

Course #1 Red Team-Designing a Billing System

AIM of the Project – Process at least one bill through your new billing system

Pre-work, please review the following

1. PI 101-<http://www.niatx.net/Content/ContentPage.aspx?PNID=2&NID=15>
2. Change Project Form and Instructions-<http://www.niatx.net/content/contentpage.aspx?NID=43>
3. Billing Guide-<http://www.niatx.net/Action/promisingpractices.aspx>

Time	Title	Presenter
Before Distance learning session begins		
9:00-9:30am PT 30 minutes	Welcome Activity Suggestion: Simulation Exercise You are welcome to use the Telephone exercise we did in Madison. Providers will learn about change	Convener Purpose of the exercise Is for the group in the room to feel comfortable working with each other, this may differ depending on who is there and how often the group meets together. We have other ideas if needed, call us.
9:30-9:45am PT 15 minutes	Leadership Vision for this project Providers will learn about your vision for this project Be as clear and specific as you are able about your expectation for the collaborative outcomes	Convener- choose someone with a compelling vision to lead this Examples: County Director, Insurance Commissioner for the state, the head of County SU Dept Purpose is to identify what billing options are there in their state or county. List out what the priority for this collaborative is for the convening org.
9:45-10:15am PT 30 minutes	Overview - understanding the market place Geography is Destiny understanding Laws/Policy State & Federal Allocation Laws/policy State Benefit mandates	Convener Purpose: How is billing done in your county or state? How does this compare to the rest of the nation? Urgency of timing.
10:15-10:45am PT 30 minutes	Report out on the various billing options	Convener
	Prepare your 3 minute state Introduction Suggestion: See next agenda item for detail	

<p>Begin Distance Learning 10:45-11:00am PT Report Out</p>	<p>Welcome and Introduction of participants – <i>test audio</i> Each Convener Group Chooses one spokesperson to do a 3 minute report out of the following:</p> <ul style="list-style-type: none"> • 2 or 3 fun facts about your state • 2 things your state is doing well on topic of healthcare reform • 2 things that are barriers in your state with healthcare reform 	<p>NIATx & Convener</p>
<p>11:00-11:15am PT</p>	<p>Overview of the project/NIATx Vision for outcomes</p>	<p>NIATx</p>
<p>11:15am-12:00 PT 45 minutes</p>	<p>PI 101-PDSA Exercise Providers will learn about rapid cycle change Use Don Holloway’s exercise with the grocery register.</p>	<p>NIATx/Convener PI 101 simulation</p>
<p>Lunch 12:00-12:30 PT</p>	<p>Distance Learning goes off line</p>	
<p>Patient Flow 12:30-1:15 PT 45 minutes 1:00-1:15 Worksheet 15 minutes</p>	<p>Overview of Patient Flow What is it Who gets it Where is it Collect it Providers will learn about the patient flow process and billing NIATx some overview of IT</p>	<p>NIATx Review patient flow worksheet</p>
<p>1:15-1:45 PT 30 minutes</p>	<p>Marketing – Cocoa Puff simulation</p>	<p>NIATx</p>
<p>1:45-2:30 PT 45 minutes</p>	<p>Readiness and Competency Identify real and perceived barriers to getting started</p>	<p>NIATx Virtual NGT Cultural Readiness for Billing Missing resources?</p>
<p>2:30-3:00 PT 30 minutes</p>	<p>Design/Change Project Charter Providers will complete a change project form</p>	<p>All</p>
<p>3:00-3:30 PT 30 minutes</p>	<p>Next Steps ICC webinar call schedules NIATx web resources page Each convener group will schedule their follow up calls as needed</p>	<p>NIATx/All</p>



What are members of Wait Watchers trying to accomplish?

Members join:

- To lose wait
- To be waitless

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Are You Ambivalent About Losing Wait?

We will:

- Express Empathy
- Develop Discrepancies
- Roll with Resistance
- Support Self-Efficacy

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How do Wait Watchers lose wait?

- Focus on the **customer**
- Focus on the **processes** that serve customers
- Use **simple tools** to identify process problems
- Use **rapid cycle testing** to see what changes really work

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Focus on the Customers
Who are they?

