# dhhs New Hampshire Department of HEALTH AND HUMAN SERVICES

#### Lean Continuous Improvement

New Hampshire Hospital

Billing and Reimbursement Process

# <u>Overview</u>

#### **Mental Health Services System**

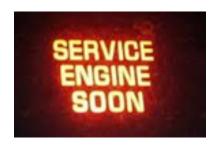
State of New Hampshire Services Individuals in Crisis In-Patient **Out-Patient** Self Voluntary Crisis Substance Suicide Center Prevention Abuse **Police** Community **Assertive** Crisis Involuntary Hospital Community Stabilization Elliot **Treatment Emergency CMHC** Hospital Teams CMHC Emergency Services Referral **Process** Residential Department Counseling New Supports **Primary Care** Hampshire **Family** Counseling Private Hospital Guardian Payer (PCP) Therapy Community Cypress **CMHC** Community Hospital Out Out Reach Center Patient (REAP) (APRTP) Partner(s) Psych Services Veterans Homeless Admin Shelter





#### Problem Statement

# The current process does not monitor or detect all opportunities to optimize reimbursement







# **Project Goals**

The Billing and Reimbursement process will be:

- transparent
- more effective

Increase revenue to NHH

Shorten the processing times

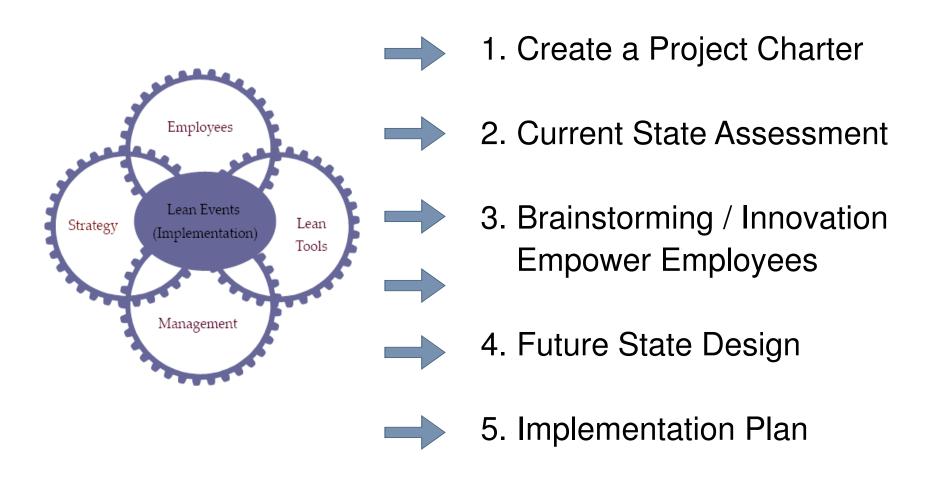
Increase employee satisfaction







### **Project Phases**





#### Team Members



#### **Core Team Members:**

	Chief Even aution	Officer NIIII
Robert Macleod	Chief Executive	Officer INFI

- Winnona Vachon Director Health Information Department NHH
- Janet Knab Administrator Quality & Utilization Management NHH
- ☐ Jim Dall Chief Financial Officer NHH
- ☐ Richard Willgoose Administrator, Performance and Resource Management NHH
- ☐ John MacPhee Lean Coordinator DHHS
- Sheila Gagnon Financial Manager NHH
- ☐ Tashia Blanchard Administrator II for the Office of Reimbursement DHHS
- ☐ Edith Hios Supervisor for the Office of Reimbursement DHHS
- ☐ Rebecca Lorden Billing Supervisor NHH
- Patricia Gilbert Billing Department NHH
- Sheri Rockburn Director of Finance Division of CBCS DHHS

#### **Caucus Members:**

- David Folks M.D. Chief Medical Officer NHH
- Stacey Calabro Administrator Community Integration Dept. NHH
- Dawn Touzin Legal Analyst; Office of Operations DHHS

