

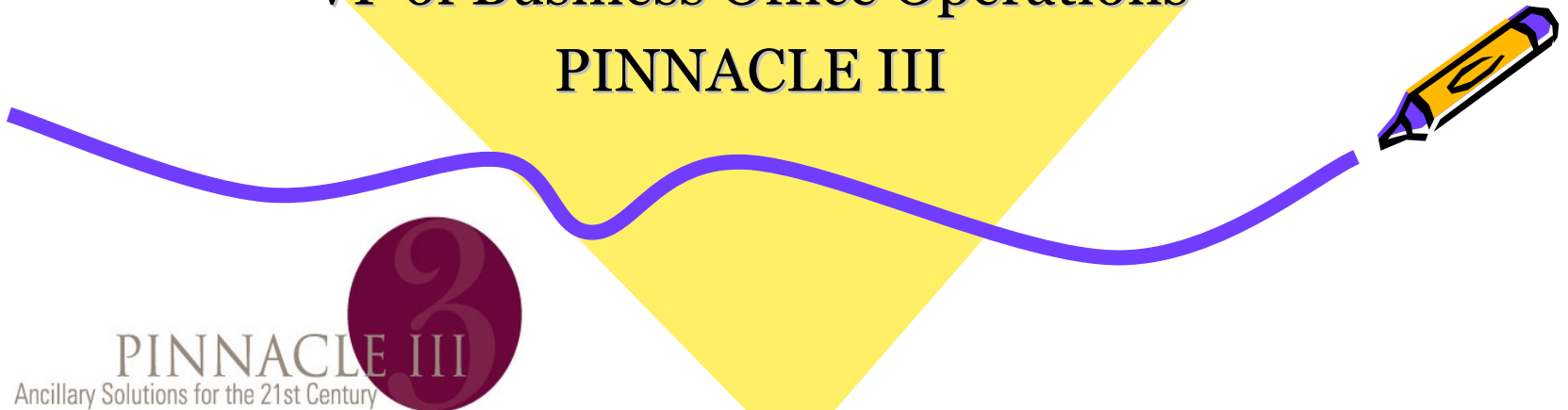


Business Office Operations – Proven Formulas for Success

Kim Woodruff

VP of Business Office Operations

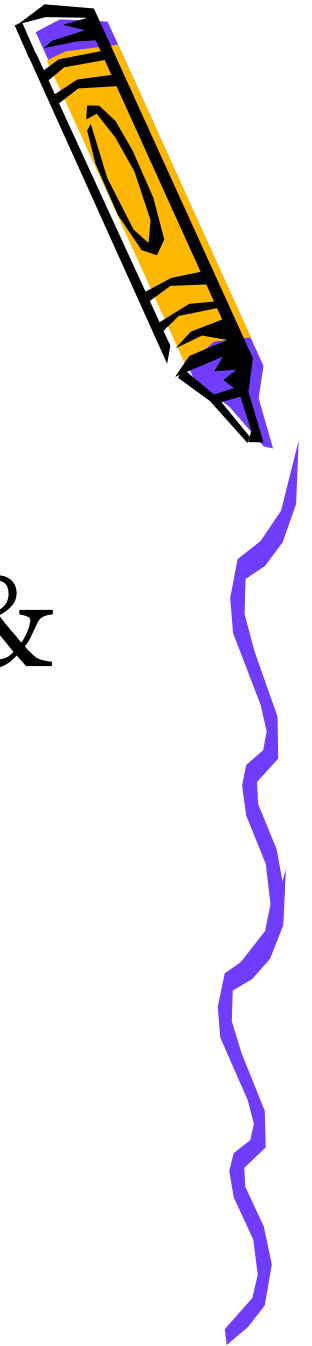
PINNACLE III



PINNACLE III
Ancillary Solutions for the 21st Century

“There are no secrets to success. It is the result of preparation, hard work, & learning from failure.”

- Colin Powell



Success Lies in the Basics

Clearly Outlined Processes

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People Well-Suited for Their Positions