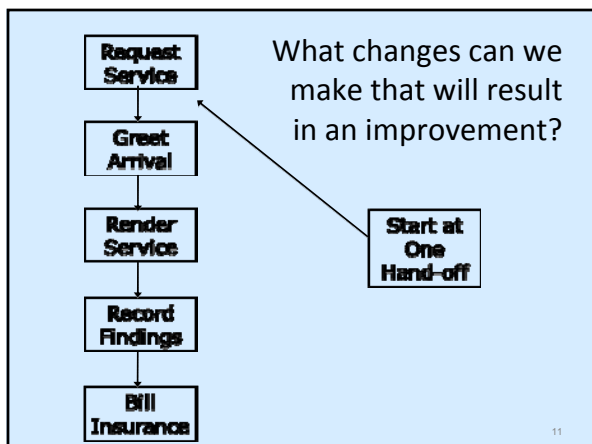
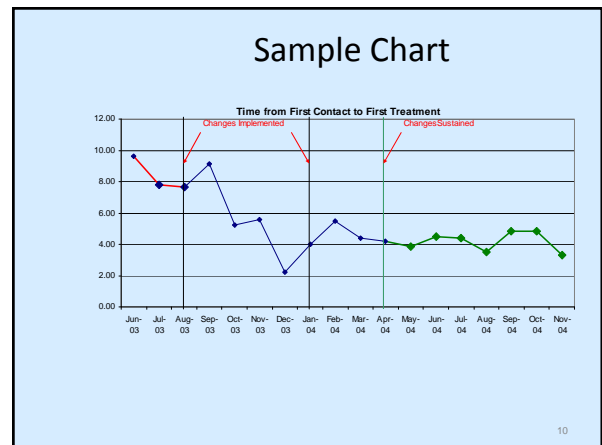
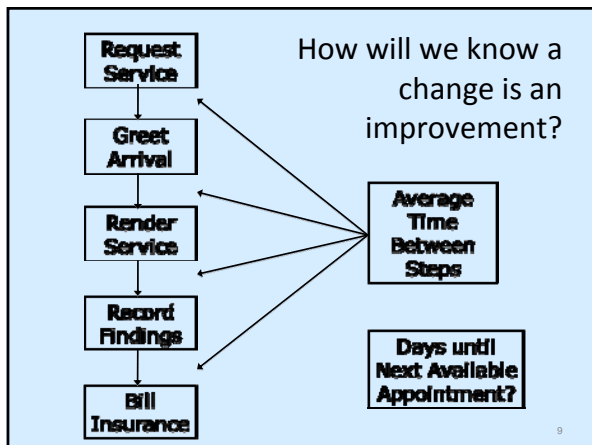
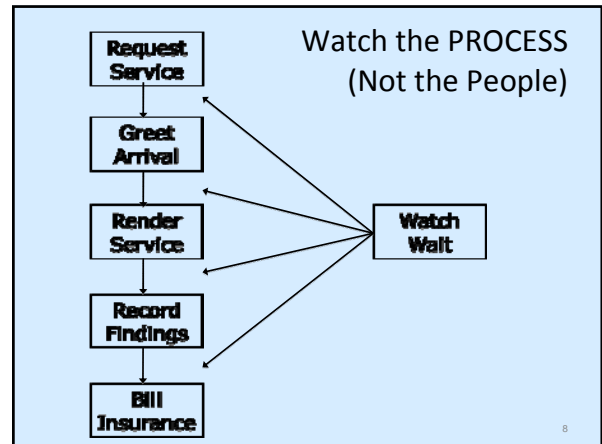
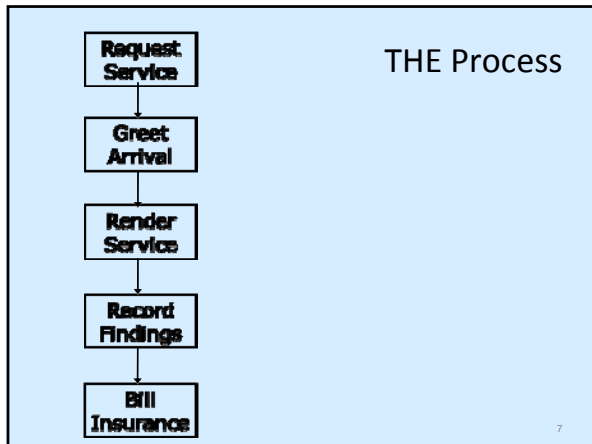
- External:
 - Patients and their family and friends
 - Referrers
 - Payers
 - Community
- Internal
 - Staff

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Why Focus on the Process?

