NRHA

WELCOME

Rural Health Executive Educational Series

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Housekeeping

- ✓ All attendees are muted during the webinar
- ✓ We like to get through our presentations in about 45 minutes, offering time at the end for questions to the presenter
- ✓ If you have a question for the presenter, please type it into the question section of your GOTO webinar control panel. We will cover it at the end.
- ✓ This event is being recorded. You will receive an email before the end of the day with a link to the recording.
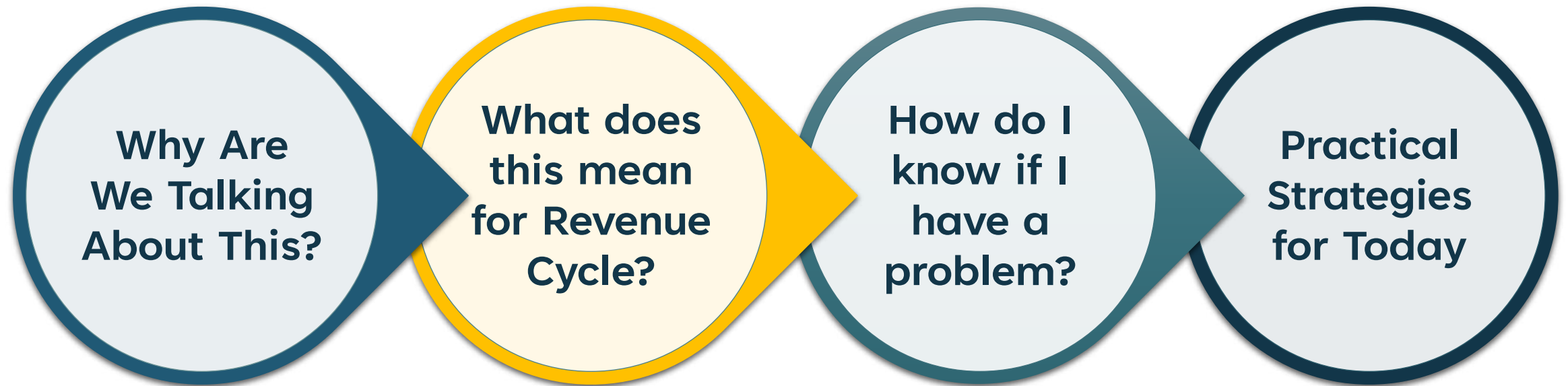
National Rural Health Association

AGENDA

Why Are We Talking About This?

What does this mean for Revenue Cycle?

How do I know if I have a problem?

Practical Strategies for Today

WHY ARE WE TALKING ABOUT THIS?

HEALTHCARE CYBER ATTACKS

- Healthcare breaches have risen 264% since 2019 based on incidents reported to the Office of Civil Rights

- In 2023 nearly 133 million individuals were affected by breaches

- Providers scramble for solutions

- Change Healthcare reported an outside threat gained access to their system on February 21, 2024

WHY THIS ISSUE?

- Change Healthcare is a Clearinghouse
  - 2007 – Company founded
  - 2014 - Acquired by Emdeon: Change Healthcare name remained
  - 2016 – Created a new company with McKesson's information technology unit
  - 2022 – Acquired by United Health Group and Optum
- Clearinghouses manage the technology pipelines connected to:
  - Insurance Verification
  - Processing Insurance Claims
  - Processing Insurance Payments

CHANGE HEALTHCARE STATISTICS

$1 Trillion
Healthcare Claims

1 in 5
U.S. Patient Records

Nearly 15B
Healthcare Transactions

800,000
Physicians

117,000
Dentists

CHANGE HEALTHCARE

600
Laboratories

2,100
Payer Connections

5,500
Hospitals & Health Systems

CHANGE HEALTHCARE BREACH TIMELINE

Change Healthcare identified the breach on February 21, 2024

Immediately shut down their systems

March 5 – UnitedHealth supposedly paid $22M to recover access to data and systems