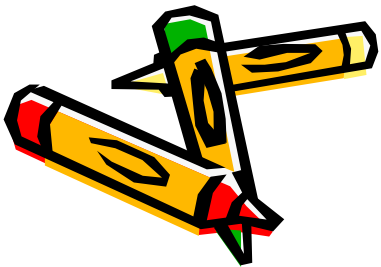
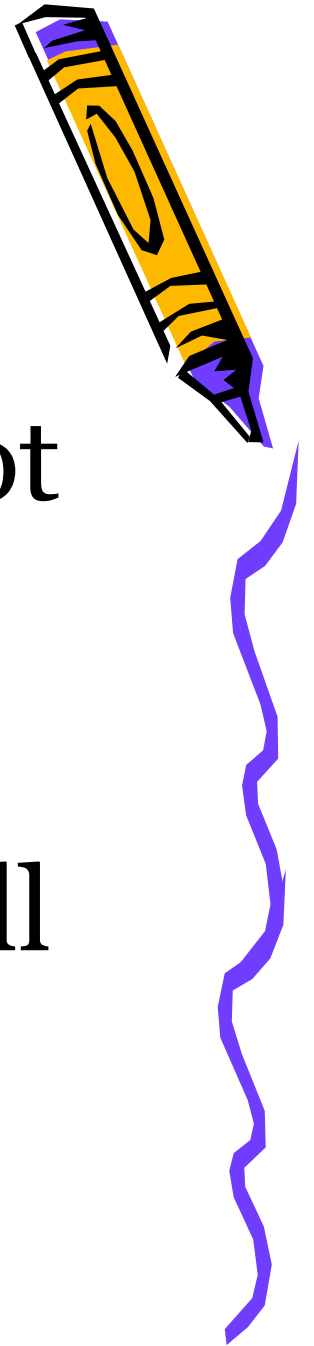
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A Successful Business Office!



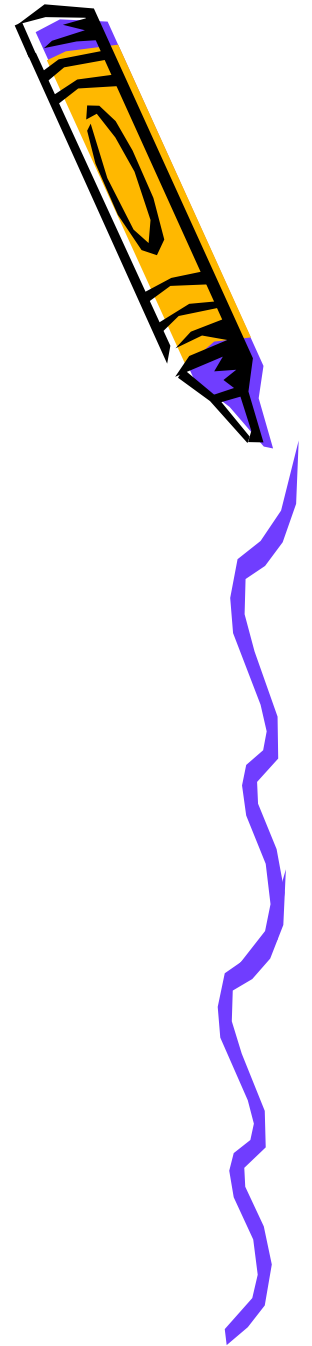
"It is no use saying, 'We are doing our best.' You have got to succeed in doing what is necessary."

-Sir Winston Churchill



Essential Business Office Functions

- ☒ Scheduling
- ☒ Verification
- ☒ Registration
- ☒ Coding/Billing
- ☒ Accounts Receivable Follow-Up
- ☒ Payment Posting
- ☒ Patient Collections



Scheduling

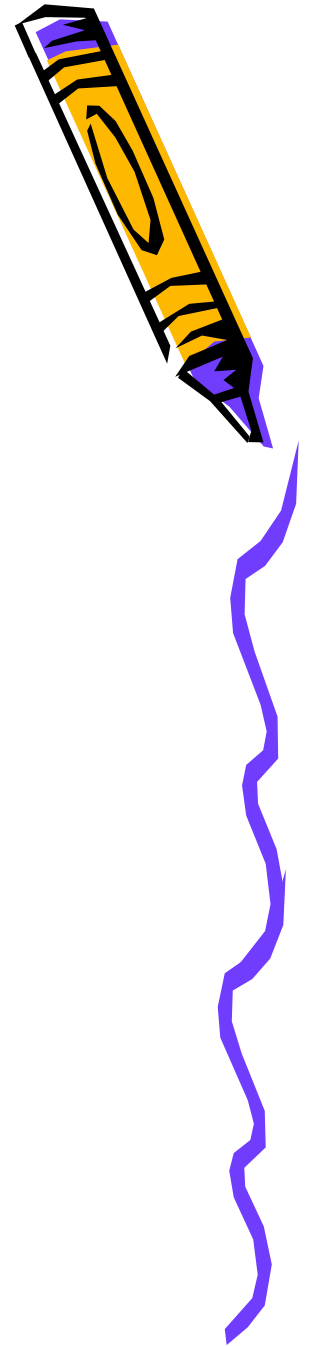
- ☒ Build relationships
- ☒ Create ease & efficiency
- ☒ Know practice patterns
- ☒ Juggle needs with available resources
- ☒ Be aware of coverage restrictions



