

# Hospital Care Management & Clinical Appeals: Importance to the Bottom Line

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**hfma**

healthcare financial management association

# Agenda

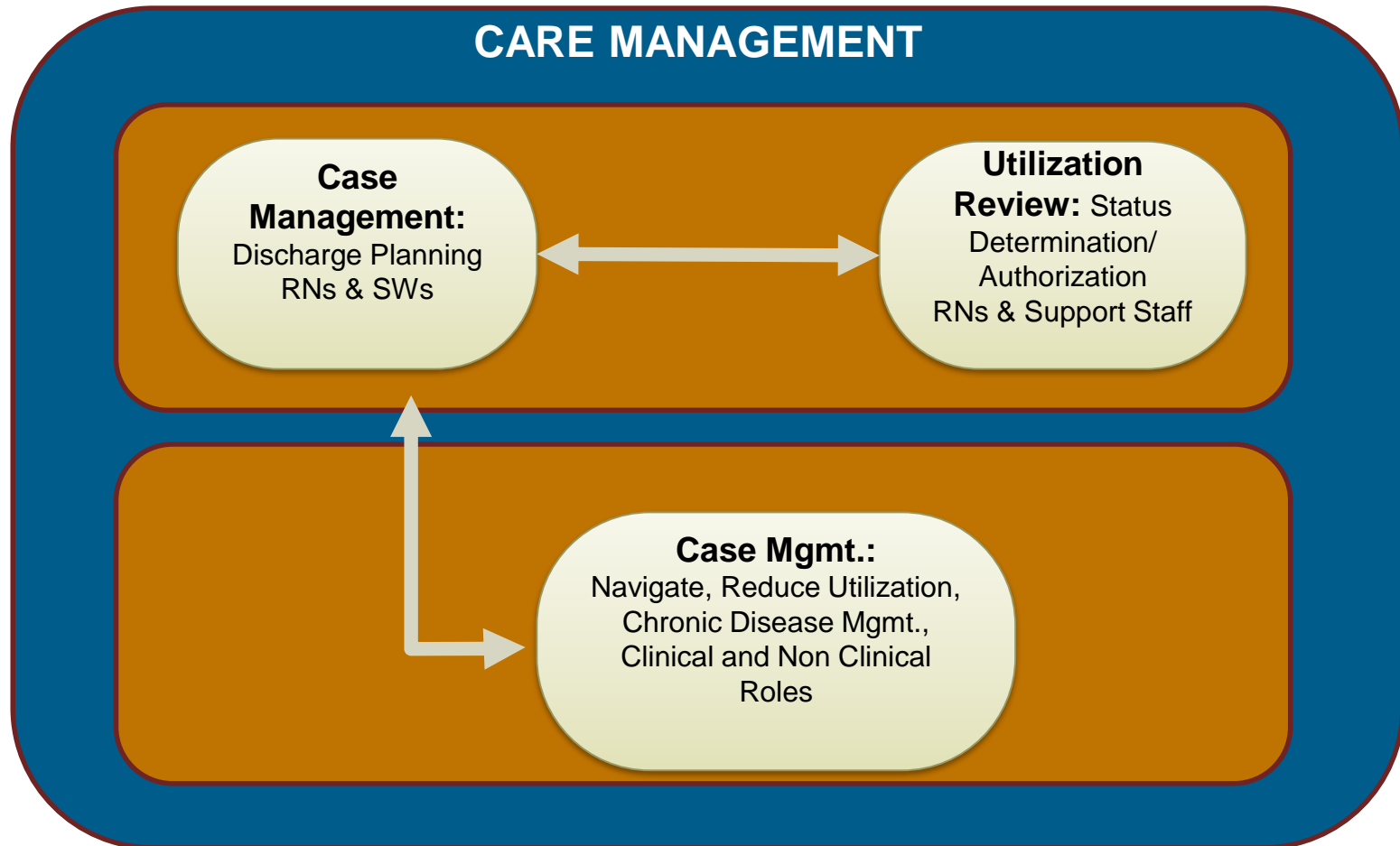
- Brief History of Key Industry Shifts
- Three Core Operational Touchpoints
- Measuring Effectiveness
- Examples of Use Cases
- Hot Topics for HFMA Region 8

