

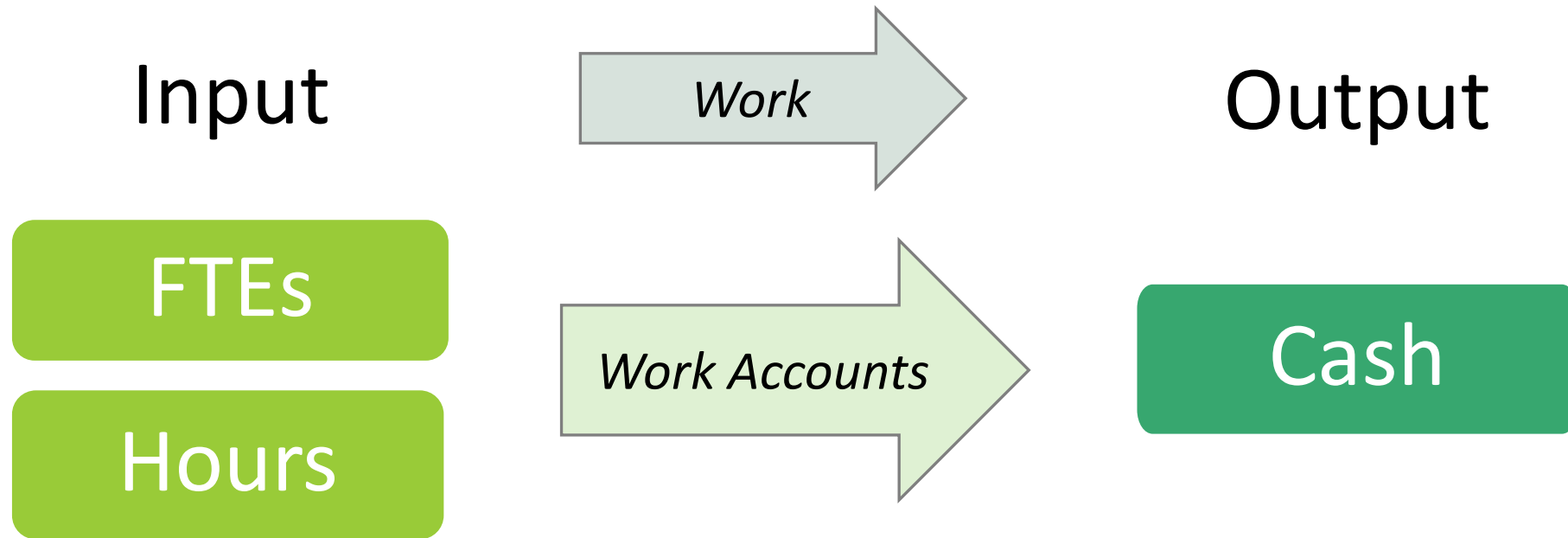
Creating High Value Collectors

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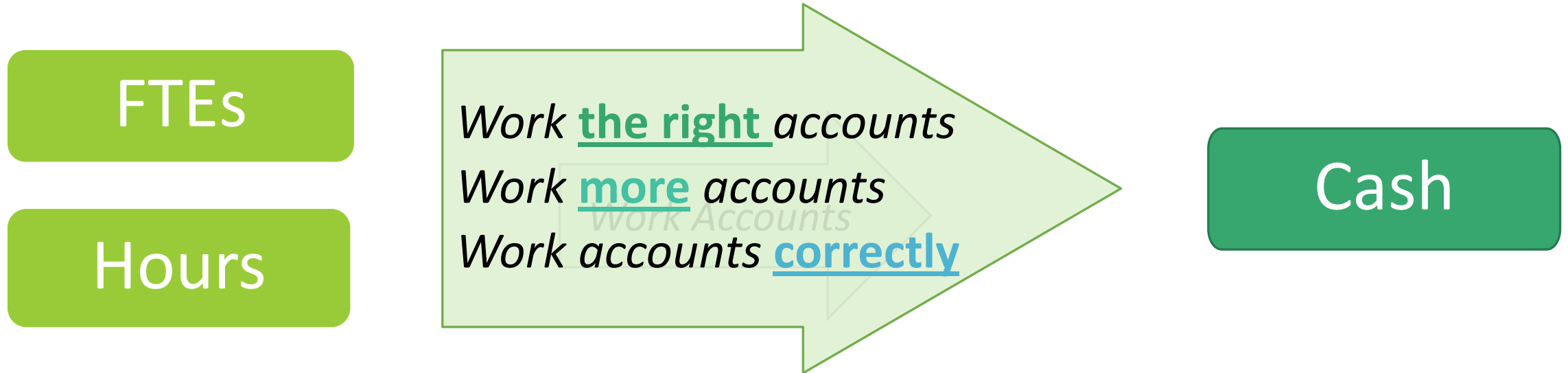
The Factors



