

Nuts and Bolts of Billing: Key Considerations for Revenue Enhancement at CBOs/ASOs

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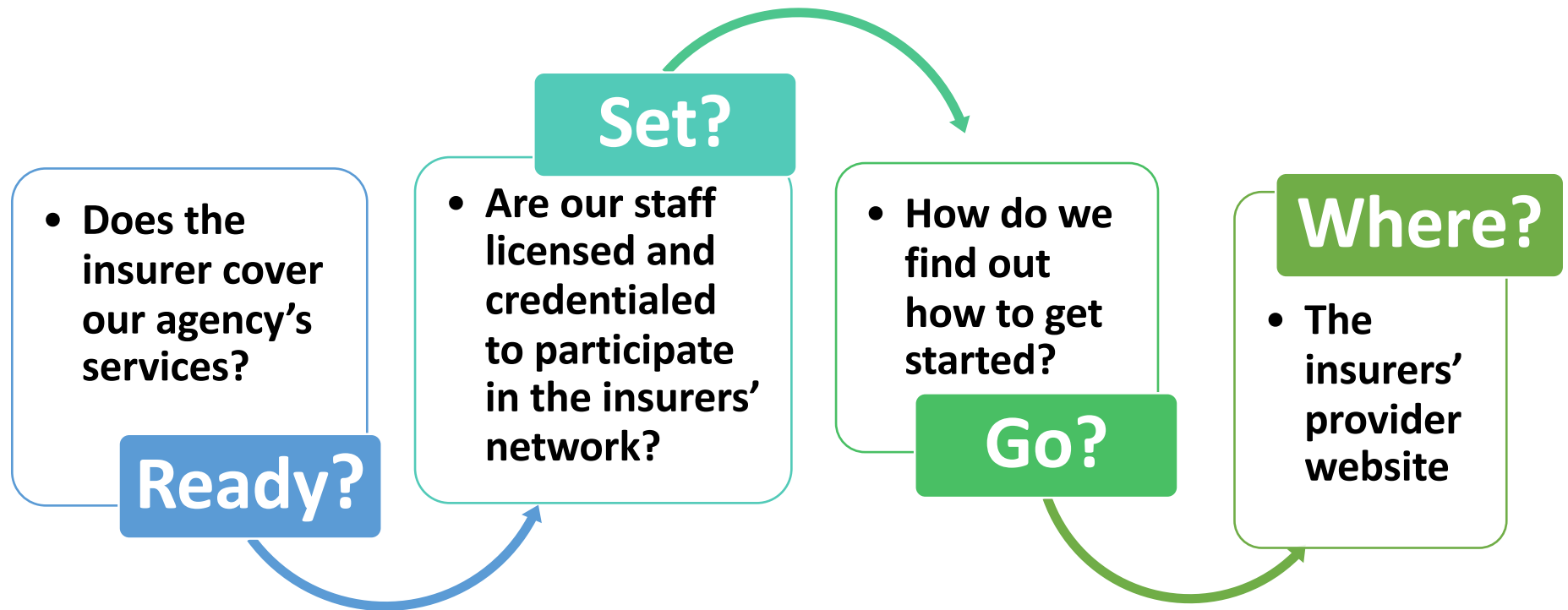
Developed Under HRSA HIV/AIDS Bureau Cooperative Agreement

Learning Objectives

By the end of this webinar, you will be able to:

- Identify the keys steps for assessing billing feasibility
- Identify three different billing models
- Describe next steps for your agency to launch or refine billing
- Request technical assistance (TA) from CRE and NCIHC to support your agency's contracting efforts

Which services can we bill for?



How Can Your Agency Address Insurers' Interests?