# Objectives

- Be able to identify three core operational touchpoints that impact performance
- Understand key questions for assessing these areas of impact
- Understand pertinent KPIs and Process Metrics for these touchpoints
- Identify hot topics specific to your region

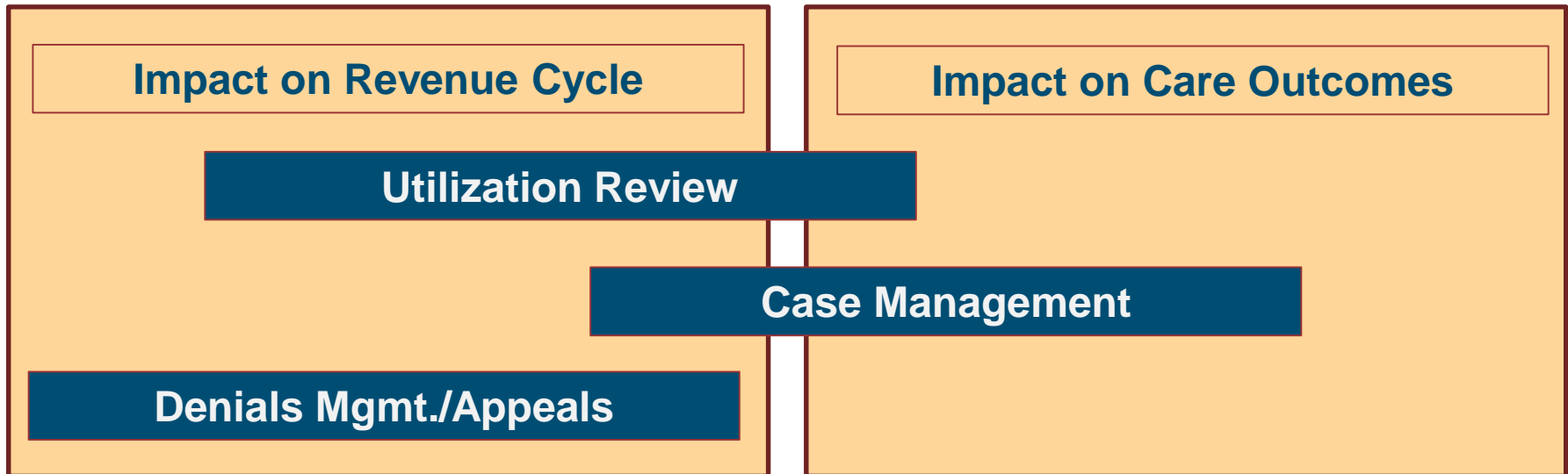
# Definitions & Brief History

# What is “Care Management”

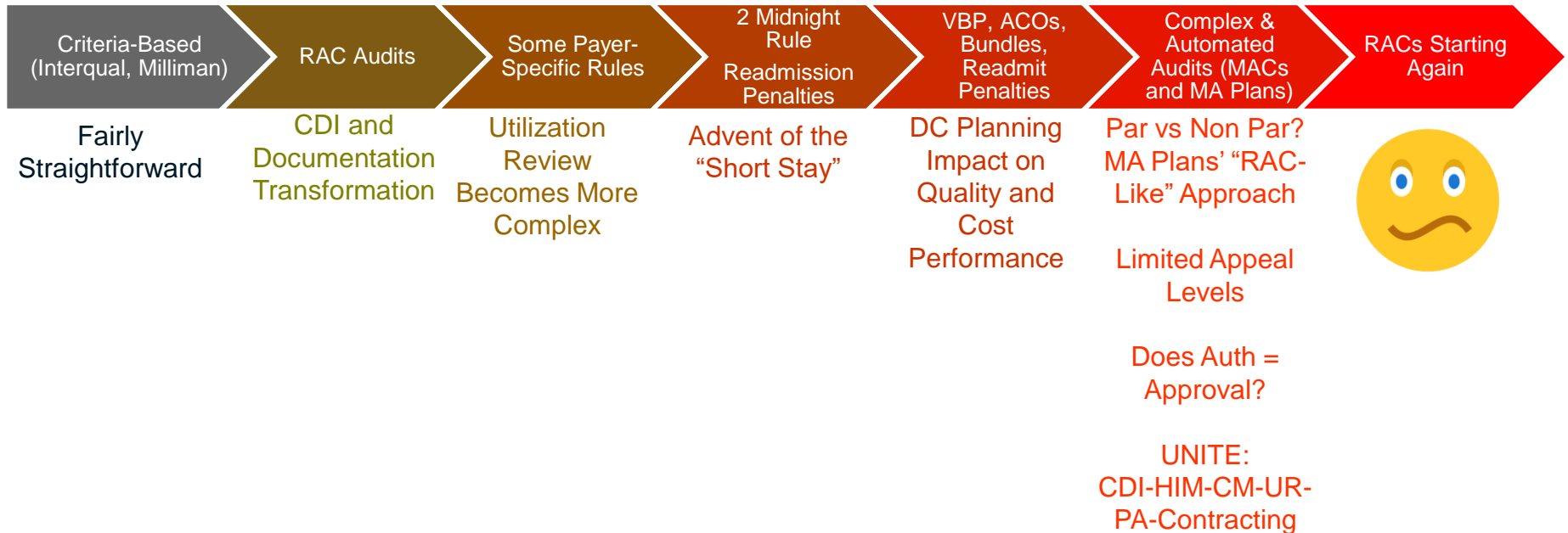


# Span of Influence

## IMPACT ON OUTCOMES Revenue Cycle vs Effective Care Outcomes



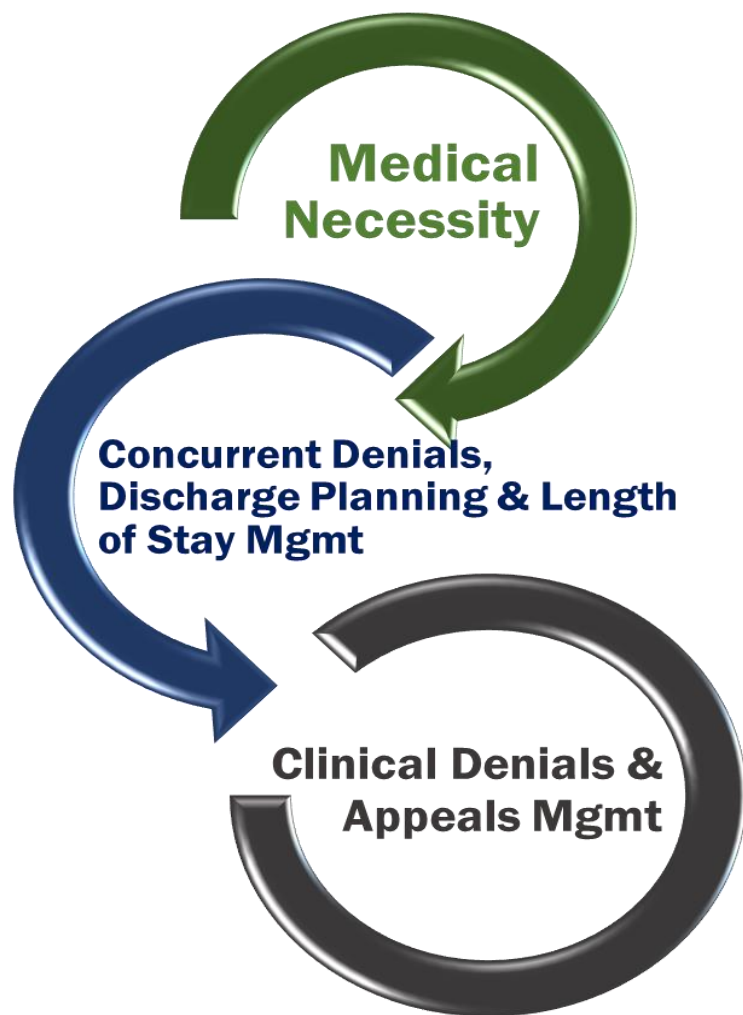
# Brief History of Industry Shifts



# Core Touchpoints



# Three Core Touchpoints



**Compliance (COPs, Contractual)**  
**Physician Documentation**  
**Process of Status Reviews (Preop, ED, Locums, Physician Advisor)**  
**Knowing the “Rules”**

**Compliance (COPs, Contractual)**  
**Effectively Planning for Complex Patients**  
**Relationship-Building (Nursing, Finance, CDI, Post-Acute Facilities.....)**  
**Measuring Length of Stay and Benchmarking**

**After Discharge, “Dealing with the Denial”**  
**Effective Appeals Strategy**  
**Feedback Loop with Contracting and Payers**