Verification

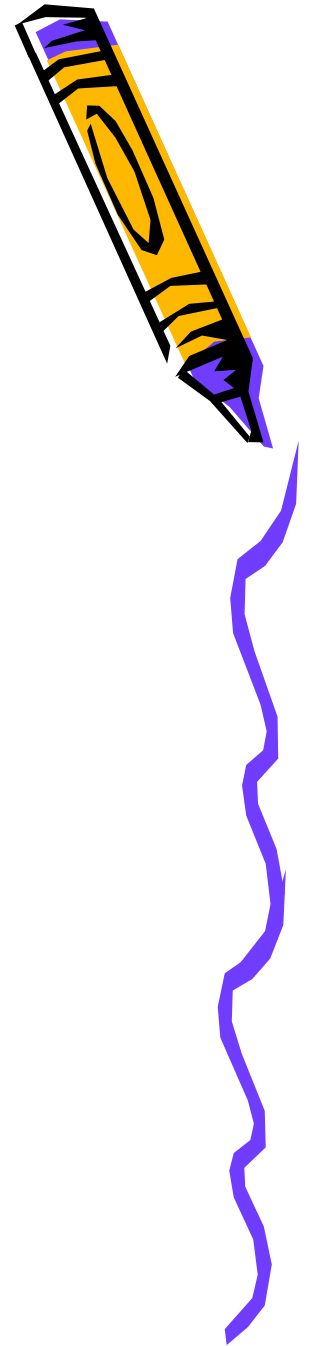
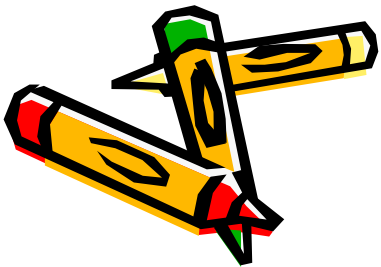
- ☒ Ensure authorization is in place
- ☒ Assess available benefits
- ☒ Determine financial responsibility
- ☒ Convey information concisely
- ☒ Clearly outline expectations

NO SURPRISES!



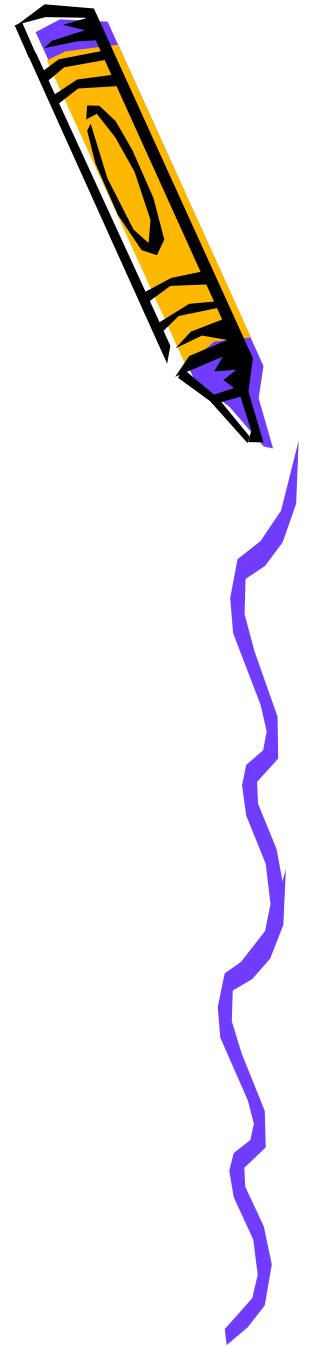
Registration

- ☒ Patient friendly
- ☒ Accuracy = Non-negotiable
- ☒ Create communication stream



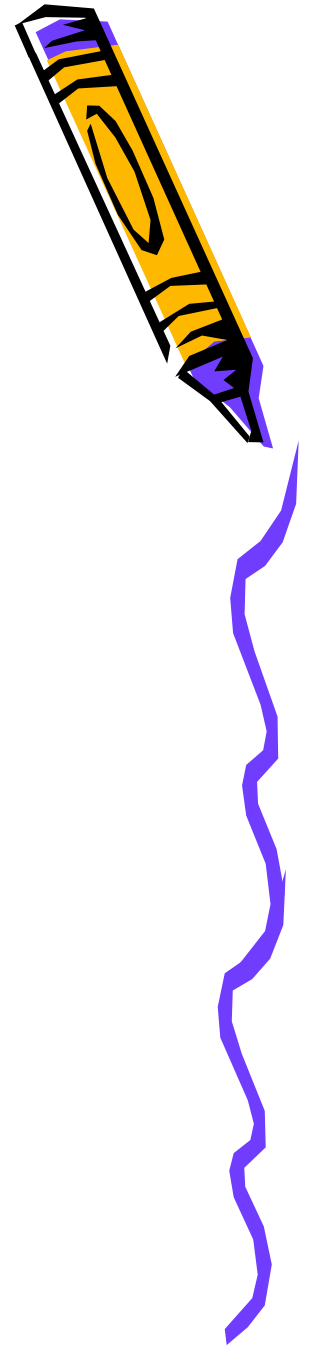
Coding/Billing

- ❑ Create safety net to capture all cases
- ❑ Code from operative report
- ❑ Bill only what is documented
- ❑ Ensure diagnosis is specific
- ❑ Identify accurate size of excisions
- ❑ Capture implants utilized
- ❑ Ensure sent claims = accepted claims



