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THE BOTTOM LINE

Information and insight to advance the financial performance of your practice.

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MedOptima expands into hospital consulting as medical practice acquisitions climb

Dr. Eric Beier

While healthcare reform will require years to implement, one of the most visible changes to providers has been a surge in hospitals acquiring medical practices. Reminiscent of the 1990's when hospitals sought to influence patient referral patterns, this new buying frenzy is fueled by the government's plan to implement "bundled" healthcare bills that include hospital and physician costs.

The trend has created challenges for hospitals since hospitals' billing expertise often does not extend to billing for physicians. Adding urgency for a fix, many hospitals have historically lost $100,000 or more per year per employed physician, as a lack of optimal physician billing practices can result in the loss of substantial revenue that hospitals can ill afford in these difficult economic times.

This has created an opportunity for MedOptima, which is now actively consulting with hospitals in the Midwest that have acquired medical practices and are seeking to streamline or improve integration. MedOptima also consults with hospitals on issues related to specific medical specialties such as coding and compliance issues.

"Physician billing, coding, and compliance are quite different than what hospitals are used to," says MedOptima President Eric Beier, MD, MBA. "Our consulting engagements can be highly focused. We recently assisted a hospital that was addressing coding issues related to emergency medicine. Having an outside expert was beneficial to the hospital and physicians."

Beier explains that MedOptima provides two key sources of value for hospital clients. "First, MedOptima's consultants are experts with Allscripts Professional PM practice management software and can help hospitals more efficiently and effectively implement this Allscripts software for their physician practices. Second, regardless of the practice management software platform the hospital physicians are on, MedOptima can value engineer billing processes and assist hospitals in consolidating the billing for acquired practices into an efficient central billing office."

MedOptima's proven record of optimizing the financial and operational performance of medical practices is reassuring for hospital clients. "We're very much a data-driven, best practices company that understands how to get everyone to the table and working together. That's what has to happen; we make it simpler."

For more information on MedOptima's hospital consulting services, contact Eric Beier, MD, MBA, ebeier@MedOptima.net 260.969.1950 x101.

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Doctor, Test Thyself:

New on-line test site lets ER physicians hone coding knowledge, reduce fraud risk

In busy emergency rooms across America, it's not uncommon for physicians to make coding errors or forget to document services provided to patients. It's a big problem in the form of lost income and an increased risk of fraud and abuse-related lawsuits.

To help clients combat the issue, MedOptima is launching a solution in the form of an on-line testing portal that hospitals and medical practices can use to test the coding and compliance knowledge of emergency medicine physicians. It is called MedTesting OnDemand because it enables physicians to go on-line and test themselves when it's convenient for them.

MedOptima President Eric Beier, MD, MBA, explains that coding errors, poorly documented services, and the time spent trying to recapture revenue lost due to avoidable payment denials are all too common issues affecting the fragile bottom lines of hospitals and medical practices.

"Physicians are the key to improving coding accuracy, reducing the risk of fraud and abuse charges and improving financial performance. Yet it's challenging given physicians' busy schedules to provide training and testing. With MedTesting OnDemand, emergency medicine physicians can test their knowledge when they have time."

MedOptima's MedTesting OnDemand is an interactive testing tool. Questions are multiple choice and true/false for ease of scoring. A randomization engine is utilized so questions are presented in a different order for every test-taker to prevent misuse.

MedTesting OnDemand also makes it easier for hospitals and medical practice managers to schedule, administer, track, and measure compliance testing. The administrator decides when to push the test out to physicians and check participation on-line, making enforcement easier. Detailed reports on test results are provided to administrators.

MedOptima plans to launch on-demand testing solutions for other medical specialties in the near future.

Interested in learning more?

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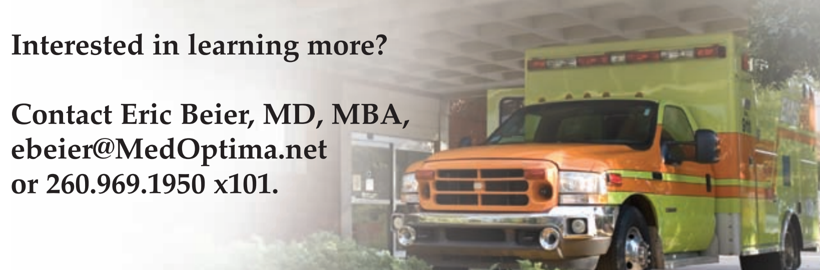

Fed gets more resources to pursue alleged fraud and abuse cases

One unanticipated result of healthcare reform is a more aggressive approach to pursuing and prosecuting alleged fraud and abuse on the part of healthcare providers. According to the Healthcare Financial Management Association (HFMA), regulators now have new resources and added incentives to pursue healthcare fraud and abuse, including expanding the number of prosecutors, agents and Justice Department attorneys. One of the drivers of this new effort is cost—the federal government needs the revenue from cases to fund healthcare reform.

Speakers at HFMA's annual national institute in June, stressed that healthcare providers should prepare for the worst. A provision of the new reform law requires someone in a leadership position to certify, likely on an annual basis, that the organization has a compliance program in place. All Medicare providers must have compliance programs.

The new law also relaxes the requirements for lawsuits filed under the False Claims Act. Of particular concern to physicians is that accidental overpayments by Medicare are potential false claims; providers must return overpayments in 60 days to avoid risking fraud and abuse penalties from the government.

Hospitals and health systems were also warned to brace for lower payments, not a welcome message when 32 million Americans are expected to get health coverage, dramatically increasing patient volumes. About 20 million people will remain uninsured.

MedOptima's Beier, Eavey present at ACE 10 in Las Vegas in August

With MedOptima, what happens in Vegas is shared with clients.