With the constant pressure to keep costs low, increasing FTEs or overtime hours is not an option.

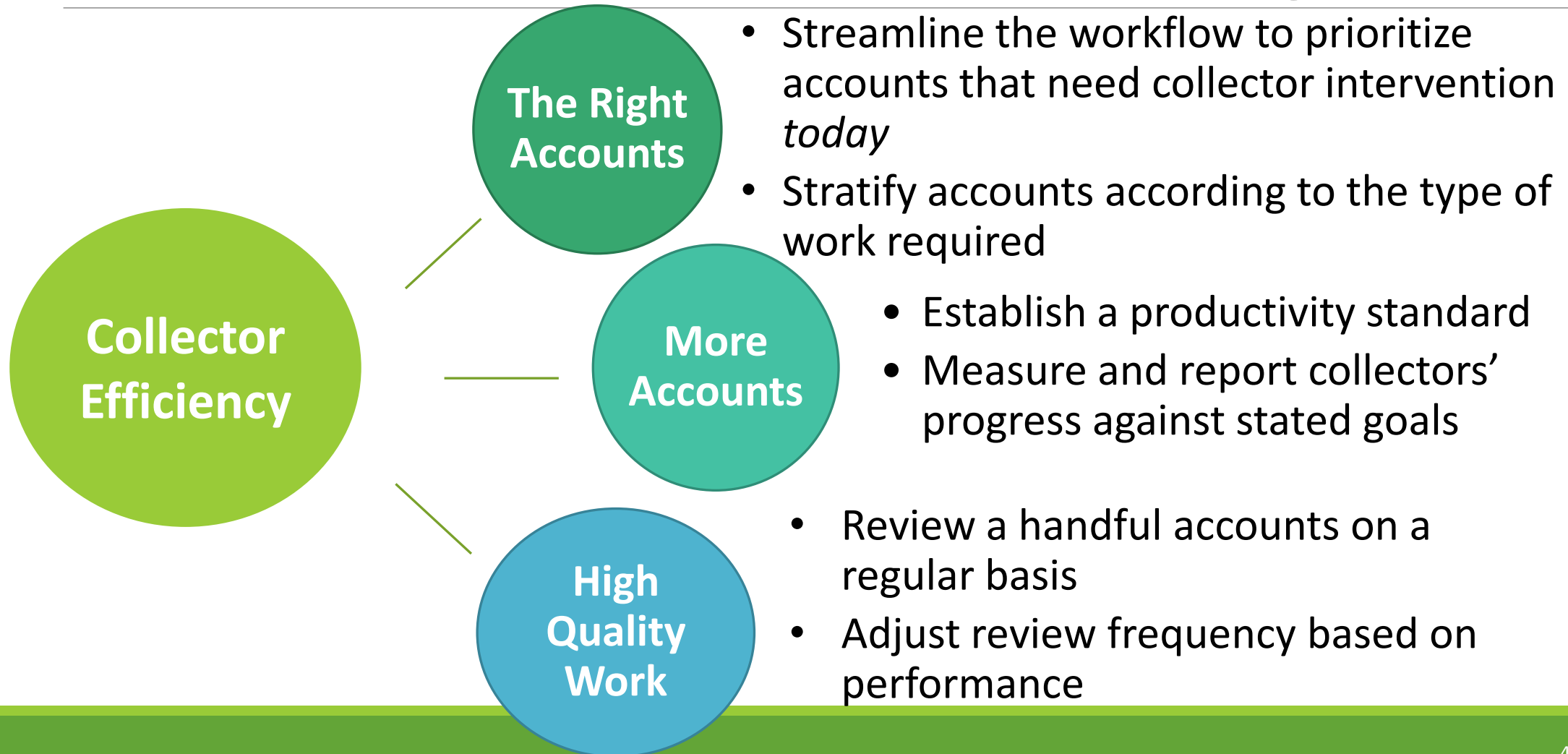
Efficiency Model

How can you increase the output without increasing the input?



Improve the efficiency of how staff works the receivable to maximize the value of each FTE and productive hour

Efficiency Improvement Strategies



Background

- Two years as the Manager of Revenue Cycle Consulting and Workflow Implementations at Med-Metrix
 - Med-Metrix is a leading provider of performance management analytics, consulting, extended business office, and revenue recovery services to the healthcare industry
 - Proprietary Patient Accounting Workflow Solution and AR services work rely on the efficiency maximization strategies presented here
- Designed and implemented workflow solutions and QA programs for healthcare organizations across the country

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Lessons Learned

- Enforcing collector efficiency is an exercise in preventing the natural impulse to take the path of least resistance
 - It's a fight against human nature!
- People do better work when they know that their work is being monitored and when performance is compared to their peers
- No one likes a Quality Assurance Program
 -Except the leadership that reads the reports
- **QA programs work!**

Identify the “Right” Accounts

The right accounts to work are those that require a collector touch *today* to move forward towards resolution.

Group accounts into three categories:

Received a Payer Response ✓

- Denials
- 277 Payer Rejection messages
- T-Status Medicare Accounts
- Payments

Work these first!



Should have Received a Payer Response ⌚

- Typical claim processing time has expired
- 45+ days since appeal or other documentation was submitted

Work these next!



In line with Payer expectations 🕒

- Within normal processing time
- 277 Payer Accepted or Paid messages
- Pending a known payer/provider issue