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#### Why Lean Succeeds

#### Plan for the Lean event:

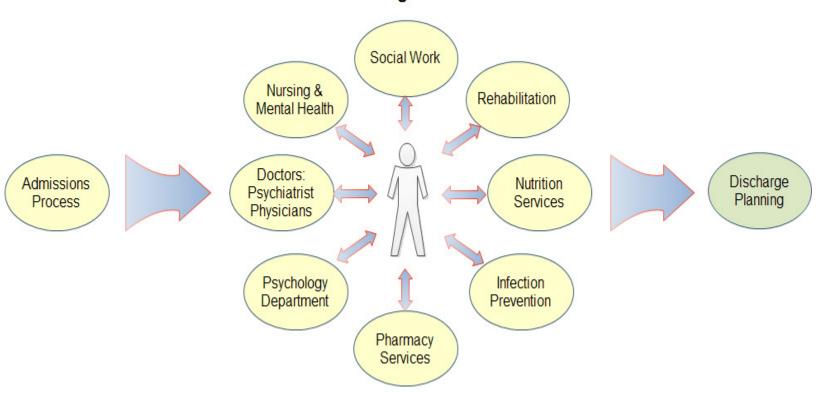
- > Learn about the process before the meetings
  - Who is the customer, terminology used, job functions, etc.
  - Create an agenda for the kick-off meeting
  - Do homework up-front
- > Approach the workforce with respect and humility
- Listen, Listen, Listen
- Build working relationships and credibility





#### New Hampshire Hospital Services

#### **On-Going Services**

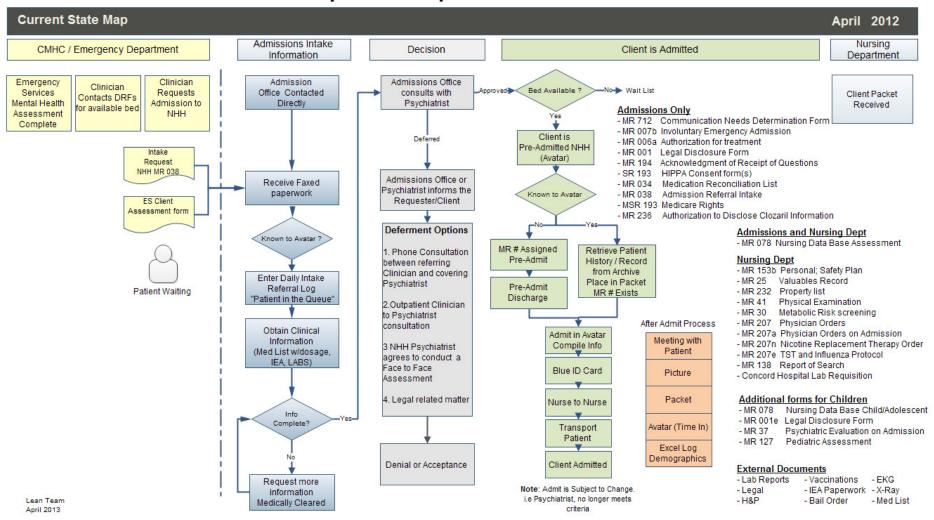


#### Current State Process Map - Level 1

#### New Hampshire Hospital Billing & Reimbursement Process - Level 1 **Current State Map January 9, 2012** Admission Days of Care Discharge Post Discharge NHH - Establish Treatment Plan Create Discharge Clinical Admissions Avatar Hospital Clinical Discharge Admissions - Communicate with Review Coordinators on Summary with Final Treatment Process IT System Treatment appropriateness of hospitalization Process Diagnosis & Clinical Team - On-going Updates to Avatar Team - Insurance Information Collected Treatment - NHH Admission Referral Intake Form is - Write discharge order Team Note: Currently, the treatment team has a total - Plan for community - Prior Authorization info recorded of 15 business days to create, dictate, integration with (if known) transcribe, complete and sign the discharge providers - Admission is recorded in Avatar **NHH Quality &** Review Coordinators: Initial Utilization Utilization Utilization - Continually review to certify the psychiatric On-Going Review Management Review necessity and appropriateness of hospitalization Utilization - Call private Insurance companies for Review authorization for continued stay Review Coordinators: - Daily Admissions Report from Avatar is reviewed - PA Status Communicate with private insurance on - Add Insurance info to patient profile up comina (when discovered)? Note: For Medicare insured: A Notice of Non-Coverage will be issued by the Review appointments with Coordinator if clinical information no longer justifies hospitalization. community providers Review Coordinators: For Privately Insured: The insurance company issues the Notice of Non-Coverage if clinical information no longer justifies hospitalization. Review medical records for medical necessity **DHHS Office of** - The Daily Admissions is reviewed Research and - Verify that the Pursue Collections - Work to resolve obstacle to reimbursement Reimbursement Pursue - Determine ability to pay: Record Patient's insurance(s) Check for past history in Avatar Collections are correct and active Insurance - Assign unpaid balances to category 1500 Check for past history in New Heights reasons maybe: underinsured; no ability to Medicare, Medicaid, Private or Self Source(s) pay & exceeded maximum benefits Interview patient - Track collections from self-payers - Billing begins after 30 days non-Medicare NHH - Billing begins after 60 days for Medicare Billing Process Finance Billing - Follow-up with insurance claims Billing - Use admitting diagnosis until discharge Department Process - Receive payments & credit accounts - Verify that the discharge diagnosis exists - Track revenues - Prepare and submit final bill(s) to insurance - Use aging report to help with follow-up providers **NHH Health** Health Information Enter the admitting diagnosis into Avatar on the - Data Entry Information first business day after the day of admission. - Track Discharge Data Department - On-going Department Communication with Code all psych and medical diagnosis including Clinical teams the final discharge diagnosis and enter into the Submit medical records to insurance for appeals Copies & Revisions: J. MacPhee