March 7 – Pharmacy claims processes are back online

TBD – "Payment" platform will be turned on

TBD – Begin testing and reconnecting activity on "Claims" platform
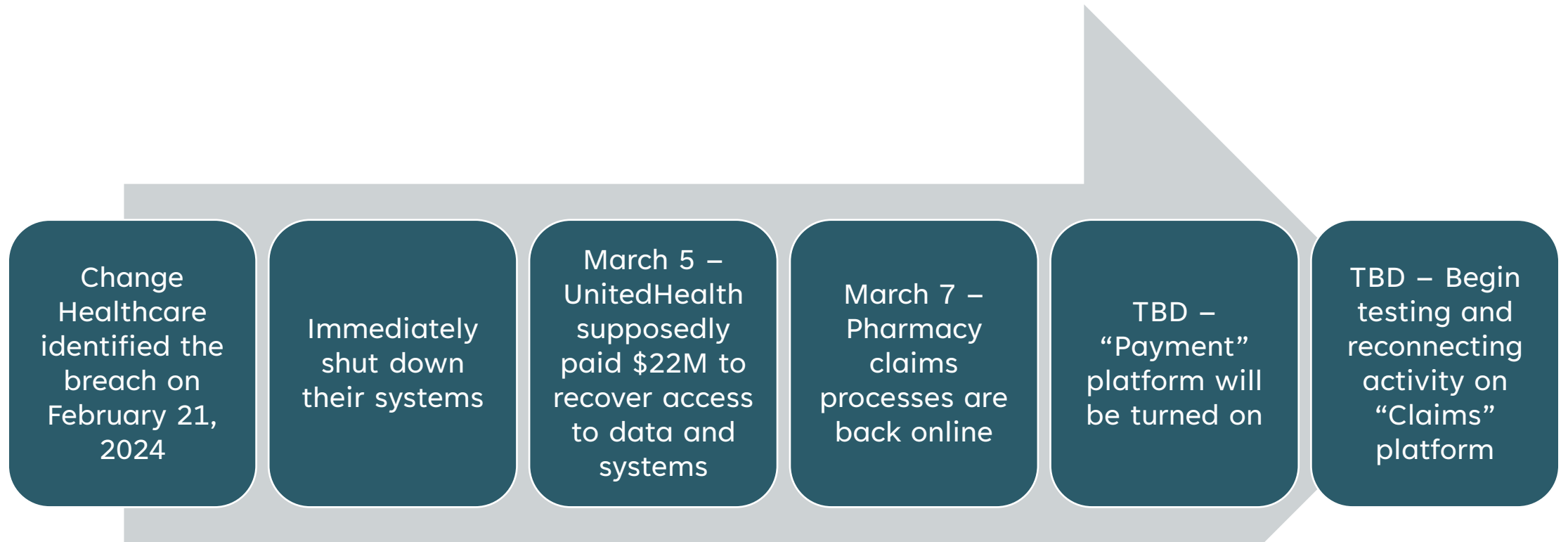
WHAT DOES THIS MEAN FOR REVENUE CYCLE?

REVENUE CYCLE MANAGEMENT

Claim Life Cycle

Front End		Transaction Processing		Back End	

Pre-Claim

Contract Negotiations

Provider Credentialing

EDI/ERA Enrollment

Banking Setup

CDM Creation

Price Transparency/No Surprises Act

Pre-Visit

Scheduling/Preregistration

Insurance Verification

Prior Authorization

Appointment Reminders

Visit

Patient Check-In

Co-pay and Deductible Collection

Patient Payment Arrangements

Coding and Charge Capture

Encounter Documentation

Claim Submission

Charge Entry

Claim Scrubbing

Pre-Adjudication

Claim Submission

EDI Management

Inbound Processing

Mail Processing/ Scanning/Indexing

Bank Deposit

EFT/ERA Processing

Payment Posting

Revenue Allocation

Accounts Receivables Management

Claim Status

Denials Management

Appeals & Resolution

Patient Statements/Patient Notices

Patient Refunds/Small Balance Write-Offs

Collections Process (In/Out)

Analytics

Clean and Meaningful Data

Process Measures

Financial Measures

Claim Life Cycle

Month-End Closing	Cost Reporting	Compliance	Performance Management	IT & Quality

Items in Yellow represent Clearinghouse activities
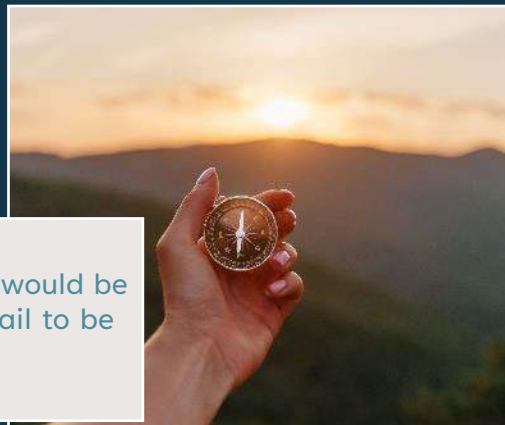
A NON-HEALTHCARE EXAMPLE TO SET THE STAGE