In August, Eric Beier, MD, MBA, president, and Amy Eavey, director of software applications, served as presenters at ACE 10, the Allscripts Client Experience conference in Las Vegas. Beier was a panel member for a medical group business strategies session, while Eavey was a panel member for a "tips and tricks" discussion on Allscripts Professional PM software. Here are some key takeaways from the Allscripts conference:

ANSI 5010 electronic claims transaction changeover in 2011

This change will require practice management software companies to make significant changes in the their software, and will also be a significant undertaking for medical practices and hospitals that self-bill physician claims. ANSI 5010 contains 218 new data elements, which must be addressed by both software and billing entities. The rationale for ANSI 5010 is that it supports ICD-10 and pay-for-performance.

MedOptima and Allscripts will manage the operational and information technology impacts of the changeover for our clients, but self-billing physician practices should contact their software vendors and billing entities now to plan for what promises to be a daunting change.

ICD-10 coding requirements set to change in 2013

New ICD-10 coding requirements will go into effect October 1, 2013, posing potential operational and financial disruptions to medical practices. The number of diagnosis codes will increase from about 14,000 with ICD-9 to more than 69,000 diagnoses in ICD-10. The ICD-10 code set demands much more specific documentation of a patient's conditions, requiring physicians to improve both documentation and their ability to select diagnoses. Accurate selection of ICD-10 diagnoses will be important from a financial perspective due to insurance coverage, reimbursement, and quality reporting implications linked to the diagnosis.

Government payer trends

Pay-for-performance continues to gain steam. Patient outcomes will become increasingly important in determining reimbursement. Also, Accountable Care Organizations are being promoted. Under this model, physicians are paid to keep entire patient populations healthy.

Overcoming patient payment challenges

According to the MGMA, medical groups collect just $1 of every $4 in patient responsibility accounts receivable. On average it costs $31.60 to collect a patient account more than 60 days old. Thus it is increasingly important for physicians to collect patient responsible balances at the time of service. Don't want to wait to be paid? MedOptima helps clients collect patient responsible payments at the time of service with Allscripts' credit card payment authorization solution called Patient Payment Assurance.

Reducing payment denials

MedOptima will be adding a new payment denials tool from Allscripts. This new capability will allow us to improve client cash flow and revenue by allowing us to report denials by payer and procedure, more quickly resolving payment denials and preventing future denials.

How one practice added 50% more physicians and claims volume without adding staff

You would think that when ENT Associates of Fort Wayne, Ind., merged with another ENT practice, increasing the number of physicians by 50 percent and growing to more than three offices and ten clinics, that it would take months, perhaps even years, to operate as a single, smoothly running organization. Yet within 60 days of engaging MedOptima as a consultant, ENT Associates' CEO Steve Sandquist reports significant progress.

"Because of MedOptima, we have maintained the same level of billing staff even though the workload increased 50 percent. We're now billing day-to-day instead of week-to-week. We've reduced our revenue cycles and our staff is motivated and focused. I can't say enough about MedOptima. They are very, very good at what they do," Sandquist says.

To read the entire case study, go to www.MedOptima.net.

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PRACTICE POINTERS
CMS provider signature guidelines

CMS requires that services provided or ordered be authenticated via a legible identifier. Handwritten or electronic signatures are required on all orders and other medical record documentation for medical review purposes. Stamped signatures are not acceptable.

All medical records should have a legible identifier, a signature or initials, on the patient's permanent record before claims are submitted to Medicare. Examples of medical records requiring a legible signature include:

- Dictated reports
- Outpatient visits
- Labor or diagnostic orders/requisition
- Certification of Medical Necessity (CMN)
- Treatment logs/notes
- Initial evaluations or re-evaluations
- Inpatient visits
- Office visits
  (even if there is only one provider at the practice location)

If your practice is asked to supply medical records and the signature is illegible, the carrier will ask that you include a signature key, signature page, or document from the provider/physician or compliance officer that affirms the signature is indeed the provider's/physician's. This signature document can be submitted for all medical records requests.

If the medical records have an electronic signature, the carrier will ask that you submit the protocol or procedure that describes the requirements for the provider/physician to log into the system with their own ID and password and sign the medical records. This document also can be sent with the first CERT request for medical records or once per Medicare provider number. The CERT contractor will keep a copy of the protocol on file for future requests for your group/provider number.

Questions about signature guidelines? This will help.

EXAMPLE	ACCEPTABLE	NOT ACCEPTABLE
Legible full signature	X	
Legible first initial and last name	X	
Illegible signature where the letterhead, addressograph, or other information on the page indicates the identity of the signatory. Ex: An illegible signature appears on a prescription. The letterhead of the prescription lists three physicians' names. One of the names is circled.	X	
Illegible signature over a typed or printed name	X	
Illegible signature NOT over typed/printed name and NOT on letterhead, but submitted documentation is accompanied by: • Signature Log • An attestation statement	X	
Illegible signature NOT over a typed/printed name and NOT on letterhead and the documentation is NOT accompanied by: • Signature Log • An attestation statement		X
Initials over a typed or printed name	X	
Initials NOT over a typed/printed name by accompanied by: • Signature Log • An attestation statement	X	
Initials NOT over a typed/printed name and NOT accompanied by: • Signature Log • An attestation statement		X
Unsigned typed note with or without provider's typed/printed name		X
Unsigned handwritten note, the only entry on the page		X
Signature on file		X
Notation of electronic signature. The individual whose name is on the alternate signature method and the provider bears the responsibility for the authenticity of the information being attested to. The provider provides internal policy illustrating how the provider/practice secures user name and password to affix electronic signature.	X	