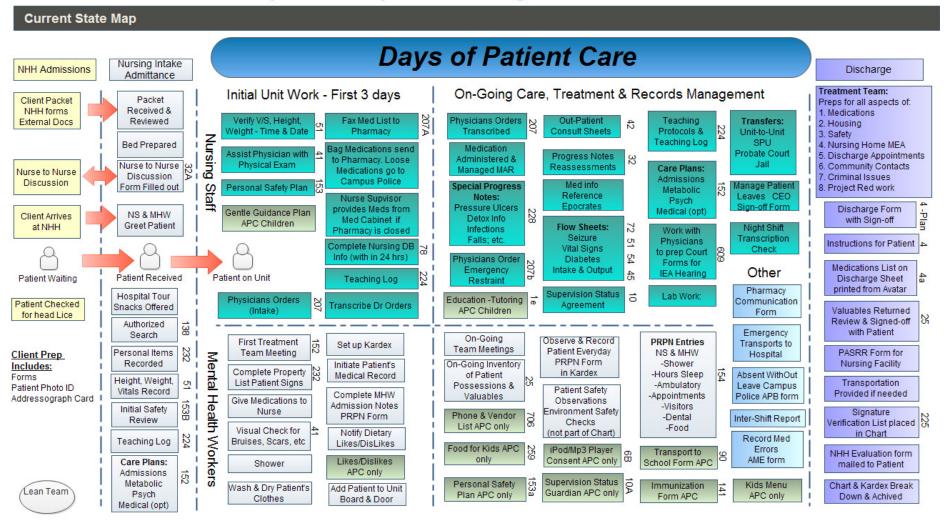
#### Current State Process Map - Level 2

#### **New Hampshire Hospital Admission Process**



#### Current State Process Map - Level 2

#### New Hampshire Hospital Nursing & Mental Health Workers





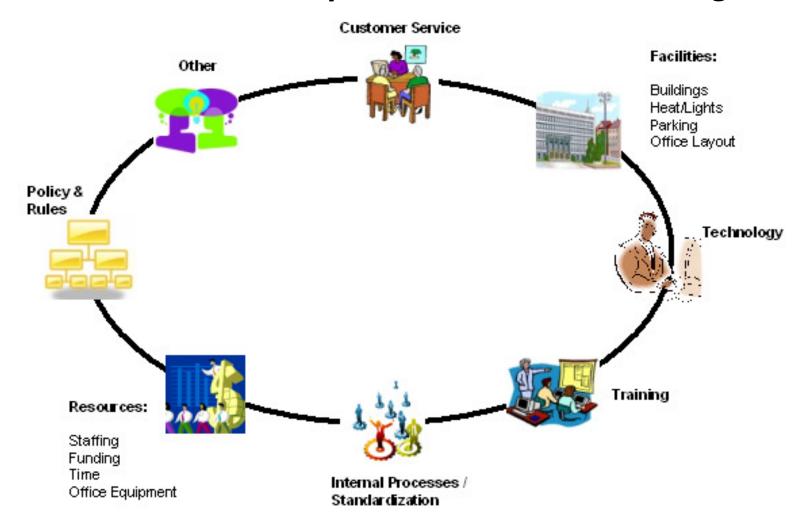


# **Brainstorming**

- Empower Employees
  - -The front-line workers see many more problems and opportunities that management does not
  - Lean taps into the intellectual and creative capitol of the employees
- What are the Pain Points
  - Something that adds difficulty, time, confusion or delays to the process
    - Employee Frustration

# **Brainstorming**

- > Look at each step in the process
  - Could this be simpler, faster, less confusing?