Addresses:

Street, City, State, Zip
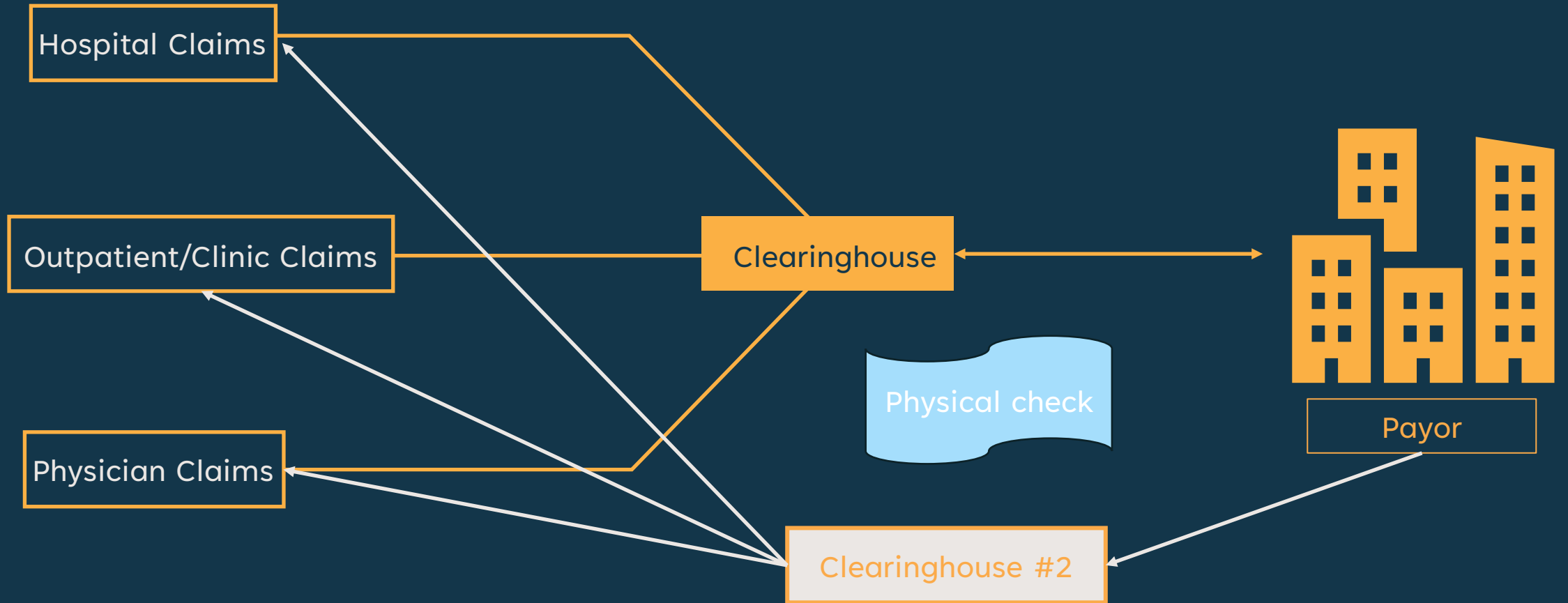
What if the Zip Code system stopped working?