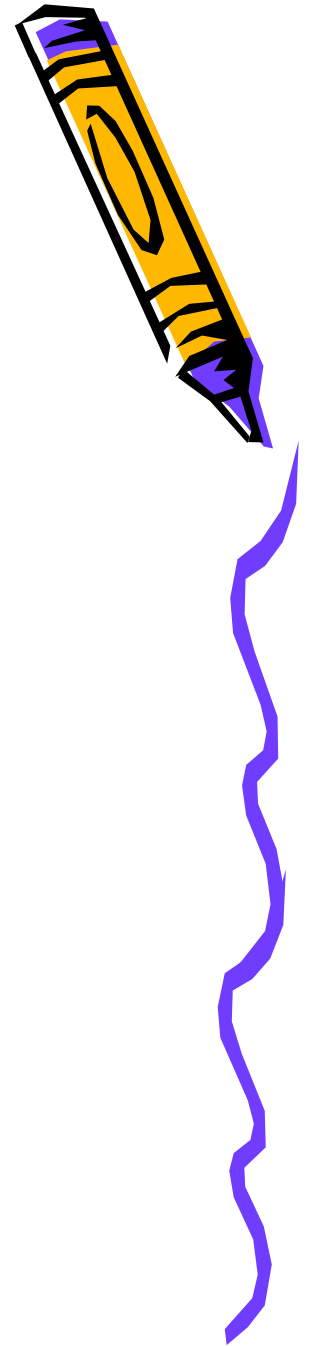
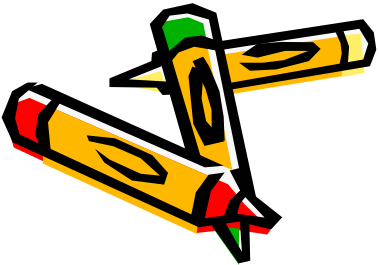
A/R Follow-Up

- ☒ Create payor relationships
- ☒ Work the aging
- ☒ Respond to correspondence daily
- ☒ Identify denial trends
- ☒ Obtain answers . . .
 - ❖ Who are you speaking with?
 - ❖ When was the claim received?
 - ❖ What is the status of payment?
 - ❖ When was the check cut? Check number? Date sent?



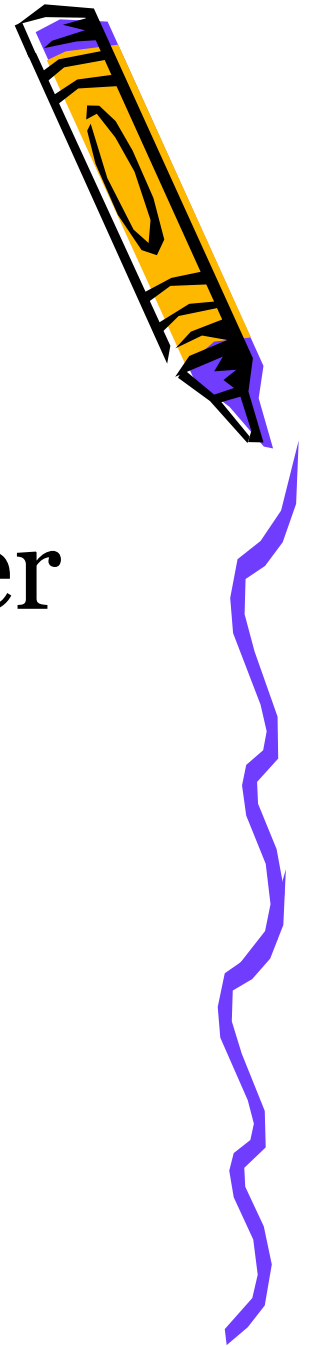
Posting Payments

- ☒ Load contracts
- ☒ Post payments by line item
- ☒ Determine why discrepancies exist
- ☒ Transfer applicable balances to patients and secondary payors
- ☒ Print/mail patient statements frequently
- ☒ Process refunds daily
- ☒ Create communication loop to billing and follow-up personnel