These do not need a collector touch *today*

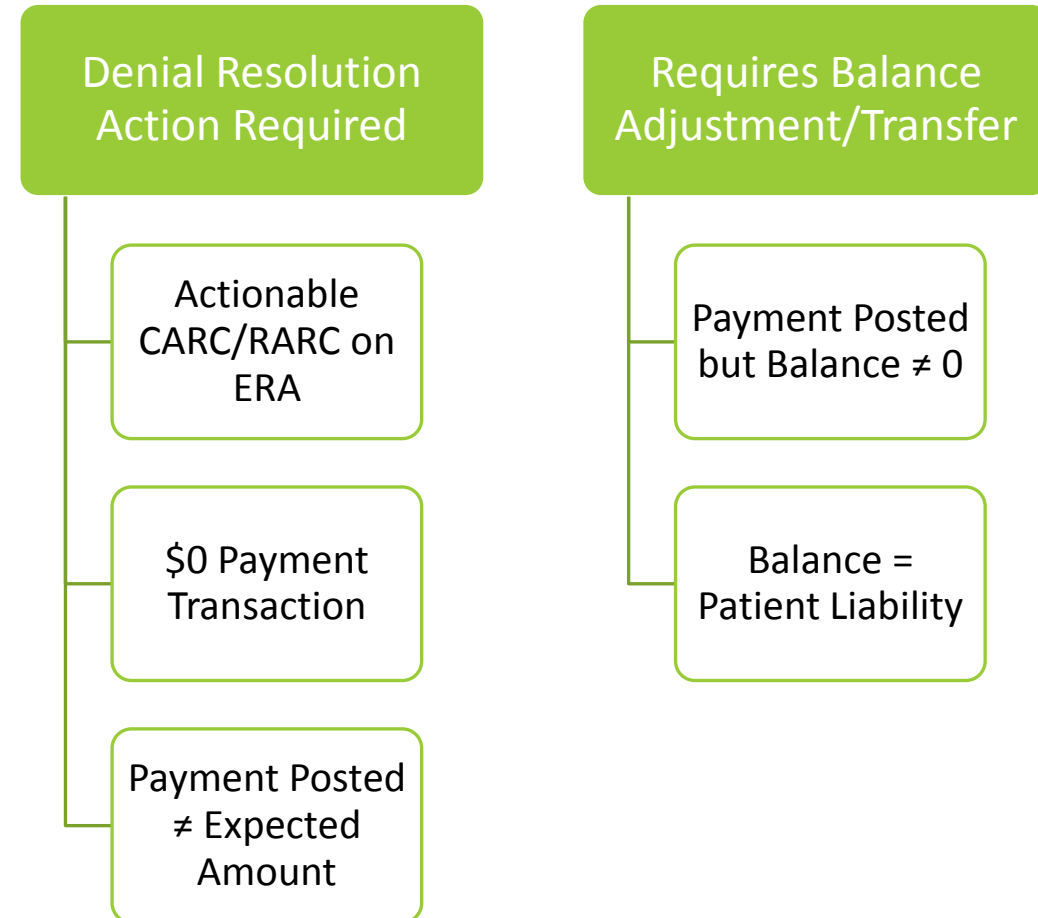


Working Payer Responses Strategically

- Identify all payer responses received
 - ERAs, 277s, accounts in T-Status
 - Denial letters
 - Posted Payment Transactions, especially \$0 transactions
- Push to collectors as the highest priority
 - Collector action is *required* for reprocessing, rebilling, or adjusting/transferring balances
 - There is a timeliness component due to denial response deadlines
- Additional information can further refine payer responses:
 - Systematic identification of CARCs/RARCs and Patient Liability Amount from the ERA (Remit Processing System)
 - Comparison to Expected Payment Amount (Contract Management System)

Working Payer Responses Strategically

- With the CARC/RARCs, Patient Liability amount, and Expected Payment amount, payer responses can be *further classified* by the type of work required
- This distinction allows organizations to get to the next level of efficiency



