

# The Revenue Cycle & Beyond

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**Presented by:**

**Steven D Weinman    VP-FQHC**

**Germane**  
SOLUTIONS

**FQHC**  
Germane  
Effective FQHC & Medicaid Strategies



# Introduction



# Speaker's Bio: Steve Weinman



- 1984-2013, employed at large CHC in SW FL
- Began as IT director, produced custom PM
- Served as CFO, then EVP/COO, oversaw all employees except CEO
- Founding CEO 18 Member HCCN
- CEO of start up health center in Broward County, FL
- Founding Treasurer of Integral Quality Care Managed Care Plan
- Board Treasurer, National Center for Farmworker Health
- HRSA reviewer and consultant
- Principal with FQHC Associates since 2013
- Merged Florida based group into Germane Solutions in April, 2017



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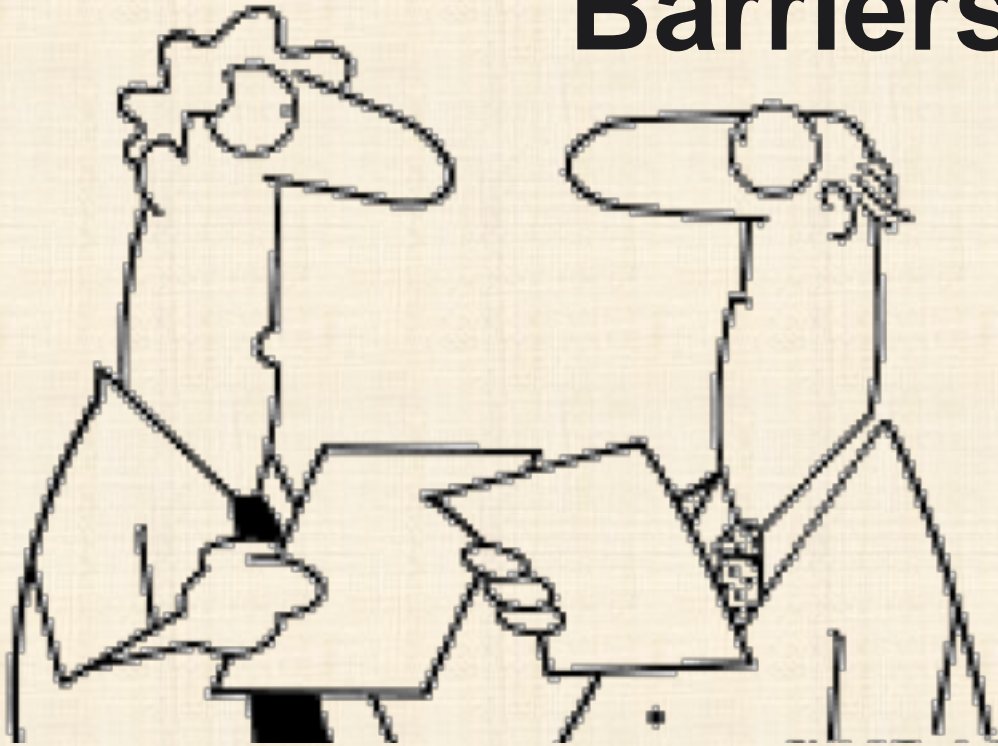
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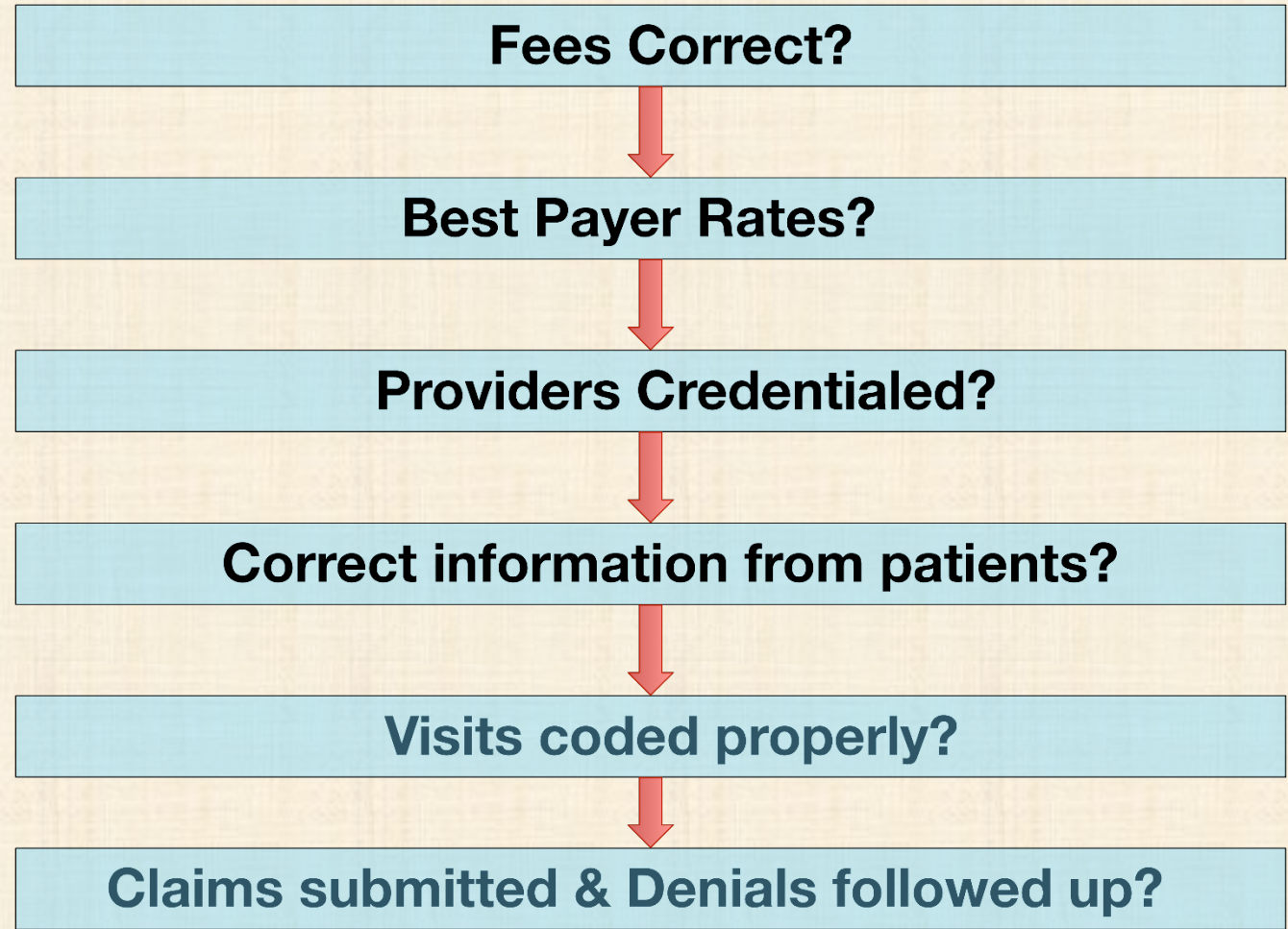
# System Requirements