# Medical Necessity (Denial Prevention)

- How many status changes are occurring and for what reason?
    - Obs to Inpt, Inpt to Obs, Outpt in a Bed
  - Is utilization review support offered in the ED?
  - Do the UR nurses know all the different payer rules?
  - What % of Short Stays are reviewed before 2<sup>nd</sup> MN? Is there 100% review?
  - What are the outcomes of your Clinical Documentation Integrity team?
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# Concurrent Denials-UR

- Is your facility completing peer to peers?
- Strength of Physician Advisor process? Hours available and support by UR Nurses?
- How does your payer define “inpatient admission”?
- What are your rates?
- Do you already have precertification?

# Discharge Planning-CM

- Significant impact to length of stay
  - Cycle time from admission to dc planning assessment?
  - Staffing ratios up to date?
  - Level-loading the roles and skill mix?
  - Hours and days staffed? Where are the case managers located?
  - Support from senior leadership?
  - Length of Stay root-cause issues
  - Post-Acute Care Relationships
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# Denial Management (Appeals)

- Know your true medical necessity denial rate
  - Volume = Process Effectiveness
  - Dollar Amt = Impact to Revenue
- What is your appeal process?
- How is the denial management team being included in pertinent meetings?
- Contracting and Care Management relationship
- Cost to appeal vs writing off

# Data Measurement

# KPIs for Care Management

- Denial Rate for Medical Necessity
- % of Short Stay Medical Inpatient
- Length of Stay and Excess Days
- Observation to Inpatient Ratio
  - Must view alongside process and payer mix
- 30d All-Cause Readmit Rate

# Process Metrics

## Utilization Review

- Average Time to Status Review?
- % of Status Changes
- Self-Denial Rate
- Peer to Peer Turnover Success Rates
- Avoidable Day Rate
- Avg Admit to Case Mgmt Review Cycle Time



# Process Metrics

## Case Management

- Avoidable Day Rate
- Avg Admit to Case Mgmt Review Cycle Time
- Observation Length of Stay

## Denial Management and Appeals

- % of Clinical Denials Appealed
    - Productivity
  - % of Clinical Appeal Success/Loss
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# Use Cases and Examples







# Use Cases

- **Revenue Cycle Review**
    - Utilization Review Processes
    - Clinical Denial Prevention and Management
  - **Patient Throughput**
    - Case Management Review
    - Complex Discharge Planning
  - **Value-Based Care: Full Continuum of Care**
    - Bundled Payments, ACOs, HAC, VBP
    - Readmission Prevention/Transitions of Care
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# Examples

## Larger Regional Health System with 500 bed Flagship Hospital, Southeast

### Revenue Cycle Assessment- Clinical Appeals Mgmt

All Clinical Denials Combined and Quantified	
Reviewing 100% of 1d Inpatient Stays	
Billing Medicare Inpatient Part B (Self-Denials) Correctly	
Appeals Nurses are Focused on Clinical Work	
CM/UR, CDI, Appeals Team, UR Committee, Physician Advisor all Working Together	
Clear Processes for When and How to Complete an Appeal	

# Examples

## Mid-Sized Community Hospital 300 Beds West Coast

### Revenue Cycle Assessment- Medical Necessity Process

Standardized and Timely Medical Necessity Review	✘
Utilization Review Committee has Full Support of Hospital Leadership	✘
Physician Advisor in Place and Understands Role	✘
Knowledge of Payer-Specific Issues in Concurrent Denials	✓
CM/UR, CDI, Appeals Team, UR Committee, Physician Advisor all Working Together	✘

# Examples

## Mid-Sized Hospital – 200 beds, Upper Midwest

### Bundled Payment with CMS- Care Continuum Review

EMR Identification for COPD Patients	
High Quality inpatient respiratory care processes	
System-Level Physician Champion	
Navigation in Place for COPD Episodes of Care	
Consistent and Clear Transition of Care Process Pre and Post-Discharge	
Data in Place to Support Episode Outcome & Cost Monitoring	

# Hot Topics-HFMA Region 8

# Hot Topics

- **Medicare FFS**
  - QIOs and RACs
  - ALJ-Level Appeals
  - 2 Midnight Rule
  
- **Medicare Advantage**
  - Observation Push
  - Peer to Peer Pressure



# Thank You!