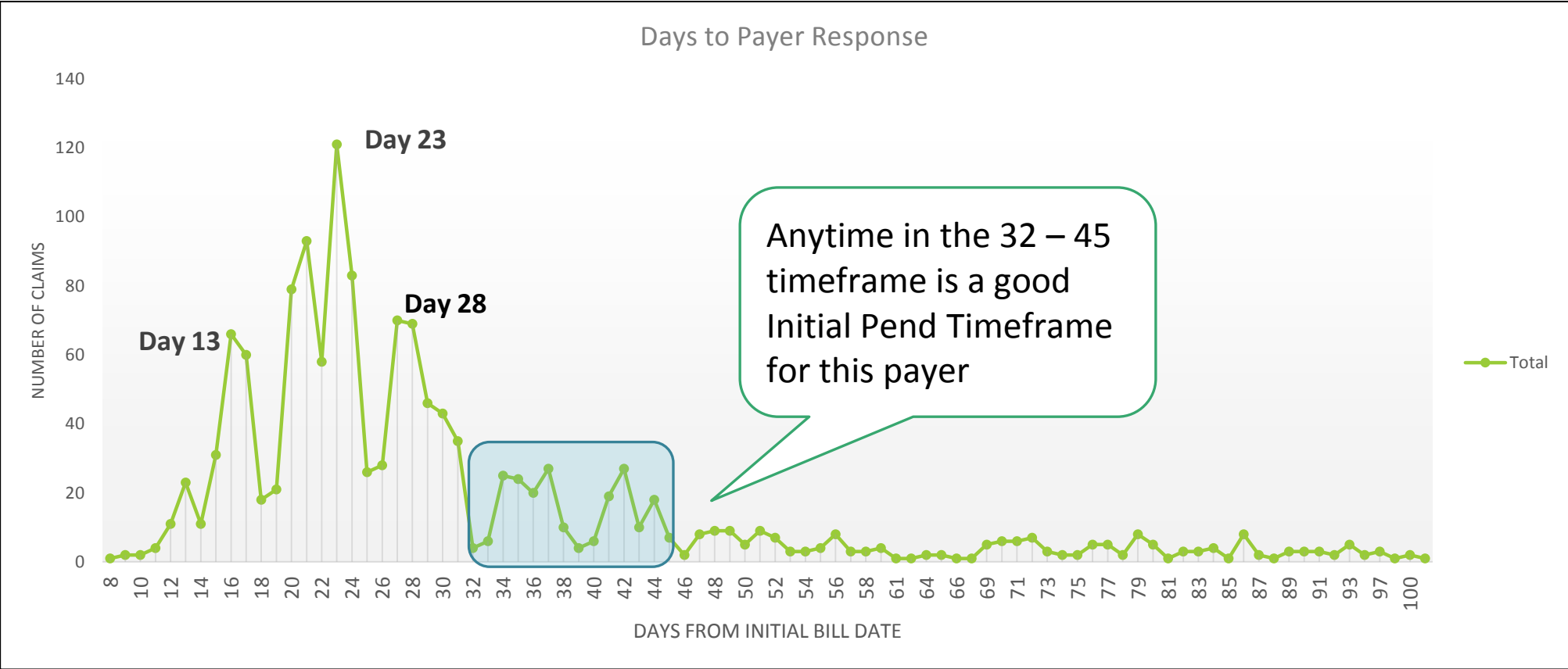
Payer Response Expected but not Received

Identify accounts where a denial, payment, or 277 response has not been received *after a reasonable amount of time* has passed since bill or most recent action

Three ways to assign reasonable timeframes to accounts:

- **Determine *payer-specific, data-driven* initial pend timeframes after billing**
 - Review your payment and denial data to identify the typical time to receive a response...and add a few days
- **Rely on collectors to apply pend timeframes (“tickle times”) after action is taken**
 - Establish standards for appropriate tickle times for frequently used actions, e.g., submitting medical records
- **Pend out accounts for additional time if a 277 Accepted or Paid response is received**
 - No longer a risk for “no claim on file”

Days to Payer Response Analysis



Ensuring Collectors Work the Right Accounts

- **Rely on your timeframes to drive exceptions**

- Don't fall into the trap of following up on accounts too quickly!
- The account will be resolved

- **Enforce a priori exception-based**

- Limit choice –
- Encourage tim

- **Remove account**

- Put all collector

- **Leverage the information that you have, and make your systems work for you**

What about Physician Bills?

The same methodology applies!

With one value-add exception: **Always leverage payer responses to correct those claims that may not have adjudicated yet or hit the critical timeframe.**

Establish Productivity Standards

Productivity expectations should be fair and achievable, and should be aligned with what you consider a “full FTE”

1. Take into account the type of work required

Two effective methods:

Assign a “weighted” productivity touch to actions

Denial-related Action	1.1 Productivity Points
Adjustment Action	0.6 Productivity Points

Establish a separate standard for different types of work

Follow-Up Worklist	40 accounts / day
Denials Worklist	35 accounts / day

Remember! If the workflow is not exception-based, productivity will be higher because collector activity will include assigning a quick claim status for accounts that may not need work today. **This is especially relevant when working physician claims.**

Establish Productivity Goals

2. Factor in time “out of the system”

- Only hold users accountable to the time that they were expected to work through their daily work drivers
- Use an adjusted productivity formula to calculate:

Actual Productivity

(Expected Productivity per hour) X (Actual Hours Worked)

Example:

Productivity standard = 40 accounts for an 8 hour day
Kate worked 35 accounts in 6 hours

$$\frac{35}{(5 \text{ accts/hr}) \times 6 \text{ hrs}} = \mathbf{117 \% \text{ of Goal}}$$

Remember! Are special projects held to the same productivity expectations? If no, don't include that time in their productivity equation!

