

REVENUE CAPTURE IN HEALTHCARE TODAY

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**Are your revenue generating departments doing their share of capturing charges?**

The financial success of any hospital or healthcare facility is dependent upon accurately charging clients for the services that have been received. "Recovery of lost revenue" or "Charge Capture" is a vital component of any healthcare organization.

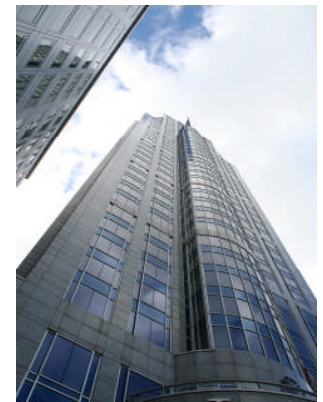
Although this process at first seems to be simple and basic, there seems to be many barriers in successfully capturing and posting charges for services rendered. Unfortunately many hospitals and healthcare providers consider this task as just another cost of doing

business and do not give it priority as a vital indication of the financial health aspect.

Properly capturing charges or recovery of lost revenue can significantly increase the revenue, reduce the delayed payments, reduce long account receivable cycle, ensure stop/loss contractual, and satisfy regulatory compliance.

Another issue seems to be that many care providers view this process as low priority administrative

**Continued on pg. 3—revenue capture...**



QUOTE OF THE MONTH

"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction, and skillful execution; it represents the wise choice of many alternatives." - Willa A. Foster

AHIP STUDY SEES MEDICARE COSTS SURGING FOR LONG-TERM CARE

Medicaid expenditures for long-term care could exceed \$3.7 trillion over the next 20 years, with states spending \$1.6 trillion alone on nursing homes, home health, disabled care and personal care, according to a study released by America's Health Insurance Plans. Because Americans are living longer, and baby boomers are

just beginning to retire, Medicaid spending for long-term care will grow at a faster rate than overall healthcare spending—and faster than Medicare. That's because "Medicaid is the de facto insurer of the middle class," said Paul London, an economist and former deputy undersecretary of

commerce in the Clinton administration and co-author of the report. "It's pretty clear most Americans are not preparing adequately for retirement and long-term care."

**CONTINUED ON PG. 2 — MEDICARE COSTS...**



**MEDICARE COSTS...CONTINUED FROM PAGE 1**

AHIP, the trade group for health insurers, commissioned the study, which relied on data from 1995-2006 from the CMS, Congressional Budget Office and other sources.

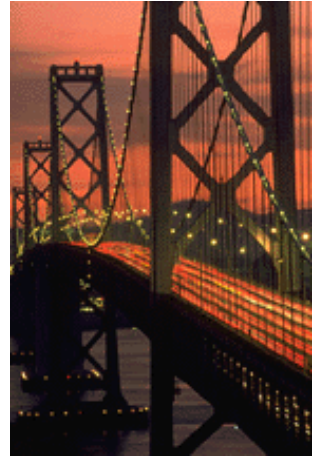
Fifteen states already spend more than \$1 billion annually on long-term care. Long-term care makes up 30% of

Medicaid expenditures, and Medicaid pays 49% of all long-term-care costs nationally.

The cost projections don't include private or out-of-pocket spending. "This is a perfect storm in the making," said Karen Ignagni, president and

chief executive officer of AHIP, which is encouraging people to buy long-term life insurance.

By [Rebecca Vesely](#)



**HISTORY OF COLUMBUS DAY**

The first recorded celebration honoring the discovery of America by Europeans took place on October 12, 1792 in New York City. The event, which celebrated the 300th anniversary of Columbus' landing in the New World, was organized by The Society of St. Tammany (also known as the Columbian Order).

San Francisco's Italian community held their first

Columbus Day celebration in 1869. In 1892, President Benjamin Harrison urged citizens to participate in the 400th anniversary celebration of Columbus' first voyage. It was during this event that the Pledge of Allegiance, written by Francis Bellamy, was recited publicly for the first time.

Colorado was the first state to observe the holiday in 1905.

In 1937, President Roosevelt proclaimed October 12 as "Columbus Day" and in 1971, President Nixon declared the second Monday of October a national holiday.