- Your organization exists to serve customers.
- Customers are served by people following processes.
- 85% of customer-related problems are due to poor processes, (not people).
- To serve customers better, improve processes.

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- ### How Wait Watchers Learn
- Learn by Searching
 - Learn by Watching
 - Learn by Doing
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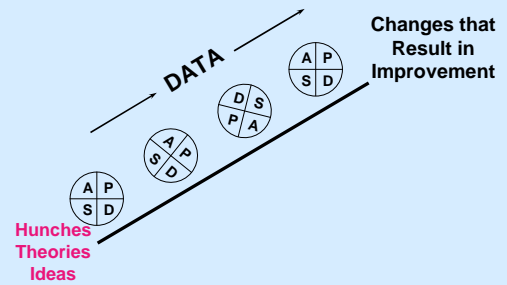
Learn by Doing:

PDSA cycles

- Plan the change
- Do the plan
- Study the results
- Act on the new knowledge (adapt, adopt or abandon)



Learn by Doing



SOURCE: Langley, Nolan, Nolan, Norman, & Provost. *The Improvement Guide*, San Francisco, Jossey-Bass Publishers, 1996

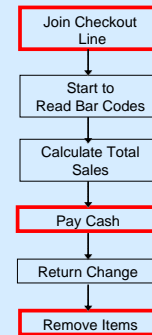
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Learn by Watching

- Compare how airlines load passengers
- Compare use of commuter lanes
- Compare ATMs
- Compare hotels' checkout
- Compare rental car check in and out
- Compare grocery stores' checkout

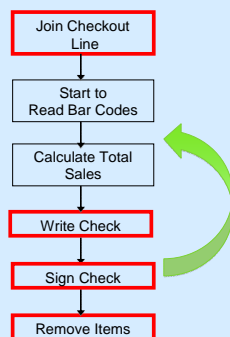
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Checkout Process: Pay Cash



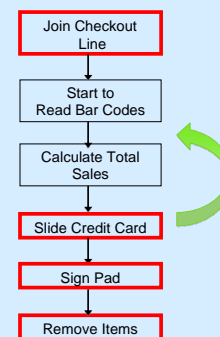
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Checkout Process: Write Check

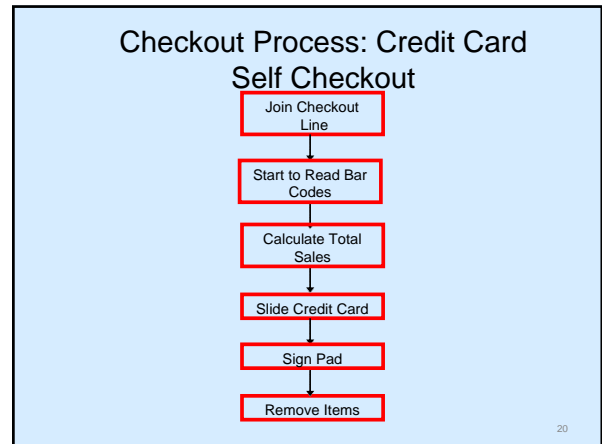
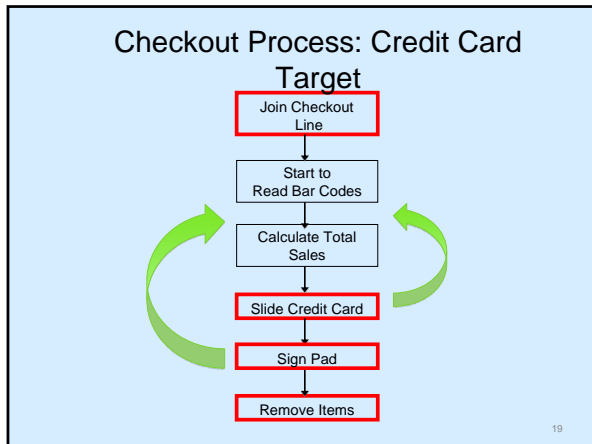


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Checkout Process: Credit Card



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Which Loses the Most Wait?

