



Case Study - Return on Investment for an Interim Reimbursement Budget Analyst

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Solution group	Finance Department
Solution offering	Interim and Permanent Leadership
Project name or title	Return on Investment for Reimbursement Analyst

Industry Served	Healthcare – Hospitals
Number of employees	250-2000
Annual revenue	\$536 Billion(US)

Case Study for a Community Hospital

The subject of this study is a not-for-profit community hospital located within fifty miles of a major city with a population of over 3 million. In over 125 years since its humble beginnings as a cottage

hospital, this 150+ bed hospital provides medical services to more than 200,000 individuals in 12 towns. This hospital has more than 200 primary care doctors with multiple specialized physicians on the active medical staff that provide a wide range of medical services. No birthing services are provided nor are psych beds a part of the services offered to the area it serves. This hospital is a standalone hospital and is contemplating a merge with a slightly larger hospital in the local area. Its growing non-payer population is encroaching on its financial health, causing it to delay and potentially threaten to eliminate plans to build two walk-in care centers within the 30 mile radius of the hospital.

EXAMPLE:

- This hospital's finance department emerged from the initiatives within this case study with a net annualized increase in cash/income settlements of \$579,819 via cost report analysis and settlement.
- The cost reporting for this department was restructured and dramatically improved for both efficiencies as well as savings.

Business Situation

Hospitals are heavily trending toward a close examination of reimbursement and reporting practices. It is not uncommon to discover millions of dollars in otherwise lost revenue in a community hospital. Committing resources to the analysis of Medicare reimbursements in particular is fast becoming a significant factor for hospitals trying to meet the challenges in this economic environment.

In this case study, the finance department does not have a dedicated resource to commit the time and payroll that will be required to dig into the varied and complicated work effort required to realize a return on investment. An ongoing project to improve the medical records department has already drawn the energy and time of the finance department as it works closed with medical records to improve coding. After examining internal resources and workload, it is decided that a dedicated subject matter expert in the form of an interim analyst will be brought to bear on the project.

GOAL-THIS HOSPITAL HAS DETERMINED THAT AS A RESULT OF LACK OF FOCUS IN THE FINANCE DEPARTMENT, IT HAD TO DEDICATE RESOURCES TO DISCOVER WHAT COULD AMOUNT TO AN ESTIMATED \$500,000 IN UNCAPTURED REVENUE.

Operational Situation

Medicare reimbursements were re-examined for years 2003 through 2008. It was determined by the interim analyst that scrutinizing settlements, re-filing cost reports, re-opening cases, auditing of settlements and looking at uncompensated care pools were critical components in recovering lost revenue.

Accomplishments during the course of this interim assignment include the following:

- Prepare the FYE Nursing Service Cost Report (NSR)
- Prepare FYE Champus (Tricare) reimbursement settlement
- Oversee the successful completion of the FYE 2008 DHCFP 403 Cost Report State Audit
- Review all final audit adjustments
- Update filed cost report with audit adjustments to validate Private Sector Care Charges
- Prepare the DHCFP-INET Quarterly Financial Reports
- Prepare DHCFP Quarterly Medicare Outpatient Data Report for the Health safety Net Calculation
- Prepare the FY Medicare/Medicaid Crossover Log

- Review, direct and coordinate the preparation of the Medicare Self-Pay and Free Care Bad Debt Logs
- Oversee the FYE 2005 Medicare Cost Report Re-Opening
- Oversee the FYE 2003 Medicare Cost Report Re-Opening
- Establish, implement, and monitor the Self Pay and Free Care Medicare for FY 2008 – 2009 and ensure that they comply with new regulations i.e., collection agency date vs. hospital write-off date
- Analyze and communicate to financial management team the net revenue impact of all regulatory changes related to Medicare, Medicaid, and Uncompensated Care Pool
- Provide Medicare (Monthly) Third Party Analysis for Monthly financial review
- Review the list of all physicians receiving payments and prepare schedule listing by department all amounts paid to them and also amount for purchased services
- Prepare Physician time Studies FY 2009 Medicare Cost Report Submission
- On a monthly basis render third party contractual allowance assistance to the Finance Department
- Review and implement FY 2008 Medicare Intermediary Desk Review Adjustments to the 2552 Medicare Cost Report
- Complete Medicaid Eligible Days project for FYE 2006 and 2005
- Revise and re-open Medicare Cost Reports for Updated DSH Capital Amounts.
- Prepare the Quarterly State Unpaid Care Reports
- Prepare monthly P.I.P account reconciliation/settlement analysis
- Respond to any Intermediary rejections of the FYE 2008 Medicare Cost Report or the FYE 2008 DHCFP 403 Cost Report

Benefits

The summary of the itemized accomplishments above resulted in a net gain of just under \$800,000 in cash/income to the hospital, far exceeding the original goal and expectation. This hospital was at a critical juncture as it faced the first potential operating loss in its long history. This initiative was a key component in avoiding that event and helped to avoid the loss of future revenues as process improvement was an added benefit to the department.

Services Leaders For Today Utilizes in Providing Solutions

When considering an engagement for a client, the processes and methodologies below describe our goal in providing a critical and detailed match not only to the job description, but to the overall goals needs of the institution:

- With over 100 years of executive healthcare experience on staff, our network of known executives both active in our expansive database as well as those in current positions, assists us in identifying appropriate candidates.
- Our intake methodology provides and enhances the opportunity for our client decision makers to reveal items that may not show in an exchange of documents. Interviews with other core members of the team often precipitate ideas for both wants and needs of the facility as relates to the position at hand.
- Our database, built with specific healthcare candidates since 2002, allows us to respond very quickly to the needs of our clients, often within 2-3 days and within the parameters set by our clients.
- We conduct thorough pre-qualification screenings based from skills checklists, comprehensive reference checks with known direct reports, educational, certification and license verifications, background checks (OIG) and other screenings as needed.

- One third of our interims convert to permanent positions with our clients which speaks of the quality of our interims and our client relationships. Our permanent placements also attract those candidates for which interim work is not well suited.
- Our community, educational, professional association involvement, and philanthropic efforts on behalf of our clients are a part of our good corporate citizen commitment. Visibility as thought leaders in our space with writing and speaking engagements, contribute to attracting the best candidates for our clients and the best opportunities for our interim professionals.