Establish Productivity Standards

3. Implement a goal range, and evaluate using a weekly average

- A range (e.g., 95% of standard) provides a little padding to accommodate variations in the difficulty of accounts worked
- Example: Productivity standard is 40 accounts, or 200 accounts per week. If goal is 95% of standard, then total productivity above 190 is acceptable!

4. Provide feedback

- Provide updates on progress at least daily, and throughout the day is ideal
- Share the results with the team (blinded if necessary) so collectors can see how they compare to their peers
- Observe high performers for their best practices and share with the team!

Ensure High Quality Work

- Frequent quality reviews are **absolutely necessary** to ensure that accounts are worked correctly and therefore resolved quickly
- Evaluating quality should be just as clear-cut as measuring productivity:
 - Develop scoring criteria
 - Establish a goal and measure collector scores against that goal
 - Conduct reviews with *consistent* frequency
 - Provide results to collectors so that they can improve

Effective QA Program: Scoring

- Only a handful accounts are required per review to provide significant insight into performance
 - Med-Matrix reviews only consist of five accounts per collector
- Similar to productivity, assign a goal range (e.g., 95% of a perfect score)
- Keep the scoring simple!
 - Incorporate a few, comprehensive scoring criteria
 - Grade the account using a simple *Yes / No* (point / no point) evaluation method

Did the collector...

Read the account history and understand the issues preventing payment?

Consult the right systems and take the correct next step?

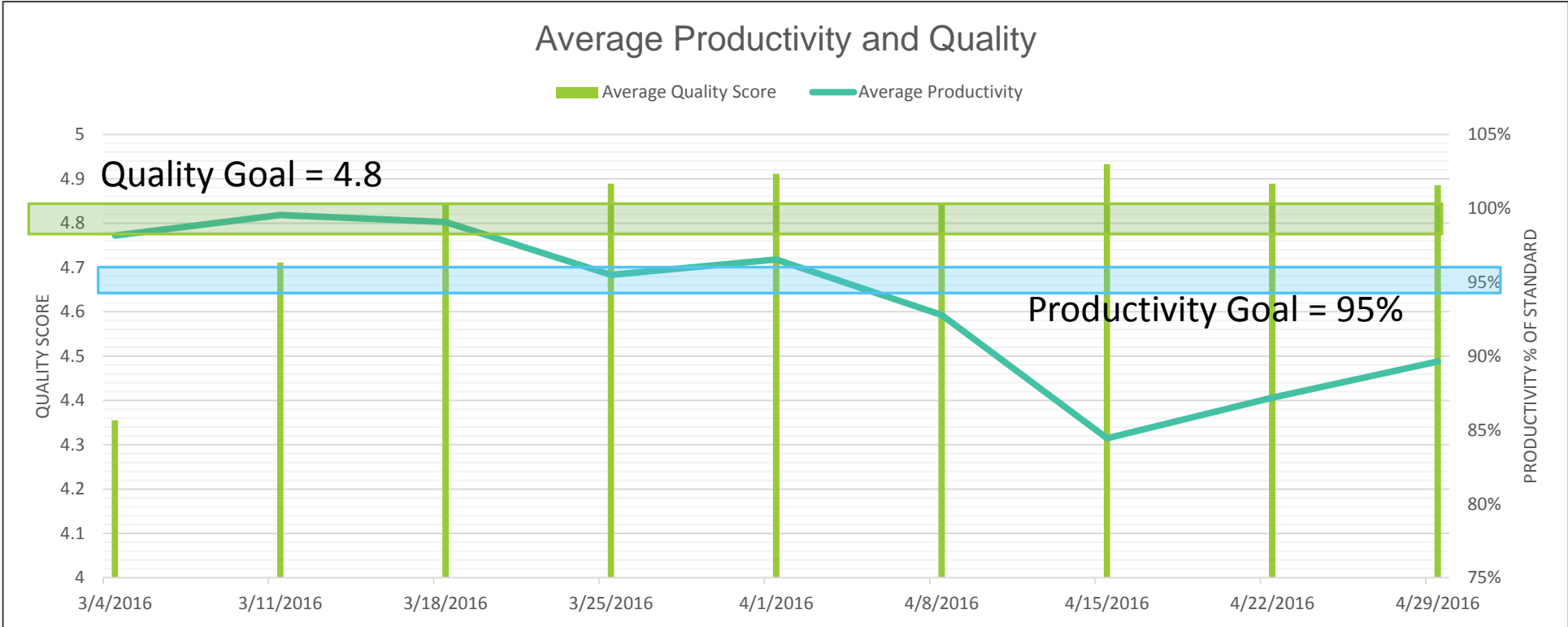
Take ALL steps required/possible to move the account forward?