Manual review would be required for mail to be routed

Mail Delivered:

With Delays

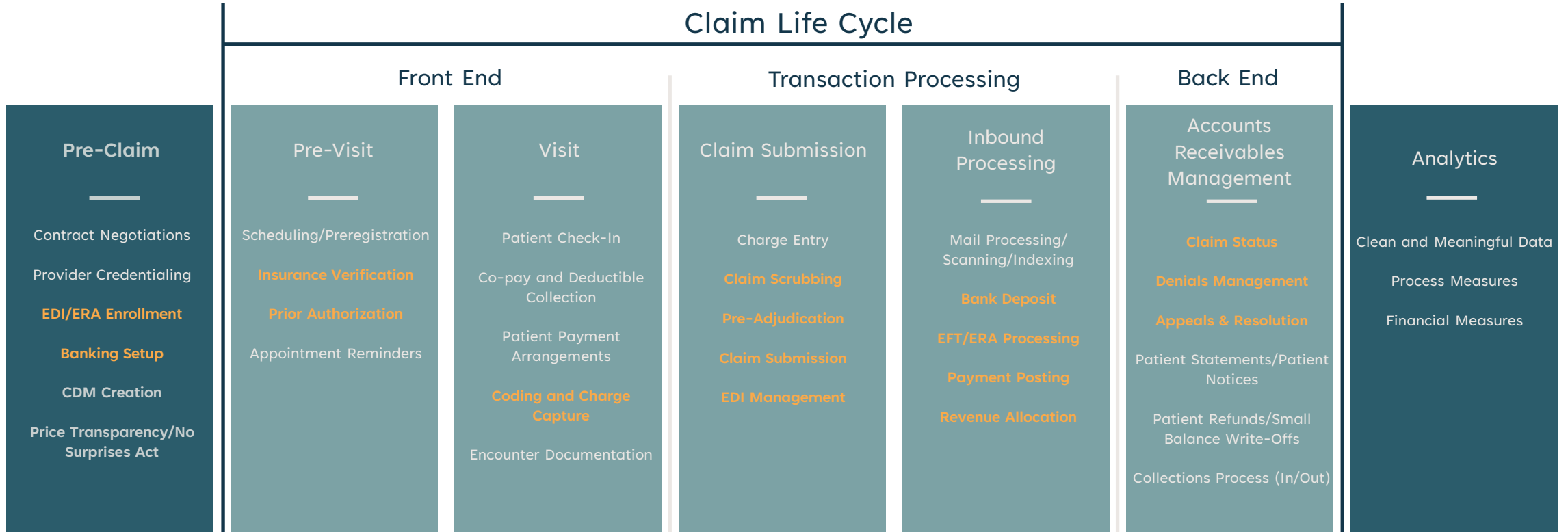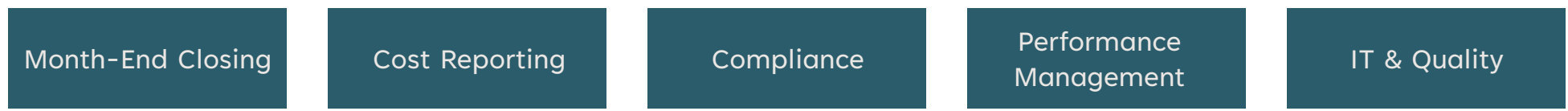# CLEARINGHOUSE ACTIVITIES – INSURANCE VERIFICATION CLAIM SCRUBBING, PRE-ADJUDICATION, CLAIM SUBMISSION

HOW DO I KNOW IF I HAVE A PROBLEM?

