Lean Continuous Improvement

New Hampshire Hospital

Billing and Reimbursement Process

September 2013
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

1. Create a Project Charter
2. Current State Assessment
3. Brainstorming / Innovation Empower Employees
4. Future State Design
5. Implementation Plan
Team Members

Core Team Members:
- Robert Macleod  Chief Executive Officer NHH
- 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
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

Admissions Process → Social Work → Nutrition Services → Discharge Planning

- Nursing & Mental Health
- Rehabilitation
- Psychiatry
- Psychology Department
- Infection Prevention
- Pharmacy Services

DHHS
## Current State Process Map - Level 1

### New Hampshire Hospital Billing & Reimbursement Process - Level 1

<table>
<thead>
<tr>
<th>Admission</th>
<th>Days of Care</th>
<th>Discharge</th>
<th>Post Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NHH Admissions &amp; Clinical Treatment Team</strong></td>
<td><strong>Avatar Hospital IT System</strong></td>
<td><strong>Clinical Treatment Team</strong></td>
<td><strong>Discharge Process</strong></td>
</tr>
<tr>
<td>- Admissions Process</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Insurance Information Collected</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- NH Admissions Referral Intake Form is filled out</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Prior Authorization is recorded (if known)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Admission is recorded in Avatar</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**DHHS Office of Reimbursement**

- The Daily Admissions Report from Avatar is reviewed.
- Review completeness.

**Research and Record Insurance Source(s)**

- Daily Admissions Report from Avatar is reviewed.
- PA Status.
- Add insurance info to patient profile (when discovered).
- Review Case Management.
- Review medical records for medical necessity.

**Pursue Collections**

- Work to resolve obstacle to reimbursement.

**Billing Process**

- Billing begins after 30 days
- Billing begins after 60 days
- Follow-up with insurance claims.
- Use admitting diagnosis until discharge.
- Receive payments & credit accounts.
- Track revenue.
- Use aging report to help with follow-up.

**Billing Process**

- Data Entry
- Track Discharge Data
- Ongoing Communication with Clinical Teams

**Health Information Department**

- Code all other medical diagnoses including the final discharge diagnosis and enter into the Avatar system.
- Submit medical records to insurance for approval.

**Note:**
- For Medicare insured: A Notice of Non-Coverage will be issued by the Review Coordinator if clinical information no longer justifies hospitalization.
- The insurance company issues the Notice of Non-Coverage if clinical information no longer justifies hospitalization.
- For Privately Insured: The insurance company issues the Notice of Non-Coverage if clinical information no longer justifies hospitalization.
- Medici: UECUMO may be necessary.

**Copy & Revisions:** J. Mafihee

**Current State Map January 9, 2012**

**Discharge Process**

- Create Discharge Summary with Final Diagnosis
- Write discharge order
- Plan for community integration with providers

**Utilization Review**

- Communicate with private insurance on upcoming appointments with community providers

**On-Going Utilization Review**

- Continuously review to certify the psychiatric necessity and appropriateness of hospitalization.
- Verify the patient’s insurance is correct and active.

**Clinical Treatment Team**

- Establish Treatment Plan
- Communicate with Review Coordinators on appropriateness of hospitalization
- Ongoing Updates to Avatar

**Review Coordinator**

- Call private insurance companies for authorization for continued stay.
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?
Innovation

- 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

Examples:

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

September 2013
The Action

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

Discharge to Billing Time Line

- Patient is Discharged
- Discharge Summary is Written
- Transcription
- Coding
- Billing

September 2013
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 capital investments
- Defined reporting requirements
- Set timelines

### NHH Billing, Reimbursement & Related Projects

<table>
<thead>
<tr>
<th>Ref</th>
<th>No.</th>
<th>Actions</th>
<th>Area of Responsibility</th>
<th>Task</th>
<th>Status</th>
<th>Remarks</th>
<th>who</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td>Billing &amp; Collections</td>
<td>Develop, streamline and standardize processes. Improve inter-department communication.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Billing &amp; Collections</td>
<td>Insurance Denials - Form a Committee to find Identity reasons for insurance denials and then determine how best to receive reports. Coordination between departments is essential. Procedures and interactions between departments need to be defined.</td>
<td>In Process</td>
<td>This is a project with many separate tasks</td>
<td>A Team</td>
<td></td>
</tr>
<tr>
<td>3A</td>
<td></td>
<td>Billing &amp; Collections</td>
<td>Insurance Denials - Initial work from OTR and Billing produced the &quot;Barriers to payment&quot; list</td>
<td>Done</td>
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<td>A Team</td>
<td></td>
</tr>
<tr>
<td>3A-1</td>
<td>1</td>
<td>Billing &amp; Collections</td>
<td>Insurance Denials - Identify, report and categorize all insurance denial reasons. Quantify the amount of dollars not collected because of insurance denials.</td>
<td>Done</td>
<td>Initial work from OTR and Billing produced the &quot;Barriers to payment&quot; list</td>
<td>A Team</td>
<td></td>
</tr>
<tr>
<td>3A-2</td>
<td>2</td>
<td>Billing &amp; Collections</td>
<td>Insurance Denials - Use the financial eligibility screen in AVATAR to record which bills have been denied to better support staff of the APT where they work to receive denial. One example is knowing the denial is due to clinical reasons of administrative reasons.</td>
<td>Done</td>
<td>The information on the screen need to be populated and maintained by all throughout the process. The information will support staff of the APT where they work and a system is needed to track the status of appeals.</td>
<td>A Team</td>
<td></td>
</tr>
<tr>
<td>3C</td>
<td></td>
<td>Billing &amp; Collections</td>
<td>Appeals - Form a committee to improve the process and timelines of administrative and clinical appeals.</td>
<td>Meeting Planned</td>
<td>Optimize Reimbursements</td>
<td>A Team</td>
<td></td>
</tr>
<tr>
<td>3C-1</td>
<td>1</td>
<td>Billing &amp; Collections</td>
<td>Appeals - Medical records for clinical denial should be sent to the insurance companies from the Health Information Department (HIT). Medical records are required for all appeals processes. Currently, the</td>
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Oct 16, 2011
The Results

- Increased Collections 6%
  ($800,000  SFY 2011 – 2012)
- Saved Staff Time
  Reduced Insurance Payment Denials
- Getting Reimbursed Sooner
  Shortened the Billing & Reimbursement time
The Results

- Resolved Confusion & Delays
  - Prior Authorizations
  - Appeals Information
  - Consolidated Patient Authorizations

- The process is transparent and more effective
  - Mapped Processes
  - Shared Technology

- Employee Satisfaction
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

September 2013