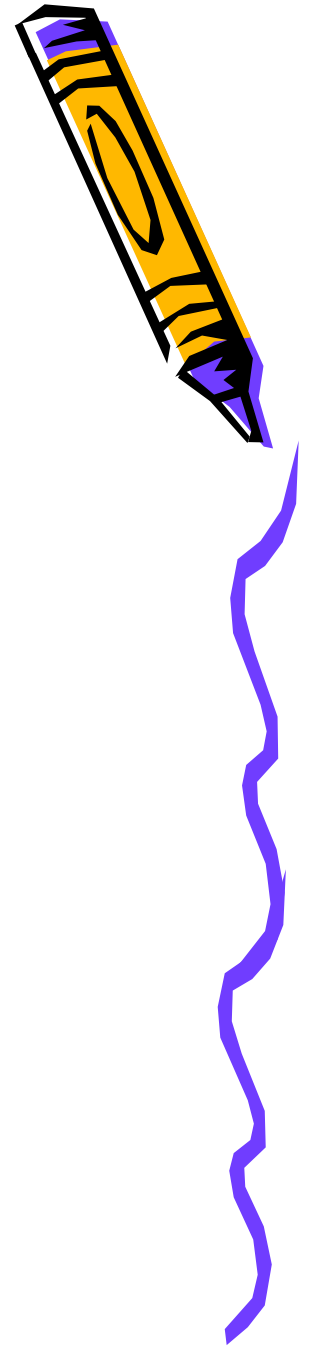
“I became a policeman
because I wanted to be in a
business where the customer
is always wrong.”

- Anonymous



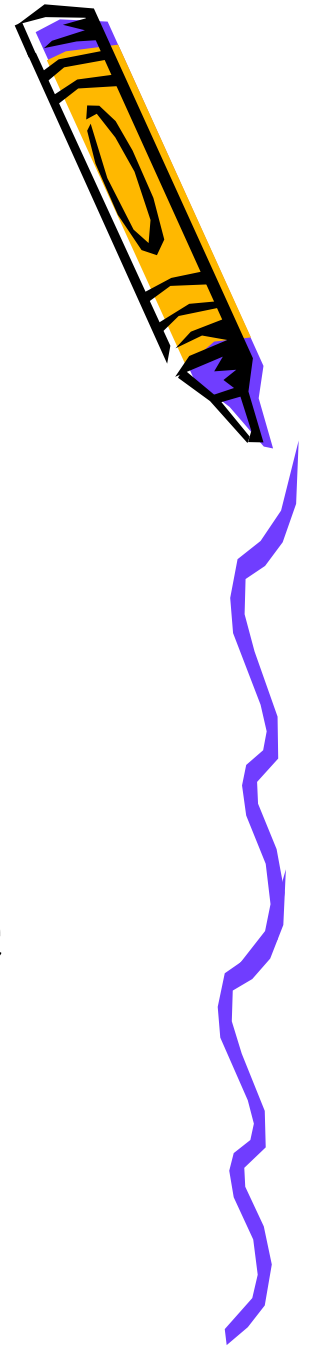
Patient Collections

- ❑ Create patient relationships
- ❑ Clearly define policies
- ❑ Refer to communication loop created upon verification/registration
- ❑ Employ customer service skills
- ❑ “Just the facts, ma’am!”
- ❑ “Less is more!”



“There are three ways to get something done – do it yourself, hire someone, or forbid your kids to do it.”

- Mona Crane



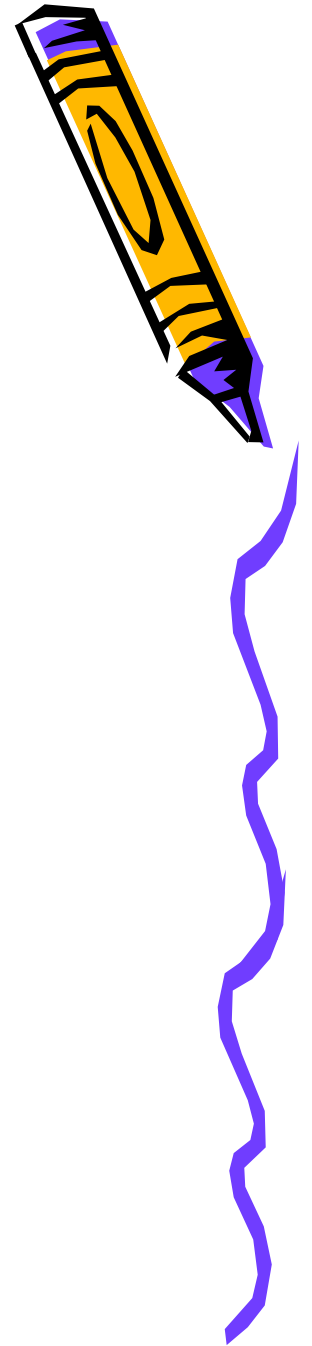
Getting the Right People on the Bus!