- Cash?
- Check?
- Credit Card?
- Credit Card – Target’s Variation?
- Self Checkout?

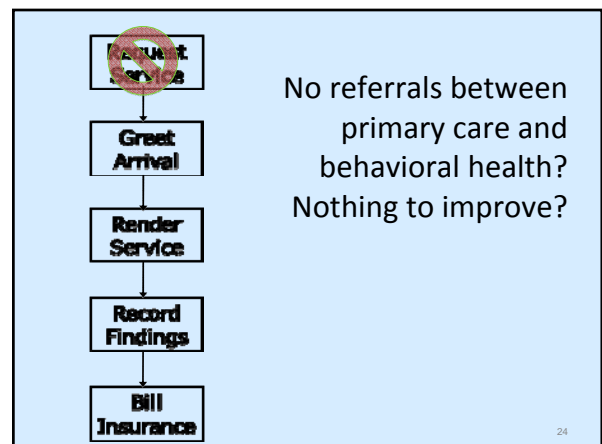
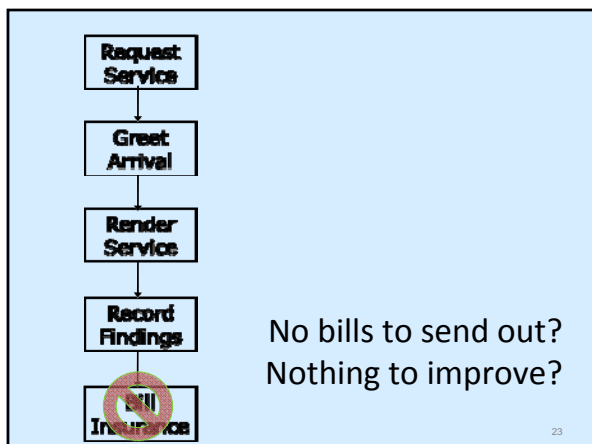
How can different changes be rapidly tested using Plan-Do-Study-Act?

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Change Idea: Reorder Sequence

- Work silently for 5 minutes
- Select one place in your work setting (or your home) where changing the sequence of two steps has promise for losing wait
- How can you rapidly test the change?

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Initial Steps in the NIATx Way

- Join NIATx
- Appoint an irresistibly influential change leader
- Appoint a highly motivated, representative change team
- Allocate sufficient resources
- Monitor progress
- Perform a Walk-through

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The NIATx Way

- What's it like to be our customer?
- What are we trying to accomplish?
- How will we know a change is an improvement?
- What changes can we make that will result in an improvement?
- How can we pilot test the most promising change?
- How can we sustain the gains?

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Closing Steps in the NIATx Way

- Tell your story
- Select the next project (continuous improvement)

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www.NIATx.net

- In **less than 60 minutes**, a video training presents an overview of the **NIATx Process Improvement Model** and will prepare you to conduct a **Walk-through** at your organization.
- <http://www.niatx.net/Content/ContentPage.aspx?PNID=2&NID=15>

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www.NIATx.net

- Use the promising practices as inspiration for change in your organization—**re-invent them, improve on them and be creative**—and let us know what happens so that we can continue to enrich and expand the library of change ideas available to the entire NIATx network.
- <http://www.niatx.net/Content/ContentPage.aspx?PNID=2&NID=19>

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NIATx™

**Patient Flow
(& its Impact on Business
Practices)**

**Todd Molfenter
NIATx**

Reduce Waiting Times & No-shows • Increase Admissions & Continuation

Patient Flow



It all begins when the patient needs services

Presentation Adopted from Gervene Williams Of the NACHC NIATx/NACHC Integration Collaborative Talk

The Patient Experience

- What is like to be your patient?
 - Perform detail walkthrough and document your patients' experience
 - Evaluate your findings and improve on the process
 - Tie in the ultimate patient experience with the ultimate revenue cycle

The Revenue Cycle



Appointment Scheduling: Goals

What should be the **Clinical Department** goals or the **Patient's** goals?

