emphasis on utilizing technology to streamline operations and provide premium care to its senior residents. Because of this unique relationship with Providence, ProviNET is able to develop trusted technology solutions that are the right fit for the long-term care marketplace.

ProviNET has more than 60 qualified professionals who are dedicated to serving each one of our customers to the highest degree. Because the term "Information Technology" carries a broad definition, ProviNET has internal departments that handle different roles within the IT scope. Services offered include:

- Help-Desk Support
- Certified Technician and Engineering Support
- Clinical Software Support and Training
- Custom Application and Interface Development
- Website Design and Development
- Application and Website Hosting
- Implementation Project Management

Let ProviNET provide the resources and services you need to succeed. Whether it's a single project or full-time on-site work, we partner with you to assess your needs and deliver a customized solution. Contact a Client Care Representative today at (708) 468-2000.