- ☒ Healthcare expertise
 - ❖ An educated consumer counts!
- ☒ Detail-oriented
 - ❖ There is no replacement for getting it right the first time!
- ☒ Empathy
 - ❖ Considerate, compassionate, kind!
- ☒ Self-motivated
 - ❖ Yet fully embraces the concept of team!
- ☒ Problem solver
 - ❖ Grasps the big picture!
- ☒ Understands the financial stakes
 - ❖ Treats the business as if it's his/her own!



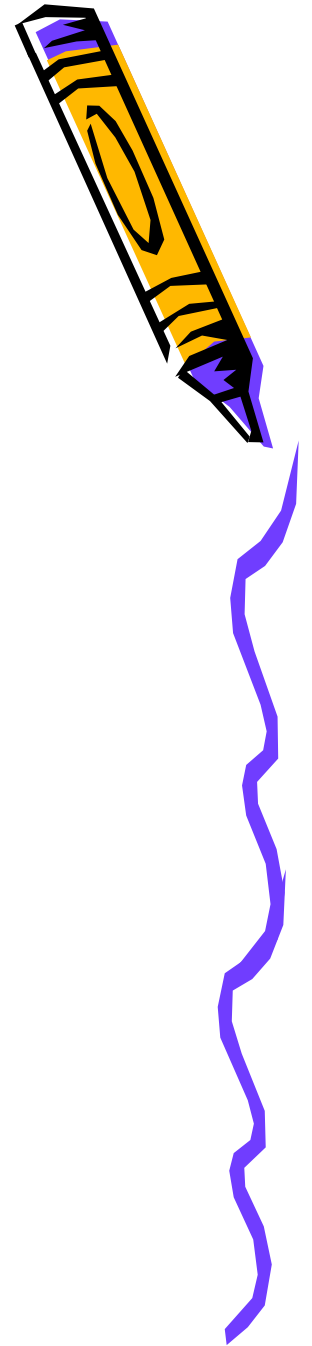
The Hiring Process

- ❑ Administer tests
- ❑ Create tiered interviewing process
- ❑ Involve the team in decision making
- ❑ Conduct a site walk-through
- ❑ Conduct background check
 - ❖ Criminal
 - ❖ Credit
 - ❖ OIG exclusions database
- ❑ Obtain references
 - ❖ Previous employers are essential!
 - ❖ Copy of most recent performance appraisal!



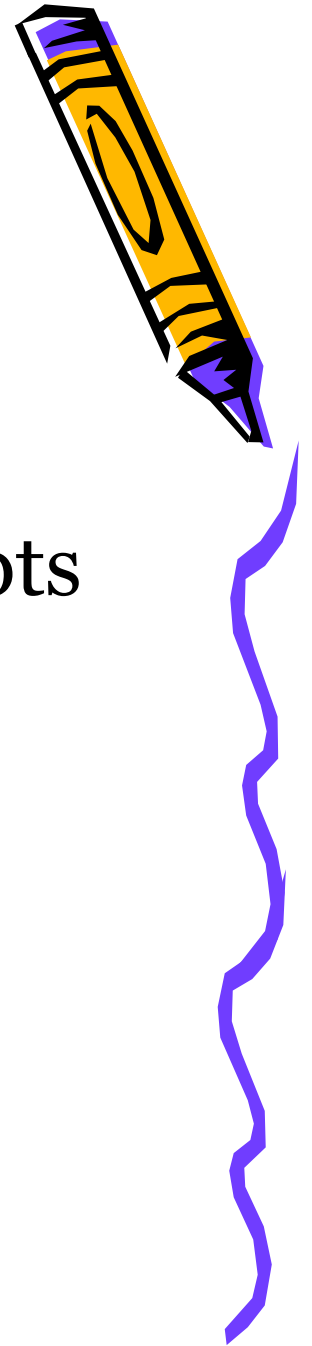
Efficient, Effective Work Flow

- ☒ Separation of duties
- ☒ System of checks/balances
- ☒ Reports
- ☒ A/R benchmarks



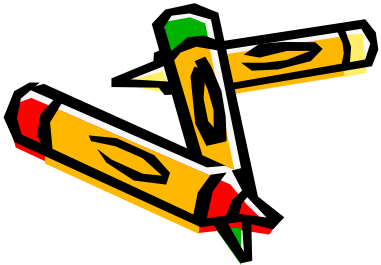
Separation of Duties

- ❑ Establish lockbox
- ❑ Ensure OTC collections/mail receipts are received/recorded by separate individuals
- ❑ Set up courier service for bank deposits