#### <u>Innovation</u>

- My job would be better if \_\_\_\_\_
- What would you do about it ?
- Researched other hospitals
- What value is this work adding?





# The Action



#### **Determine Root Causes**

Created a list of insurance denial reasons <a href="Examples:">Examples:</a>

Sent the bill to the wrong insurance company

Prior Authorizations missing

Wrong Billing Code

Insufficient information to support the level of care

Maximum Benefits reached

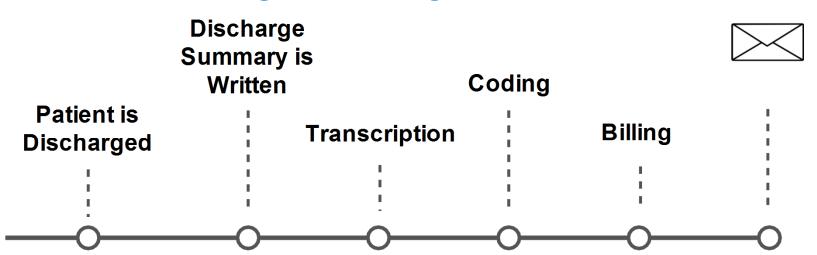


### The Action



# Shortened the time to get the bill in the mail From 15 Days to 8 Days

#### **Discharge to Billing Time Line**





### The Action



- > Information Technology
  - Revised Security
  - Utilized advance features
- Provided better information to Insurance for appeals
- Recommended Electronic Health Records
  - Modernize operations
  - Paperless



### The Project Plan



- > Tasks were assigned to individuals & teams
- > Requested capitol investments
- > Defined reporting requirements
- > Set timelines

	NHH Billing, Reimbursement & Related Projects Oct 18, 201							
Ref No	f Area of Actions Responsibility			Task Status		Remarks	who	
3			Develop, streamline and standardize processes. Improve inter-department communication.					
		2	за	Insurance Denials - Form a Committee to first, identify reasons for insurance denials and then determine how best to resolve issues. Coordination between departments is essential. Procedures and intersects between departments	In Process	This is a project with many separate tasks.	A Team	
				3A-1 Denials Identify, report and categorize all insurance denial reasons. Quantify the amount of dollars not collected because of insurance denials	Done	Initial work from OOR and Billing produced the "Barriers to payment" list	A Team	
				3A-2 Denials Use the financial eligibility screens in AVATAR to record which bills have been denied to better communicate to all departments and expedite the work to resolve denials. One example: is to know if the denial is due to clinical reasons or administrative reasons.		The information on the screens need to be populated and maintained by all throughout the process for this improvement to work and a system is needed to track the status of appeals.	A Team Work with AVATAR Support to understand the options of the up- coming release of AVATAR 2010	
		3	зс	Appeals - Form a committee to improve the process and timeliness of administrative and clinical appeals	Meeting Planned	Optimize Reimbursements		
				3C-1 Appeals Medical records for clinical denials should be sent to the insurance companies from the Health Information Department (HID). Medical records are required for the appeals process. Currently, the	Done	It will be more appropriate for the records to come from the NHH HID because the information and reviews are clinical in nature. It will help streamline the internal	Done Implemented	



### The Results







(\$800,000 SFY 2011 - 2012)

Saved Staff Time

Reduced Insurance Payment Denials

> Getting Reimbursed Sooner

Shortened the Billing & Reimbursement time

September 2013 19



### The Results



- Prior Authorizations
  - Appeals Information
    Consolidated Patient Authorizations
- The process is transparent and more effective Mapped Processes Shared Technology
- > Employee Satisfaction



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#### Why Lean Succeeds

- Lean methodology is highly-structured
- > Proceed carefully & inclusively work towards team consensus and changes that make sense
- > Ask for pain points, barriers, and frustrations
- > Success is when employees are part of the solution
- > Keep it visual

#### **End of Presentation**

# Continuous Improvement Lean New Hampshire