Apply a pend an appropriate pend timeframe with regards to the account balance and identified issues?

Clearly document the status of the account and actions taken?

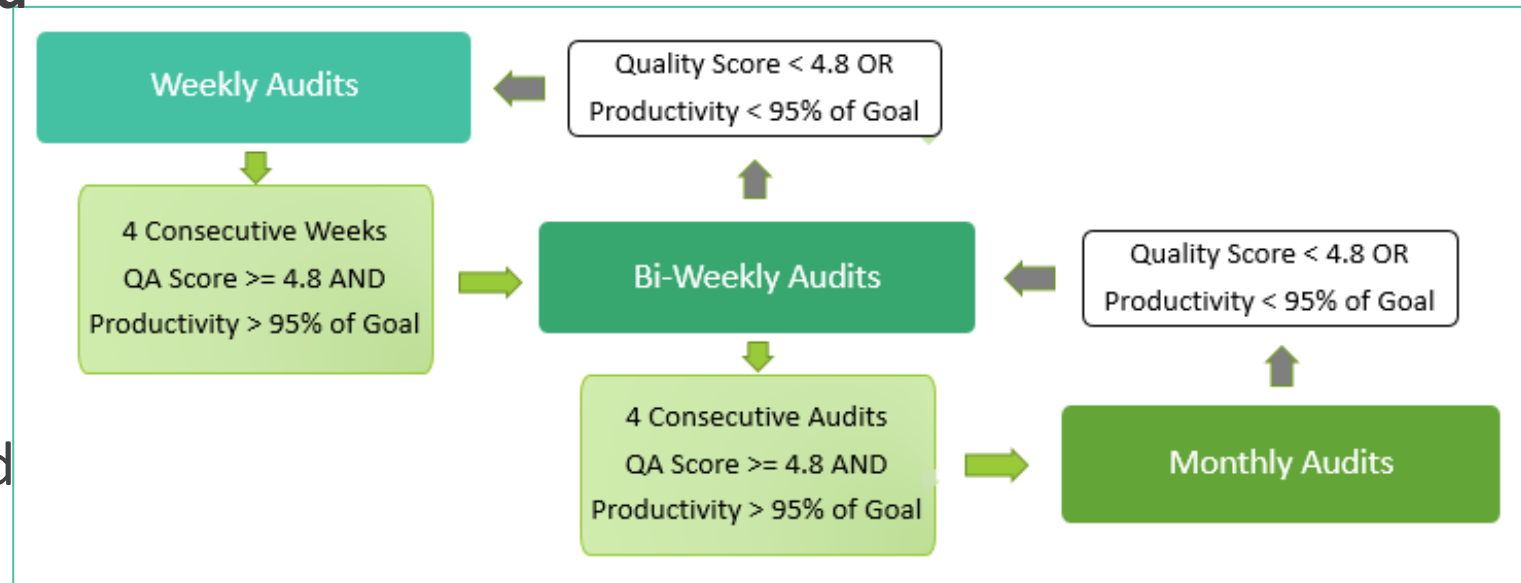
Effective QA Program: Scoring

Best practice performance measurement should include both productivity and quality of account touches to ensure that staff is working quickly, but not ineffectively.