System of Checks & Balances

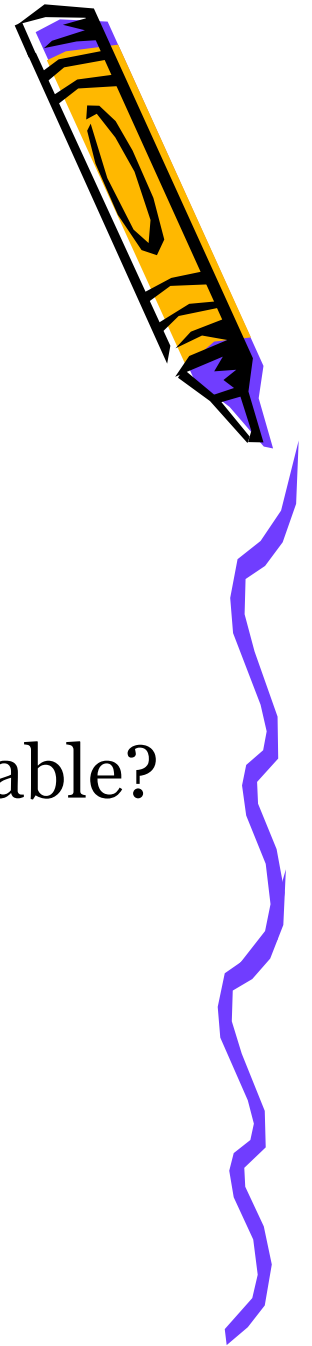
- ☒ Account for all cases performed before closing the month
- ☒ Ensure dollars deposited to bank tie out to payments posted
- ☒ Review credit balance reports to ensure refunds are being processed
- ☒ Perform routine review of A/R days over 90
- ☒ Track denials



System of Checks & Balances

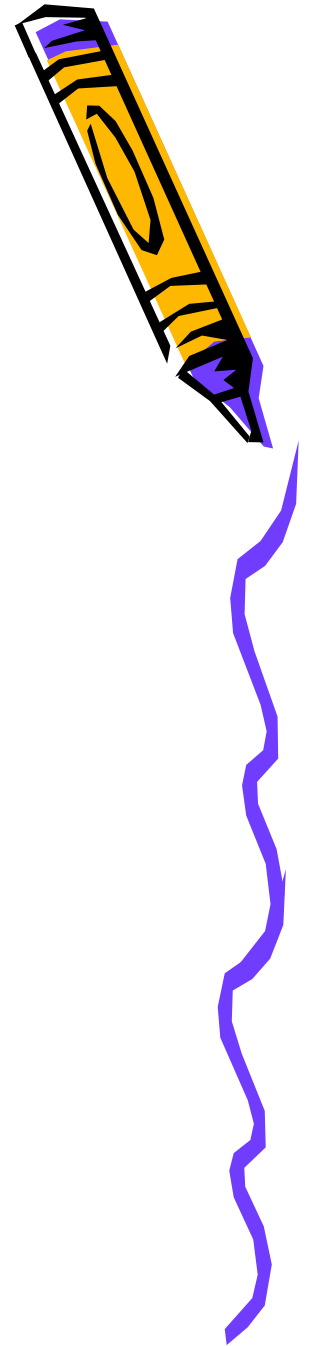
☒ Perform internal reviews

- ❖ HIPAA compliance
- ❖ Verification/registration accuracy
- ❖ Payment posting – Leaving \$ on the table?
- ❖ Denial tracking
- ❖ Uncollected copays/deductibles



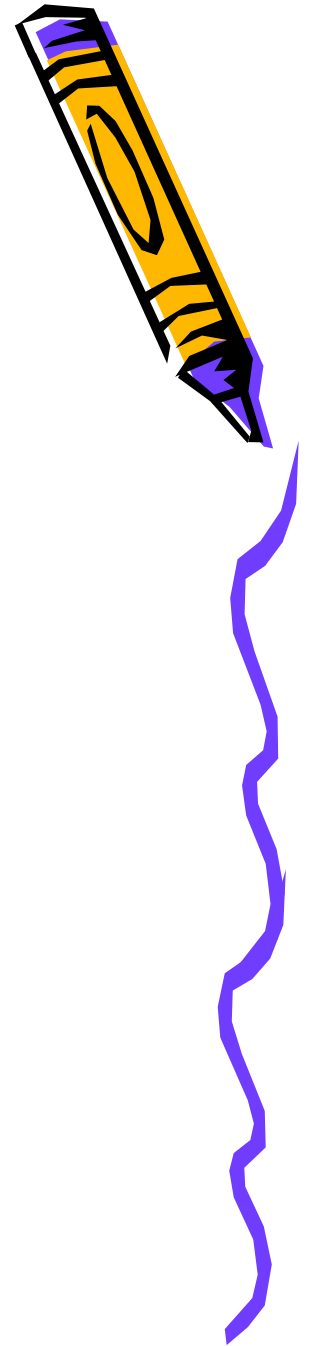
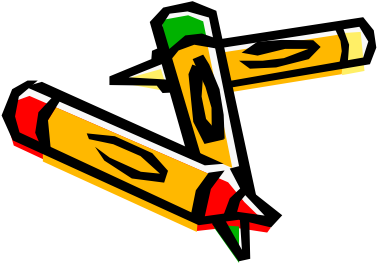
System of Checks & Balances