- Schedule the appointment within time desired by patient
- Informed patient of the sliding fee process
- Inform patient to bring insurance card and co-payment

Appointment Scheduling Process

- Pre-registration
- Begin the revenue cycle
- Verification of insurance
- Authorization and certification of insurance
- Sliding fees policy

Patient Registration: Goals

- Insure Pre-authorization received
- Insure verification of insurance and PCP validated
- Sliding fee application completely filled out
- For all appropriate patients, collect co-pay or deductibles, and verify demographic information

Patient Registration Process

- Revenue Cycle (For Appointments)
- Verification of insurance
- Authorization and certifications
- Registration gathering demographics
- Initial review of financial requirements
- Co-pay collection for all appropriate patients

Patient Exam: Goals

- Reasonable/timely access
- Complete clinical service
- Informative to patient
- Appropriate documentation for patient care and for correct billing to third party

Documentation & Coding Process



Physician documents services

- Services coded by Physicians and/coders:
CPT codes (procedures), ICD-9 (diagnosis)

Documentation & Coding: Goals

- Documentation complete and signed by provider
- Codes accurately reflect patient service(s)
- Coding reviewed to insure it reflects documentation

Ensuring Proper Coding – High-Level Overview

- Collect data on provider visits (E&M Codes)
 - By individual Provider
 - In the aggregate for the health center
- Prepare graphs to show frequency of codes used
 - Show increasing intensity of visit from left to right

Charge Processing



Data Entry and coders enter data into Practice Management System

- Fee entered automatically or manually
- Claims Manager software scrubs entries for correctness
- Reconciliation performed to insure all entries received and entered into practice management system

Charge Processing: Goals

- Accuracy of service and charge
- Appropriate edits to scrub data
- Charges entered timely for prompt payment

Claim & Statement Production



Claims edited to insure completeness and correctness

- Claims sent daily to carriers for processing
- Claims flow electronic and paper
- Billing statements sent to patients for self-pay balances

Claim & Statement: Goals

- Get accurate claims out daily
- Increase % of electronic claims
- Keep average cost per claim low
- Get statements out to patients for self-pay balances every Monday within the current billing cycle (30 days)

Payment Processing

- All payments and denials processed within 24 hours of receipt
- Process all refunds in a timely manner

Resubmission, Appeals, & Secondary Claims

- Invalid registration
- Medical documentation required
- Correct coding /charge corrections
- Missing referral/pre-authorizations
- Secondary claims and patient statement produced

Resubmission & Appeals: Goals

- All invoices requiring an appeal processed are completed within one week of receiving rejection
- Process all responses from clinical departments within one day of receiving information
- All secondary claims submitted within a week of receiving primary payment

A/R Follow-up

Follow-up on...

- Payment arrangements (budget plans)
- Red flag rules
- http://www.nachc.com/client/documents/FC_Red_Flag_ITPP_IB_4_8_09%5b1%5d.pdf
- Improve claim edits as an outcome
- Bad debt transfer

A/R Follow-up: Goals

- Process all denials requiring departmental involvement within one week of receipt of reject
- Follow-up on all outstanding requests with clinical departments within one week of initial request
- Follow-up on all “no response” invoices within 45 days of submission of claim

Legal Collections

- Actions if any to be determined by Executive Staff & Board

A successful Revenue Cycle depends on...



Common Reasons Claims are Denied

- The Patient is not enrolled
- The service/procedure is not covered
- No pre-certification/authorization is on file
- Demographic mistakes on the claim
- Claim not timely filed

Strategies to Avoid Denials

- Select Implementation Tasks:
 - Incorporate standards and policies that guide personnel.
 - Establish analysis for denials
 - Coordinate training of clinical staff and billing personnel.
 - Develop a standard feedback mechanism for professional employees.
 - Institute regular chart/billing reviews to assess compliance and to identify issues requiring further education.
- Measure performance at the front desk
 - Select standard measurements for accuracy of data collection
 - Establish minimum thresholds for staff to meet

Finance Systems Questions

- Bill at least one insurer? (70%)
- Electronic bill? (52%)
- Number of third party contracts? (2-5)
- Days in accounts receivable?
- Denied claims rate? (> 20%)



Introduction to Marketing & Insurance Contracting

Optimizing Business Opportunities

Presented by
Kim Johnson, MBA

Reduce Waiting Times & No-shows • Increase Admissions & Continuation

Let's Imagine you Work for General Mills



This is the product you need to sell

Who Is Your Customer?