- Develop Policies/Procedures
- Create Internal Control Systems
- Collect Accurate Billing Information
- Record Revenue Accurately
- Utilize Data to Manage
- Report Results Internally & Externally

# Barriers to getting paid

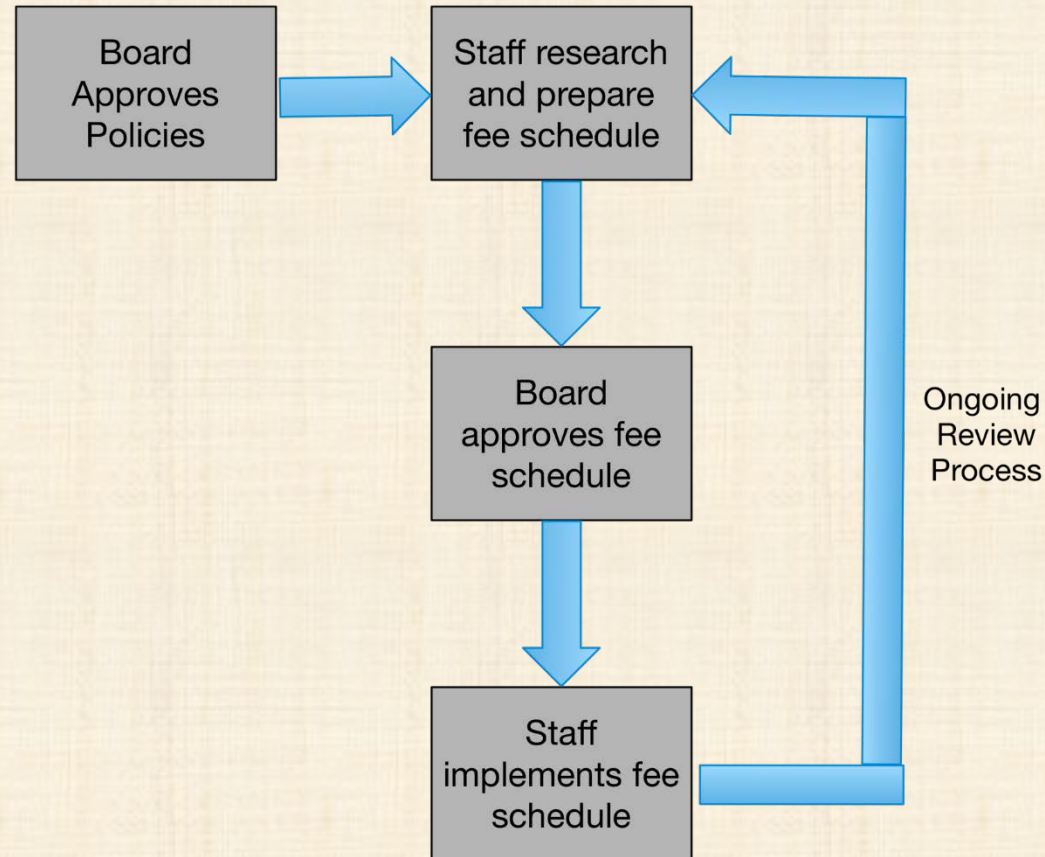


"I found a quick fix to the health center's financial problems. I removed the red ink from the printer"





# Recommended Process for Setting Fees



# Practical Fee Setting

- Fees reflect cost and marketplace
- Fee schedule vs reimbursement
- Fee schedule vs Sliding Fee Discounts
- Use recognized benchmarks

04/20/2016 - 04/20/2016	351	CT SCAN/HEAD SCAN	\$7,229.00	\$1,413.18	\$1,413.18
04/20/2016 - 04/20/2016	351	CT SCAN/HEAD SCAN	\$5,366.50	\$1,049.08	\$1,049.08
04/20/2016 - 04/20/2016	352	CT SCAN/BODY SCAN	\$8,003.00	\$1,564.49	\$1,564.49
04/20/2016 - 04/20/2016	450	EMERGENCY ROOM/GENERAL	\$229.75	\$44.91	\$44.91
04/20/2016 - 04/20/2016	450	EMERGENCY ROOM/GENERAL	\$5,693.50	\$1,113.01	\$1,113.01
04/21/2016 - 04/21/2016	480	CARDIOLOGY/GENERAL	\$7,741.50	\$1,513.37	\$1,513.37
04/20/2016 - 04/20/2016	636	DRUGS REQUIRING DETAILED	\$166.05	\$32.46	\$32.46
04/20/2016 - 04/20/2016	636	DRUGS REQUIRING DETAILED	\$464.67	\$90.84	\$90.84
04/21/2016 - 04/21/2016	636	DRUGS REQUIRING DETAILED	\$28.08	\$5.49	\$5.49
04/20/2016 - 04/20/2016	730	EKG/ECG (ELECTROCARDIOGRAM)	\$900.75	\$176.09	\$176.09
04/20/2016 - 04/20/2016	762	OBSERVATION ROOM	\$1,332.00	\$260.38	\$260.38
<b>TOTALS</b>			<b>\$43,553.76</b>	<b>\$8,679.75</b>	<b>\$8,274.00</b>



# Credentialing & Privileging Requirements

- HRSA
- CMS
- State
- Private Payers

# The Revenue Cycle



If you know how to beg, we have an opening in our collections department

# Patient Scheduling & Registration

- Pre-registration
- “Welcome materials”
- Patient portal



# Insurance Verification

- Pre-visit vs first visit
- Levels of coverage
- Re-verification

# Co-pay collection

- Prior to visit vs post visit?
- Patient “Heads up”
- Requirements in relation to HRSA sliding fee scale