Effective QA Program: Review Frequency

- Audit frequency should be determined by how consistently each collector meets the stated goals for both productivity and quality
- Begin with a **ramp up period** where all collectors are reviewed weekly for four weeks
- Use the average score as a baseline to determine how often a collector is reviewed and adjust as needed according subsequent reviews



Effective QA Program: Feedback and Reporting

- Give feedback directly to collectors timely and **in person** to allow them to correct missteps and learn from mistakes
 - Face-to-face discussion promotes staff development by creating an environment of conversation instead of criticism
 - Frequent feedback serves as a reminder that work is being monitored
- Incorporate Quality Review scores into annual performance reviews and bonus structure
 - Reward high performing representatives to increase team moral and incentivize continued high performance
 - Consider initiating disciplinary action for representatives that consistently perform below stated expectations
- Include QA reporting in the standard report deck used in management meetings
 - Importance of QAs needs to come from the top!
 - Identify process breakdown and training deficiencies

Sample Quality Report

Quality Tracker										
User ID	Audit Freq / Prod Goal	6/3/2016	6/10/2016	6/17/2016	6/24/2016	7/1/2016	7/8/2016	7/15/2016	7/22/2016	4 Wk Avg
35	Monthly	● 4.8	● 5.0	● 4.8		● 4.8				● 4.8
	35	32	40	37		35				101%
80	Monthly	● 4.8	● 5.0		Vacation	● 5.0		● 4.8		● 4.9
	35	36	33			42		36		111%
150	Monthly				Vacation	● 4.8		● 5.0	● 4.9	
	45					72		67		155%
160	Monthly	● 4.8		● 5.0				● 4.8		● 4.8
	35	33		41				37		106%
210	Weekly	● 4.8	● 4.8	● 4.0	● 4.8	● 4.4	● 4.2	● 4.6	● 4.6	● 4.5
	35	26	32	27	30	24	31	26	29	78%
240	Weekly	● 4.8	● 4.8	● 4.8	● 4.6	● 4.8	● 4.2	● 5.0	● 4.8	● 4.7
	50	45	57	49	51	40	34	55	49	89%
290	Monthly	● 4.8		● 4.8				● 4.8		● 4.8
	50	51		53				50		101%
310	Monthly	● 4.8		● 4.8		● 4.8				● 4.8
	50	53		50		54				108%
45	Weekly	● 4.6	● 4.8	● 4.4	● 3.8	● 4.6	● 4.4	● 4.8	● 4.6	● 4.6
	35	40	34	28	32	25	28	31	46	92%
111	Monthly	● 5.0	● 5.0	● 4.8		● 5.0		● 4.8		● 4.9
	35	35	39	34		36		35		102%

Blind out the collectors' names so that you can share with staff

Display the 4 week average for quality & % of productivity standard to summarize performance

Trend over time to show progression

Use conditional formatting to apply color indicators for easy reading

Key Takeaways

- Instead of increasing staff or asking for overtime, **maximize how efficiently collectors work** each day
- **Concentrate collectors' effort on the accounts they can impact today:** i.e., the accounts with a payer response that requires action or that require collector intervention because a payer response is delayed
- Remove accounts that do not require collector action from the workflow!
- Utilize the ERA information available to **make your workflow system work for you!**

Key Takeaways

- Establish a productivity standard that is **fair and achievable** with respect to the type of work performed and time spent on collection activities
- **Execute a comprehensive Quality Review Program** that evaluates collector productivity and quality against the stated goals
 - Know that this requires a significant amount of time to roll out, but is absolutely necessary!
- Provide feedback to collectors directly, and **incorporate scores into annual reviews and bonuses** - *Give the program teeth!*



THANK YOU

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