- The kid that will eat it?
- The dad that bought it?
- The mom whose job paid for it?

Three Types of Customers

- End user of the product or service
- The purchaser of the product or service
- The payer

NIATx First Principle

- Know and deeply understand your customer



Quick Marketing Self-Assessment:
You know you need a new script when...

1. *You find yourself having to continually justify your value to your customer*
2. *You continue to link in same ways to same actors*
3. *You believe your customers still value the same attributes you've always embodied, that their experience of value hasn't changed*
4. *Value is being created elsewhere by new characters*



Overview of Marketing

5 P's and 5 C's of Marketing

Product	Consumer Desire
Price	Cost
Place	Convenience
Promotion	Communication
People	Customer

Overview of Marketing

1. *What are you selling?*
2. *To whom?*
3. *Why would they buy it?*
4. *What are the advantages and benefits and inherent value that differentiates you from your competitors?*
5. *How is your service priced? Why?*
6. *Where are your services found?*
7. *Is it convenient for your customers?*
8. *How will your customers become aware of you and develop a preference for you?*
9. *Who will deliver your services and how will they approach your customers?*

Overview of Marketing

Marketing Fundamentals

Marketing is NOT Sales. It is...

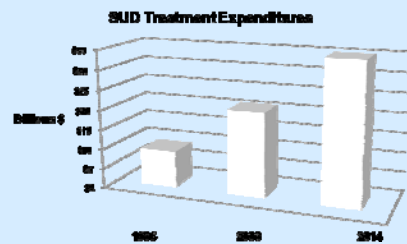
- Market Segmentation
- Market Research
- A Marketing Plan
- A Customer Value Proposition

The Market (2006 SAMHSA estimates)

- 22.2 Million people suffer from a substance use disorder
- 3.9 Million (17% of SUD population) receive some form of treatment
- Barriers = cost, stigma, and inadequate insurance coverage, but also bureaucratic systems that are hard to find, hard to access, and difficult to use



The Market



4.8% Growth Rate Annually.

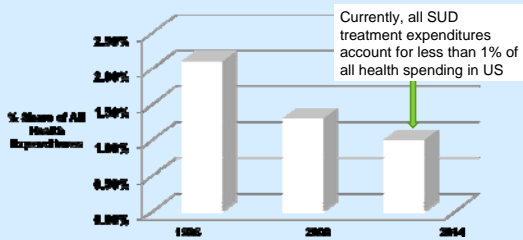
All other health expenditures grow at 7%-8% annual growth rate.

Why slower?

No tech and very few Rx

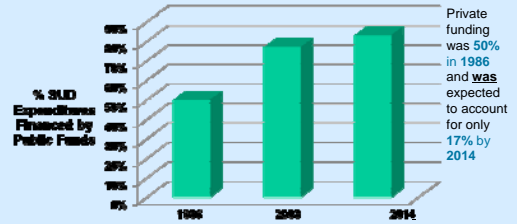


The Market



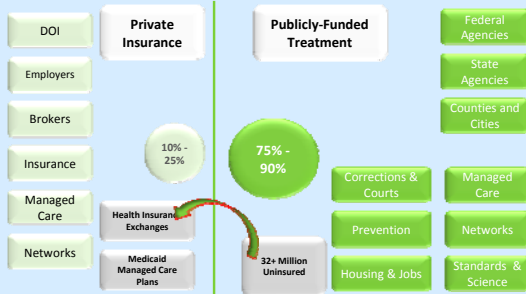
AIP HEALTHCARE SOLUTIONS

The Market



AIP HEALTHCARE SOLUTIONS

Then & Now



Types of Plans

- Self-Insured Plans (ERISA)
- Traditional Indemnity (fully-insured)
 - Open access, higher coinsurance
- Managed Care Plans
 - MBHO (carve-out)
 - HMO (network-centric, referral-based)
 - PPO (wider network, medical necessity standards)
 - POS (combines HMO and PPO with coinsurance differentials)
- Consumer-Directed Health Plans
 - High deductible, catastrophic claims
 - Health Savings Accounts (HSA), Health Reimbursement Accounts (HRA) and Flexible Spending Accounts (FSA)