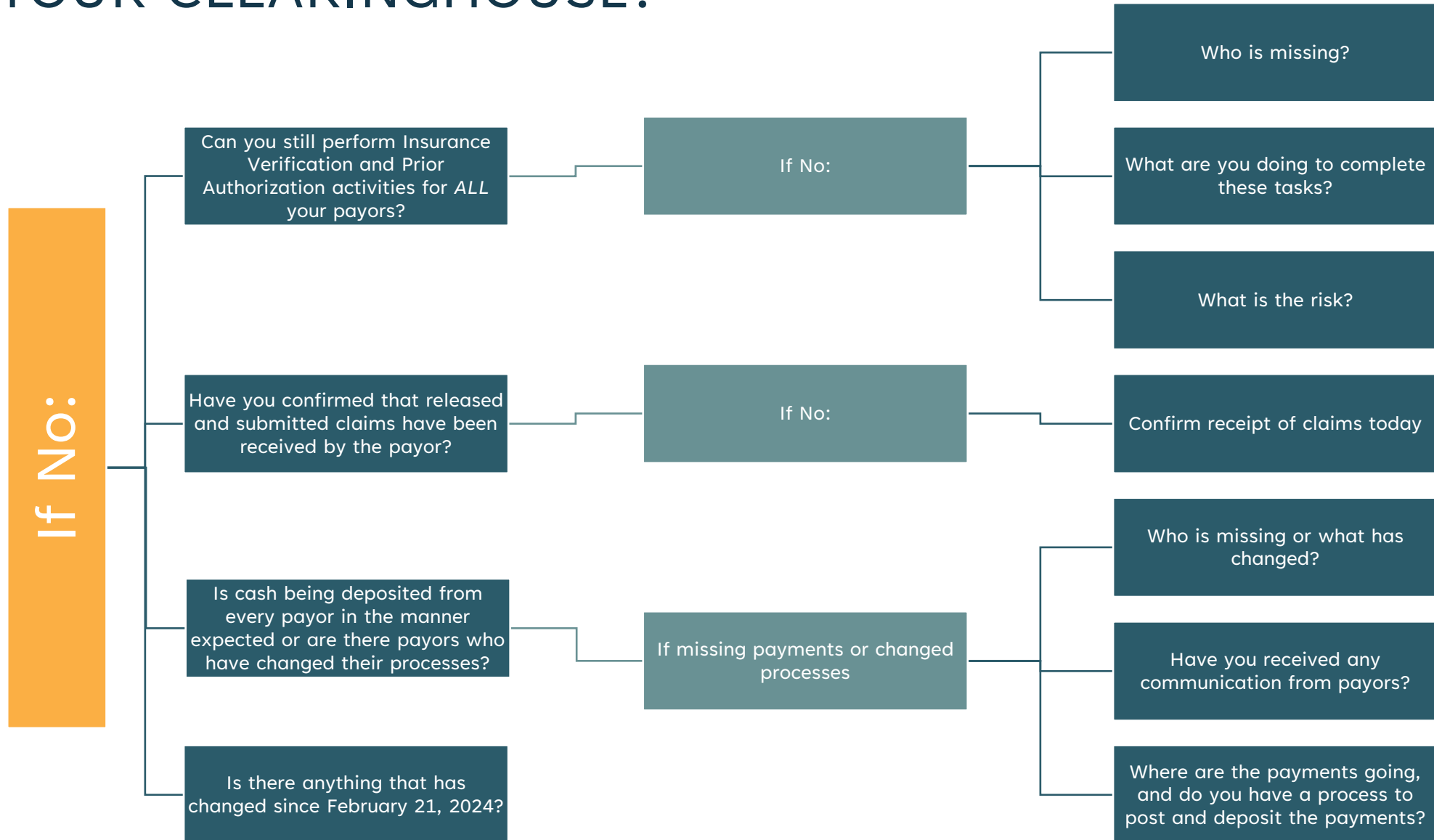# REVIEW YOUR REVENUE CYCLE ACTIVITIES & ASK QUESTIONS

REVENUE CYCLE MANAGEMENT

Claim Life Cycle

Front End | Transaction Processing | Back End

Pre-Claim
___

Contract Negotiations

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Claim Life Cycle

| Month-End Closing | Cost Reporting | Compliance | Performance Management | IT & Quality |

QUESTION – DO YOU USE CHANGE HEALTHCARE AS YOUR CLEARINGHOUSE?

If No:

Can you still perform Insurance Verification and Prior Authorization activities for *ALL* your payors?

If No:

- Who is missing?
- What are you doing to complete these tasks?
- What is the risk?

Have you confirmed that released and submitted claims have been received by the payor?

If No:

- Confirm receipt of claims today

Is cash being deposited from every payor in the manner expected or are there payors who have changed their processes?

If missing payments or changed processes

- Who is missing or what has changed?
- Have you received any communication from payors?
- Where are the payments going, and do you have a process to post and deposit the payments?

Is there anything that has changed since February 21, 2024?

QUESTION – DO YOU USE CHANGE HEALTHCARE AS YOUR CLEARINGHOUSE?

If Yes:

- **What activities are "broken"?**
  - Detail out each of these activities individually
  - Who is responsible for these tasks?
  - What is happening in the meantime?

- **Are any activities working as designed?**
  - Then don't mess with ANYTHING!

- **Is cash being deposited from every payor in the manner expected or are there payors who have changed their processes?**
  - If missing payments or changed processes
    - Who is missing or what has changed?
    - Have you received any communication from the payor?
    - Where are the payments going, and do you have a process to post and deposit the payments?