**MOTIVATING EMPLOYEES**

When you think about it, the success of any facet of your business can almost always be traced back to motivated employees. From productivity and profitability to recruiting and retention, hardworking and happy employees lead to

triumph. Unfortunately, motivating people is far from an exact science. There's no secret formula, no set calculation, no work sheet to fill out. In fact, motivation can be as individual as the employees who work for

you. One employee may be motivated only by money. Another may appreciate personal recognition for a job well done. Still another may work harder if he or she has equity in the business.



## CMS ANNOUNCES RAC PROGRAM COMPANIES

Story posted: October 6, 2008 - Modern Healthcare.

The CMS has begun the initial phase-in of its Recovery Audit Contractor program by announcing the four new contractors that will administer the program.

Each RAC will be responsible for identifying overpayment and underpayments in approximately one-quarter of the country, according to the agency.

The contractors are: Diversified Collection Services, Livermore, Calif., which will initially cover the states of Maine, Massachusetts, New Hampshire, New York, Rhode Island and

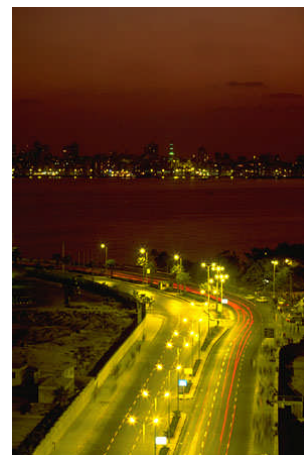
Vermont; CGI Technologies and Solutions, Fairfax, Va., which will cover Indiana, Michigan and Minnesota; Connolly Consulting Associates, Wilton, Conn., which will cover Colorado, Florida, New Mexico and South Carolina; and HealthDataInsights, Las Vegas, which will cover Arizona, Montana, North Dakota, South Dakota, Utah and Wyoming. Additional states will be added to each RAC region in 2009, the CMS reported.

The RAC program, initially pilot-tested in several states, was created by the Medicare Modernization Act of 2003 to identify and correct improper Medicare

payments paid to healthcare providers in fee-for-service Medicare. In July, the CMS reported the demonstration project **recovered \$1 billion** in improper payments made since 2005, for a net gain of \$693.6 million to the government.

HHS is required by law to make it a permanent, national program in all 50 states by Jan. 1, 2010. Hospitals and lawmakers nevertheless are concerned this “bounty hunter” type program will result in legal and administrative headaches.

-- by *Jennifer Lubell*



## REVENUE CAPTURE...CONTINUED FROM PAGE 1

function without any centralized process or standards in entering charges. Which may increase missed revenue opportunities, delayed payments, payer denials and Medicare inquires which may results in expensive penalties due to inaccurate billing.

**Internal Medical Chart Audit should be**

**considered an Investment, Not Just a Cost.**

A properly trained Medical Chart Auditor with a strong clinical and billing experience assisting the appropriate department managers and nursing departments with maintaining and/or developing Charging Protocols and Policies in all revenue producing

departments can play a significant role in identifying, correcting and improving the charge capture and recovery of lost revenue process within a hospital and healthcare providers.

-- *Julie Doumad RN, BSN, CMAS*

*Director of Audit Services*

*(American Healthcare Audit Professionals, Inc.)*

**Internal medical chart auditing should be considered an investment, not just a cost.**

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- *Worker's Compensation Reviews*

**MAKING A DIFFERENCE WHERE IT COUNTS...**

## **RE-RECRUIT NEW EMPLOYEES**

We all know that employee turnover is expensive. But did you know that more than 25 percent of employees who leave positions do so in the first 90 days of employment? To retain a new team member, the leader needs to build a relationship. Scheduling two one-on-one meetings, the first at 30 days and the second at 90 days, has an enormous impact on retention that directly turns into savings for your organization.

"If these meetings are handled successfully, new employee turnover is reduced by 66 percent," says Quint Studer, founder and CEO of Studer Group, Gulf Breeze, FL, and author of Results That Last. He suggests using a structured list of questions to discuss not only what's not going well, but also what is going well. "You can be certain that your new employees are comparing their first few weeks of work with your company to their last week

of their previous job-which was filled with well wishes, tearful good-byes, and probably a going-away party. Clearly, your company will get the short end of an unfavorable comparison. These meetings will help you shore up an otherwise tenuous relationship.

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