BECKER'S
ASC REVIEW

The impact of overlooking key elements of the ASC revenue cycle

By Angela Mattioda, Vice President of Revenue Cycle Management Services, Surgical Notes

Coding, billing and collections represent the foundation for a successful ASC revenue cycle. But the key word is "foundation." While coding, billing and collections play critical roles in achieving revenue cycle success, they are not performed in a vacuum. Rather, there are many other functions essential to securing timely and accurate payments.

The complete ASC revenue cycle is comprised of the following functions:

- Insurance verification and authorization
- Dictation
- Transcription
- Coding
- Charge entry
- Claim submission, including any secondary and tertiary billing
- Collections, including follow-up
- Payment posting
- Patient billing

The interdependence of these functions – and the various elements that further comprise them – means that if the importance of just one of them is slightly discounted or misunderstood, financial performance can suffer, and other challenges may develop. Every function must thrive individually and collectively. When they all perform well together, the overall revenue cycle management process accelerates.

Here are five of the most frequently overlooked elements of revenue cycle functions and guidance to help your ASC achieve a thriving revenue cycle.

1. Eligibility, verification and authorization

There are few elements that can more significantly disrupt an efficient collections process than documenting inaccurate patient insurance information. When ASCs do not identify such discrepancies, billers may submit claims to an incorrect payer or attempt to bill for a procedure that may no longer be covered. Such errors can lead to denials, delays in payment, no payment, and other billing headaches.

Recommendations: ASCs must ensure eligibility, benefits verification and proper authorizations are performed consistently. Insurance details should never be assumed, even for patients coming for recurring or multiple procedures. Technology is available that allows staff to verify insurance information and determine coverage. Such solutions can often estimate a patient's financial responsibility, helping improve upfront collections.

2. Days to dictate

Considered an essential revenue cycle key performance indicator ASCs should track, understanding number of days to dictate helps determine whether providers are completing their dictation in a timely manner. Any completion delays will then stall completion of the functions that follow. If dictation delays become significant, an ASC can risk losing payment.

Recommendations: If you observe an increase in days to dictate, act fast. Speak with the responsible provider about what they require for timelier dictation. Consider investing in solutions that can help expedite dictation and transcription. These include mobile apps that providers can use to dictate and complete operative reports.

3. Inaccurate and incomplete operative notes

When an operative note includes inaccurate or incomplete billable information and the coder fails to catch the discrepancy, incorrect coding will likely occur. If a payer detects the mistake, it will issue a denial, forcing an ASC to allocate resources to correct and resubmit the claim. ASCs can face serious consequences if incorrect coding occurs frequently.

Recommendations: To reduce the likelihood of inaccurate or incomplete operative notes, ASCs should supply physicians with the aforementioned technology and provide education about the information required for complete operative notes, possibly as part of a clinical documentation improvement program. Additionally, ASCs should ensure their coders, billers or coding company can recognize poor documentation.

4. Payer-specific billing rules

While billing rules sometimes overlap between payers, there are typically substantial differences that must be understood to submit clean claims. Rules compliance can become more complicated when a procedure(s) requires secondary and tertiary billing. When billers do not understand and consistently follow their payers' billing rules, this typically leads to denials.

Recommendations: To avoid billing errors associated with payer-specific rules, ASCs must employ or contract with billers possessing ASC-specific billing expertise, including billing multiple payer types and insurance plans. ASCs must also ensure these billers can remain current on payer rule changes. If a rule change occurs that affects an ASC's procedure and/or specialty and a biller is unaware of the revision, surprising denials are likely to follow or the ASC may miss out on new billing opportunities.

5. Other KPIs

Days to dictate is not the only overlooked revenue cycle KPI ASCs should track. ASCs should monitor accounts receivable greater than 90 days to catch significant payer issues. A KPI not regularly tracked is outstanding payments greater than 90 days because of the labor-intensive work often required for successfully collecting such payments. Yet, by choosing not to monitor the KPI, ASCs are leaving money on the table. Finally, since patient financial responsibility has increased, success with monitoring patient balances has taken on greater importance.

Recommendations: Monitoring KPIs gives ASCs better control over revenue cycle performance, helps catch problems and supports faster recognition of improvement opportunities. ASCs should identify those KPIs it considers vital to understanding financial performance and track them. Partnering with a revenue cycle management company and undergoing an assessment can help.

Give your revenue cycle the attention it needs

A wide range of issues can disrupt an ASC's revenue cycle. When problems occur but go unnoticed, financial performance struggles. ASCs that want to keep their financial performance hitting all the right notes must ensure they are giving appropriate attention to all functions and elements of their revenue cycle, not just those that seem like the most important.

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COVID-19's impact on the ASC revenue cycle: Q&A with Surgical Notes' Angela Mattioda

Angela Mattioda is vice president of revenue cycle management services for Surgical Notes.

Q: What are you seeing as the national trends in ASC revenue cycle management during the COVID-19 pandemic?

Angela Mattioda: The good news is that while we're still seeing some decreased volume, ASCs are mostly back on track with their cases. But collecting is often proving difficult.

One common pain point we're seeing across the nation is patient billing. So many Americans are struggling to continue paying their bills.

On the payer side, the significant challenges we've been facing since the early days of the pandemic have generally not improved much. Collecting payments for workers' compensation cases is a struggle. The combination of adjustors moving to remote work and layoffs of these professionals has impacted the ability for adjustors to process the growing backlog of claims.

We're also seeing many payers delaying implant payments. Like adjustors, the third-party pricers responsible for implants are significantly backlogged. While there's nothing we can do to move that forward any faster, it's important to document what we are told concerning timing and establish a follow-up workflow.

Finally, internal business office staffing remains an issue. For those centers that furloughed their staff, some brought all of their staff back while others decided to clean house. Many ASCs are now trying to work understaffed.

Q: For ASCs struggling with their revenue cycle performance, how are problems manifesting in their key performance indicators?

AM: Accounts receivable KPIs are struggling the most. The "AR over 90 days" metric went sideways across the board after March. A lot of that is attributable to ASCs closing down, so they had no current charges to offset AR that is aging. That KPI affected many of the others.

As of July, all KPIs are trending back toward their norm. It will essentially take double the time that ASCs were closed and/or had reduced operations to get back to where we were pre-pandemic.

Another KPI that took a big hit and is taking longer to recover is overall cash flow rate. Payers seem to be milking the crisis as a new opportunity to delay payments.

Q: How has the pandemic affected ASCs seeking revenue cycle management services?

AM: We have a lot of activity in our pipeline. That's largely because ASCs managing their revenue cycle in-house or partnered with another revenue cycle management company had downtime during the slowdown to examine their revenue cycle performance. This helped them realize that their revenue cycle is not as healthy as they believed, which is motivating centers to reach out to Surgical Notes to undergo a revenue cycle audit and ask about outsourcing.

Another motivating factor for the increase in outsourcing queries is the loss of staffing. ASCs are finding that outsourcing is an effective way to achieve the staffing levels they need to power their revenue cycle while avoiding the rollercoaster of staffing fluctuations they've experienced and worry about experiencing as the health crisis continues into 2021.

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