- **Has the team put any manual workarounds into place?**
  - What are these workarounds?
  - How has this increased the workload of the team?
  - What delays is this causing in addition to the Change Healthcare delays?

- **Is there anything else that has changed since February 21, 2024?**

LOOK AT YOUR HISTORICAL TRENDS USING KPI INFORMATION

WHAT IS A KPI?

- Key Performance Indicator (KPI) is a measure of a specific item or objective over time
- Measures financial health, stability and trajectory and gives value for further decision-making
- Metric tied to at least one business goal
- Actionable, Directional, Accurate, and Measurable

Monthly

January   February   March

19
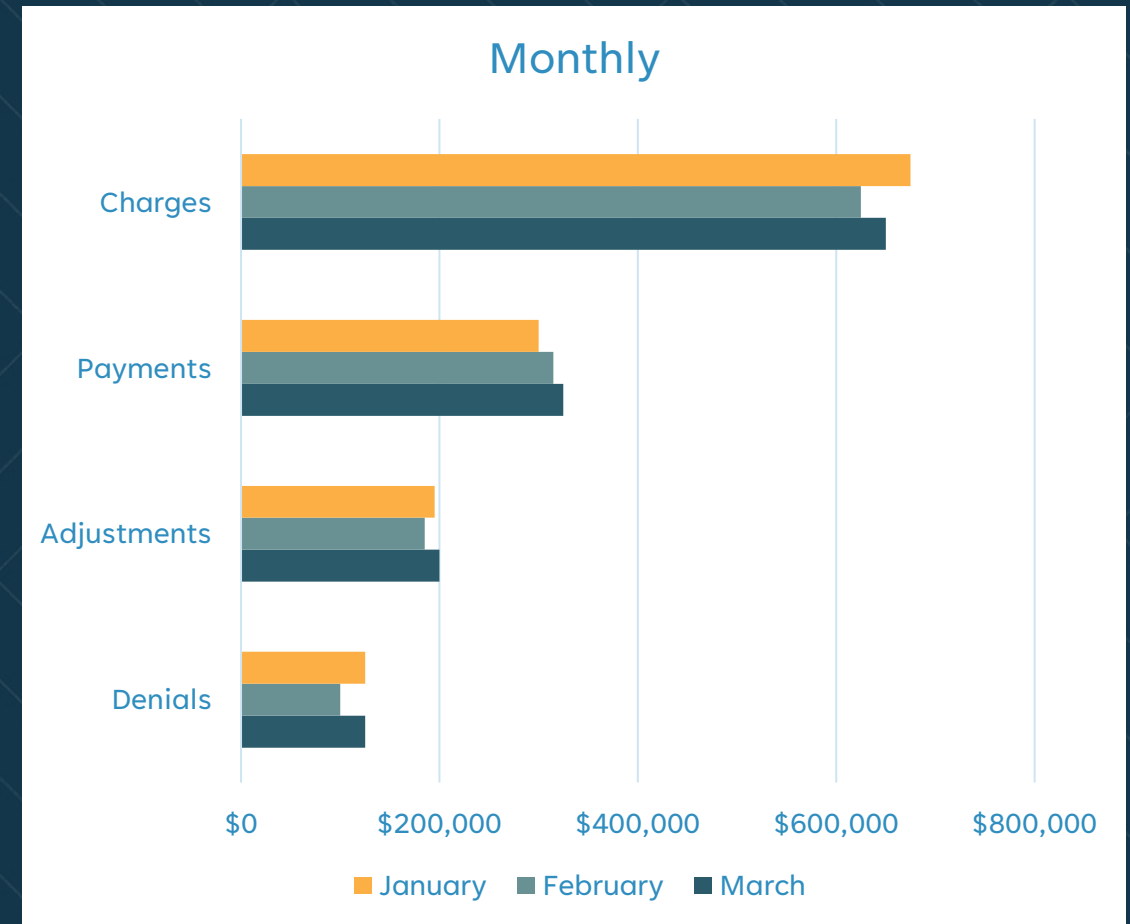
KPI DASHBOARD

- Data populated monthly

- Red/Yellow/Green Indicators of progress towards goal

- KPIs and goals established and published for the entire team to view

- Agreement on key areas to put focus

Sample Hospital Name

	Goal	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Number of days in period		31	28	31	30	31
Cash Goal	100% of 3 mo pr net rev	$ 1,521,459	$ 1,642,907	$ 1,538,282	$ 1,391,683	$ 1,465,778
Cash Collections		$ 1,680,392	$ 1,489,575	$ 1,750,692	$ 883,753	$ 1,213,412
% of Cash Goal	100%	110%	91%	114%	64%	83%
Self- Pay Collections		$ 41,056	$ 30,111	$ 36,793	$ 38,555	$ 41,232