Network Application

- Market Research (benefits, market share, reputation)
- Download Applications, Provider Manuals and Fee Schedules wherever available and study them
- Request Application
- Anticipate Credentialing – *primary source verification*
 - Education
 - Experience
 - Licensure
 - Liability Insurance (3 and 3)
- Site visit (possible)
- Reimbursement

Network Application

- Understand that your application can't be dealt with more stringently than an MD's (see MHPAEA)
- Complete paperwork thoroughly and honestly
- Fill a gap, satisfy a need
- Include letters of recommendation
- Explain issues
- Make copies, check mail
- Call and be "in relationship" – seek clarification and answers in writing

Tips

- Read Provider Manuals
- Read Level of Care/Medical Necessity Guidelines
- Read Provider Newsletters
- Read Practice Guidelines
- Verify eligibility, request authorization and submit claims and appeals *their way*

What's Attractive to an MCO?

- Setting (clean, safe, secure)
- Access (emergency, urgent, routine)
- Prepared clinical interface and clinical documentation in Utilization Review/Mgmt
- Case Mgmt
- Information/Data Interchange (claims in particular)
- Performance and Outcomes Measures (*when you look good, they look good*)

What's Attractive to a Patient?

- Insurance will cover it or it is affordable
- It's accessible
- It serves a patient perceived need
- It is welcoming
- It works

Preparing for Managed Care

- Assess market conditions, existing network contracts, and resources required for compliance
- Assess credentials, certifications and accreditation requirements
- Identify payers and provider relations personnel with organizations that you are interested in working with
- Review State insurance and managed care laws
- Position services relative to classification of benefits and scope of services with State definitions in full view
- Evaluate plan designs and plan requirements and apply for in-network status only where appropriate

Preparing for Managed Care

- Assess and evaluate business processes, workflow, forms, information systems and staff capabilities
- Assess and modify care management capabilities in order to comply with new plan/payer medical management standards and guidelines including the ability to document and communicate diagnosis, treatment plans, referrals and care coordination, progress notes and discharge plans. [Most plan tools available online.](#)
- Assess and modify billing procedures and systems to optimize electronic billing
- If you cannot currently bill electronically in EDI-compliant fashion, conduct strategic IT planning with leaders and consider practice management system or clearinghouse outsource

Opportunities

- Partnerships, Joint Ventures, Mergers and Acquisitions
- Crucial need to educate consumers, families and providers
- Prevalence of Primary Care Physician involvement and need for integration/bi-directional co-location
- Role of Pharma (MAT)
- SUD treatment/coverage expansion – role of providers (types)
- Prospects for Population Management and Behavioral Medicine
- Need to address Special Populations and Multiple Chronic Conditions
- “Meshing, Blending and Braiding” Systems of Care

Opportunities

- Join PPO networks
- Join Accountable Care Organizations and integrated systems of care
- Join Patient-Centered Medical Home initiatives
- Lead or participate in early screening and engagement initiatives (SBIRT) in hospitals and primary care clinics
- Measure Patient Satisfaction, Access, Quality and Health Outcomes and share the results with payers, partners as well as consumers



Situation Analysis

- *How is our State adapting? DOI, MH, SSA, Medicaid, Child Welfare, Public Health, CJ...what is OUR plan?*
- *What markets make the most sense for us?*
- *What are our core competencies?*
- *Are there any partners and allies we should approach?*
- *What expertise do we have and what do we need?*

Readiness Assessment

- Knowledge of and experience with market and market forces (O's & T's)
- Honesty about competencies (S's & W's)
- Evaluation of current financial performance
- Assessment of leadership, vision and culture
- Willingness to adapt to changing business environments
- Openness to new relationships and conversations
- Allocation of resources

Opportunities

- Conduct Local/Regional Market Research
 - Health plans
 - Managed care
 - Employers
- Profile Your Market
 - Benefit plan designs
 - Provider network administrator(s)' willingness to meet and negotiate
 - Medical network access standards and contracting requirements
 - Features of their fee schedule in light of UCR
 - Reputation for contracting, medical management and claims processing
 - Mix of MH and SUD providers currently in-network
 - Advantage of OON status