- ☒ External audits
 - ❖ Coding
 - ❖ Contract/EOB review
 - ❖ Accounting



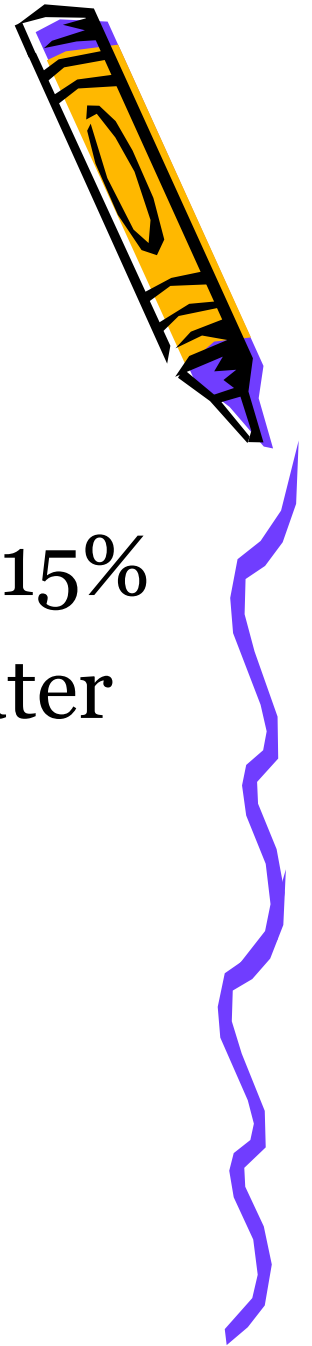
Reports

- ☒ A/R summary
 - ❖ Charges (amount billed)
 - ❖ Payments (amount collected)
 - ❖ Adjustments (amount written off, primarily contractuals)
 - ❖ Net A/R (outstanding amount to be collected)
 - ❖ Days in A/R (length of time takes to collect an average day's worth of billed charges)
- ☒ Physician utilization
- ☒ Payor mix
- ☒ Case mix
- ☒ Denials
- ☒ Aging by carrier
- ☒ Revenue by physician



A/R Benchmarks

- ☒ A/R days less than or equal to 40
- ☒ Aging over 90 less than or equal to 15%
- ☒ Achievement of collection goal greater than or equal to 96%
- ☒ Denials – Less than 1%
- ☒ Bad debt – Less than 2%



Resources

HHS Office of Inspector General (OIG)

<http://oig.hhs.gov>

Click on “Exclusions Database” (left hand side of web page).

Under “List of Excluded Individuals & Entities” (LEIE), click on “Online Searchable Database.”

Fill in person’s or organization’s name.

Click on “search.”



Establishing a Collection Goal

Suggested Formula:

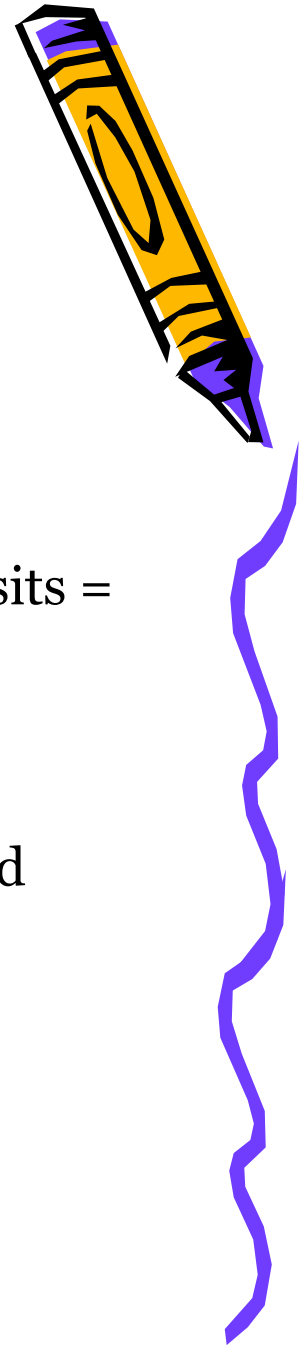
YTD net revenue per visit x Budgeted # of current month's visits =
Current month's estimated receivables

Ending A/R + Current month's estimated receivables = Total
estimated A/R

Total estimated A/R divided by Net A/R days YTD = Projected
A/R days

Projected A/R days less A/R day goal = Excess A/R days

Excess A/R days x Net A/R days YTD = Collection goal



“The road to success is always under construction.”

- Anonymous



Questions?

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