# Patient Exam

- The role of the provider in collections
- Social Determinants
- Medical necessity issues



# Coding & Charge Entry

- Provider vs Coder roles
- Education and monitoring
- Issues relating to coding accuracy
- RVUs vs visits for productivity monitoring

# Coding Distribution



# Claim Review

- Manual vs “Scrubbers”
- Education and monitoring
- Issues relating to coding accuracy
- RVUs vs visits for productivity monitoring



# Claim Submission

- Just hit the button and send?
- The role of the clearinghouse
- Are all clearinghouses the same

# Processing Payments

- Automatically posting payments?
- Time = Money
- Balance Billing Patients

# Denial Appeals

- Working denials
- Denials versus zero payments
- Staffing requirements and the “80-20” rule

# A/R Follow Up

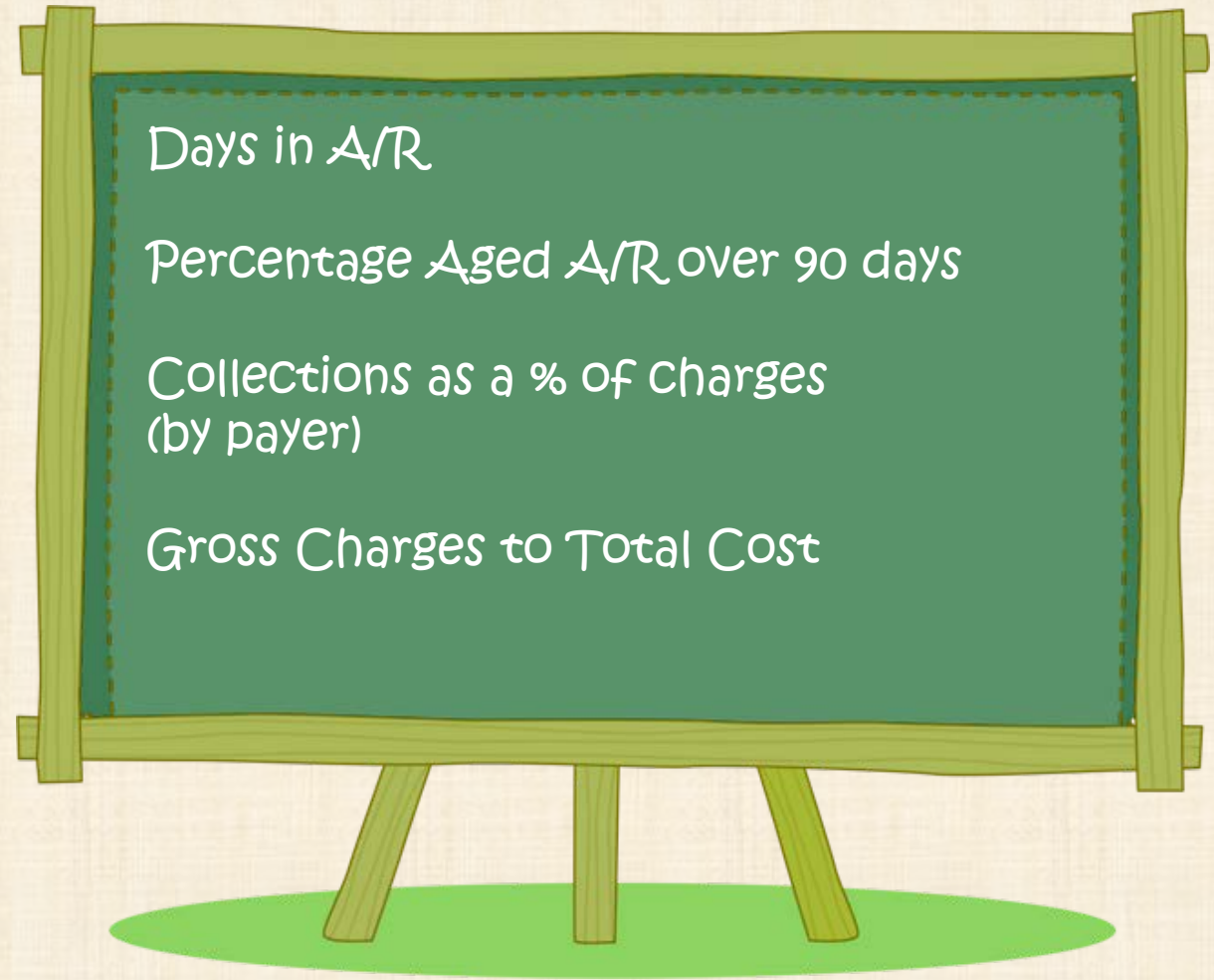
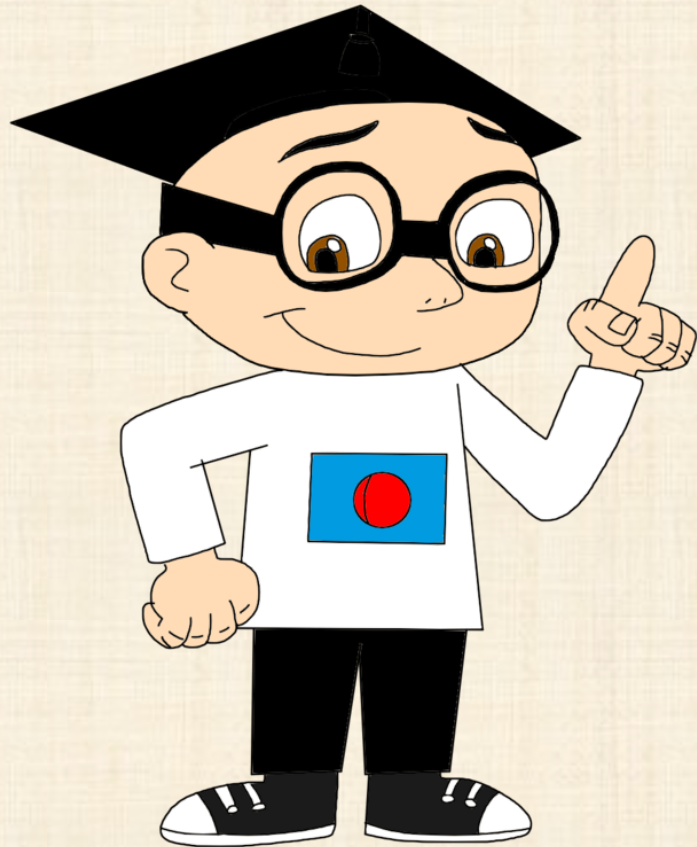
- Follow up and Timely Filing
- “Co-sourced” models
- Government vs Private Payers