Total POS Cash Collections		$ 2,742	$ 8,920	$ 6,581	$ 7,256	$ 8,024
% of Total Self- Pay Collections	>15%	7%	30%	18%	19%	19%
Gross Patient Revenue		$ 14,227,967	$ 14,392,383	$ 15,564,350	$ 10,363,172	$ 12,582,223
Average Daily Revenue		$ 458,967	$ 514,014	$ 502,076	$ 345,439	$ 405,878
Total A/R (including inhouse and credit balances)		$ 26,355,787	$ 24,585,783	$ 20,033,445	$ 27,324,085	$ 24,631,255
Days in A/R - Gross	< 40	57.42	47.83	39.90	79.10	60.69
Insurance A/R $ > 90 Days		$ 5,109,800	$ 6,068,690	$ 2,826,451	$ 3,092,112	$ 3,109,442
% of Total A/R	< 15-20 %	19%	25%	14%	11%	13%
All A/R $ >90 days (includes Self-Pay)		$ 8,689,922	$ 8,710,464	$ 9,386,715		
% of Total A/R	< 20-25 %	33%	35%	47%	0%	0%
DNFB	< 5 Days	8.42	6.32	4.97	9.00	5.08
DNFC	< 3 Days	7.58	4.45	2.75	3.00	2.87
Gross Denials $ written off		$ 232,596	$ 97,506	$ 79,842	$ 65,525	$ 70,232
% of gross patient revenue	< 2%	2%	1%	1%	1%	1%
Bad Debt transfers		$ 789,093	$ 528,767	$ 759,585	$ 689,443	$ 712,357
% of bad debt gross patient revenue	< 8%	6%	4%	5%	7%	6%

UTILIZING YOUR KPI TO DEVELOP A "DAILY RATE"

Compare the daily rate to activity since Feb 21, 2024, both in total and by payor

- Claims Submitted
- Claims Accepted
- Claims Rejected
- Pre-Registration Rate
- Cash Collections
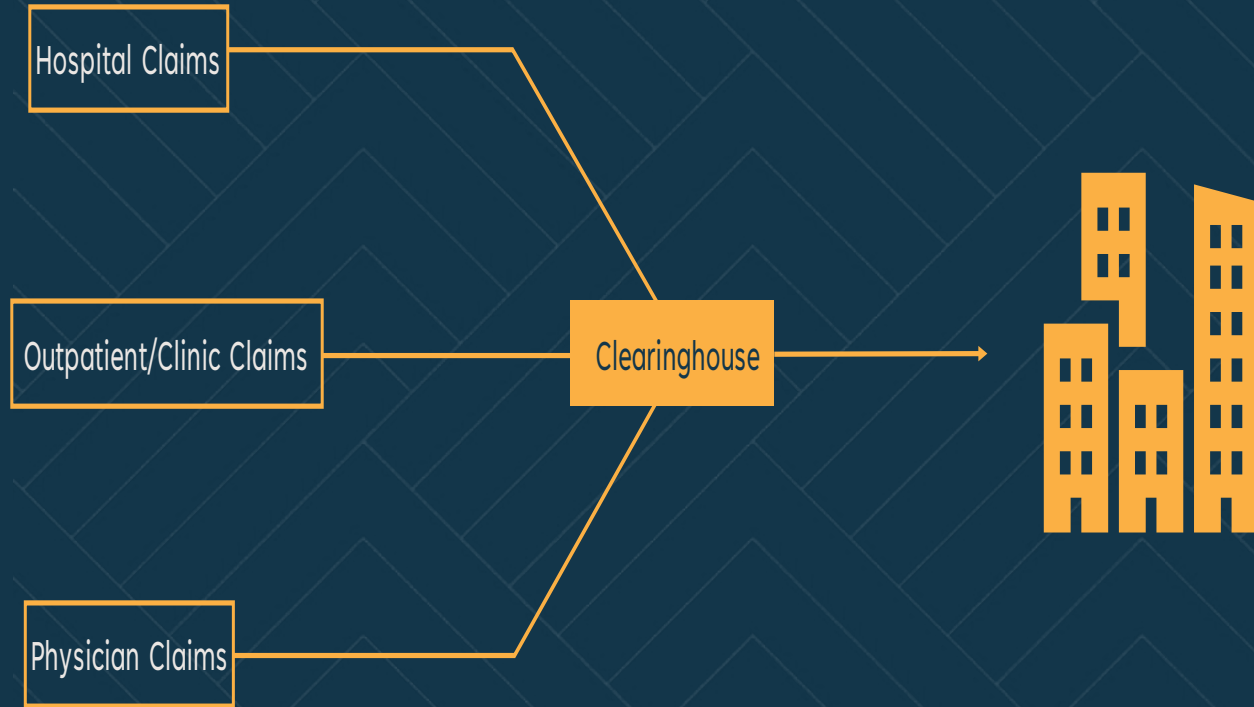
PRACTICAL STRATEGIES FOR TODAY