# Patient Statements

- To Send or not to Send
- Is the Juice Worth the Squeeze
- The Need for Accuracy

# Benchmarks and Ratios



# Days in Accounts Receivable (A/R)

**Step 1:** Compute Average Daily Charges for a period (6 months is common)

$$\frac{\text{Total Net Charges for a Period}}{\text{Total Days in Period}} = \$X$$

**Step 2:** Compute Days in A/R

$$\frac{\text{Total A/R}}{\text{Average Daily Charges}} = \text{NN Days}$$

What it means:

In general, a lower number of days is better because:

- The center is on average collecting money faster
- The billing department is functioning properly....



# Days in Accounts Receivable (A/R)

- 30 days or less = Excellent
- 40-50 days average = Average
- 60 days or more = Below Average

Some potential issues with this indicator:

- Very much affected by the patient mix
- Collecting a dollar is treated the same way as writing off a dollar



# Percentage Aged A/R > 90 Days

A/R > 90 days

Total A/R

- 12% or less = Excellent
- 15%-21% = Average
- 25% or more = Time to worry

# Collections as a % of net charges (by payor)

$$\frac{\text{Cash Collection by payor}}{\text{Net charges by payor}} = \text{XX}\%$$

What it means:

- A general indicator of the entire revenue cycle
- Can indicate issues with:
  - Lines of business
  - Employee performance
  - Internal processes
  - Coding or software

# Gross Charges/Total Cost

$$\frac{\text{Total charges (before SFS \& other discounts)}}{\text{Total in-scope cost}} = \text{XX\%}$$

What it means: In general, this should be **close to 100%** or slightly more

- Charges should reflect true costs (and market rates)
- A low value can mean:
  - Low fee schedule or productivity
  - Costs are too high



# Questions and Wrap Up

Steven D Weinman  
VP-FQHC  
[SDWeinman@FQHC.org](mailto:SDWeinman@FQHC.org)  
239.850.1754