> **"**
>
> We're saying to [payers]: You need to start making payments. While you may not receive the actual bill, you have a general sense on a monthly basis what these providers bill you so there's no reason to not work out advanced payments to these hospitals."

Xavier Becerra, HHS to Finance Committee SD-215

REACH OUT TO THE PAYORS

Medicare:

- Apply to your Medicare Administrative Contractor (MAC) for accelerated payments
- [Change Healthcare/Optum Payment Disruption (CHOPD) Accelerated Payments to Part A Providers and Advance Payments to Part B Suppliers | CMS](#)

Other Payors:

- UHC – Temporary Funding Assistance Program
- Association for Community Affiliated Plans (ACAP) list of their plans' messaging & resources
- Reach out to your state's hospital association to learn about activities they are pursuing
- Contact payors directly:
  - Seek alternative claim submission methods
  - Ask what they are doing to remedy the situation
    - Have they begun mailing paper checks?
    - Where are payments going?
  - Share findings from your KPI trends when seeking advances on payments

FOCUS ON TODAY

- Don't panic! This is not a denial problem, just a delay

- Keep doing the basics
  - Do activities to keep the doors open and lights on

- Listen and say thank you
  - Most RCM teams understand at a high level what has happened
  - Automated processes have been disrupted so workloads have increased
  - RCM teams care about the job they do, and this impact is causing them additional stress

- Continue to ask questions
  - Have you received any communications from payors?
  - What other changes in the normal revenue cycle processes has the team noticed?

PREPARE FOR WHEN CHANGE HEALTHCARE IS BACK ONLINE

- Establish reporting cadence for impacted areas
- Monitor RCM workflows
- Be sure claims on hold have been submitted
  - Claim Acknowledgement reports need to be worked daily
- Review claims-rejected reporting
  - Claims that reject from the payor will need to be corrected before they can be submitted
  - Rejected claim trends to be analyzed to identify root causes
- **Monitor, Monitor, Monitor AR from Q1 2024**
  - Don't allow it to age >60 days without manual review

QUESTIONS

STROUDWATER

COMMITTED TO INCREASING THE IMPACT OF RURAL AND COMMUNITY HEALTHCARE.

Our team of rural and community healthcare experts support the leadership of hospitals, health systems with a rural footprint, and the groups and clinics that form an essential care network across the 97% of the US that is defined as rural.

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HELPFUL LINKS

- https://www.medicaid.gov/federal-policy-guidance/downloads/cib031524.pdf

- https://www.cms.gov/newsroom/fact-sheets/change-healthcare/optum-payment-disruption-chopd-accelerated-payments-part-providers-and-advance

- https://d31hzlhk6di2h5.cloudfront.net/20240314/11/20/c3/2e/d3393d95267f9cf7a594c99b/FAQs_CHOPD_AAP_Program_3.13.24.pdf

- https://solution-status.optum.com/

- https://www.unitedhealthgroup.com/ns/changehealthcare.html

- https://www.communityplans.net/plan_resource/acap-plan-resources-on-change-healthcare-cyberattack/

- https://d31hzlhk6di2h5.cloudfront.net/20240314/58/b4/8d/15/c9f7cc059cbf2199880f1dad/AHA_Special_Bulletin_3.12.24.pdf

THANK YOU

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