Insurers' Interests	Services HIV Providers Might Offer
Offer members preventive or other services	Outreach, linkage, navigation, HIV tests
Essential covered benefits	Clinical services, labs, ancillary services
Members' healthcare and insurance literacy needs	Non-MCM, navigation, health education
Prevent communicable diseases including HIV, STDs, TB, and HCV	nPEP and PrEP support, HIV/STD CTS, behavioral prevention, condom distribution and education, HERR
Address linguistic and numeracy needs to promote prevention, access, and tx adherence	Translation and health education
Culturally competent care coordination, chronic disease management, tx education	Culturally competent workers expert in serving racial, ethnic, and sexual minority populations

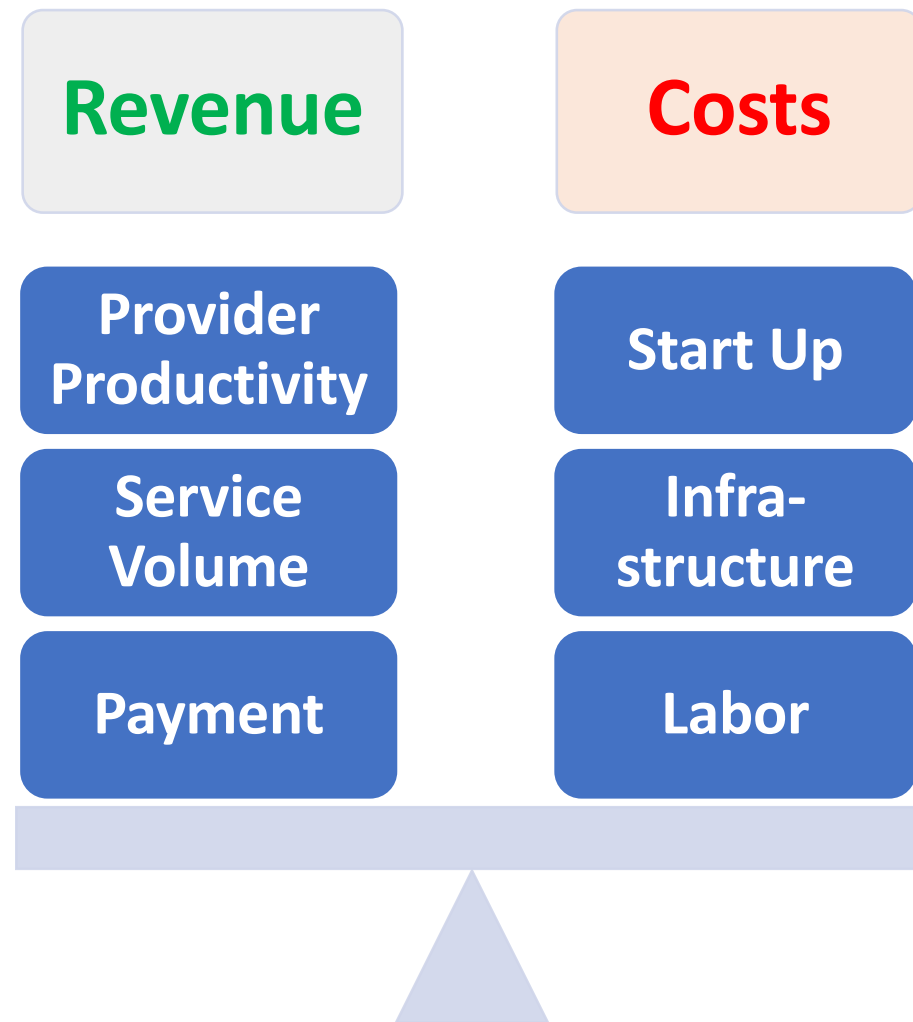
How Can Your Agency Address Insurers' Interests?

Insurers' Interests	Services HIV Providers Might Offer
Ensure access to medical care promoting health, and prevent and treat disease	Medical care, MCM, navigation, medical transportation, telehealth
Ensure HIV+ clients optimally benefit from ARVs and other medications	MCM, navigation, tx education and adherence counseling, MCM
Coordinate services of the care team with the client, family, and community resources	MCM
Chronic disease management	MCM
Inpatient discharge planning and readmission prevention	MCM

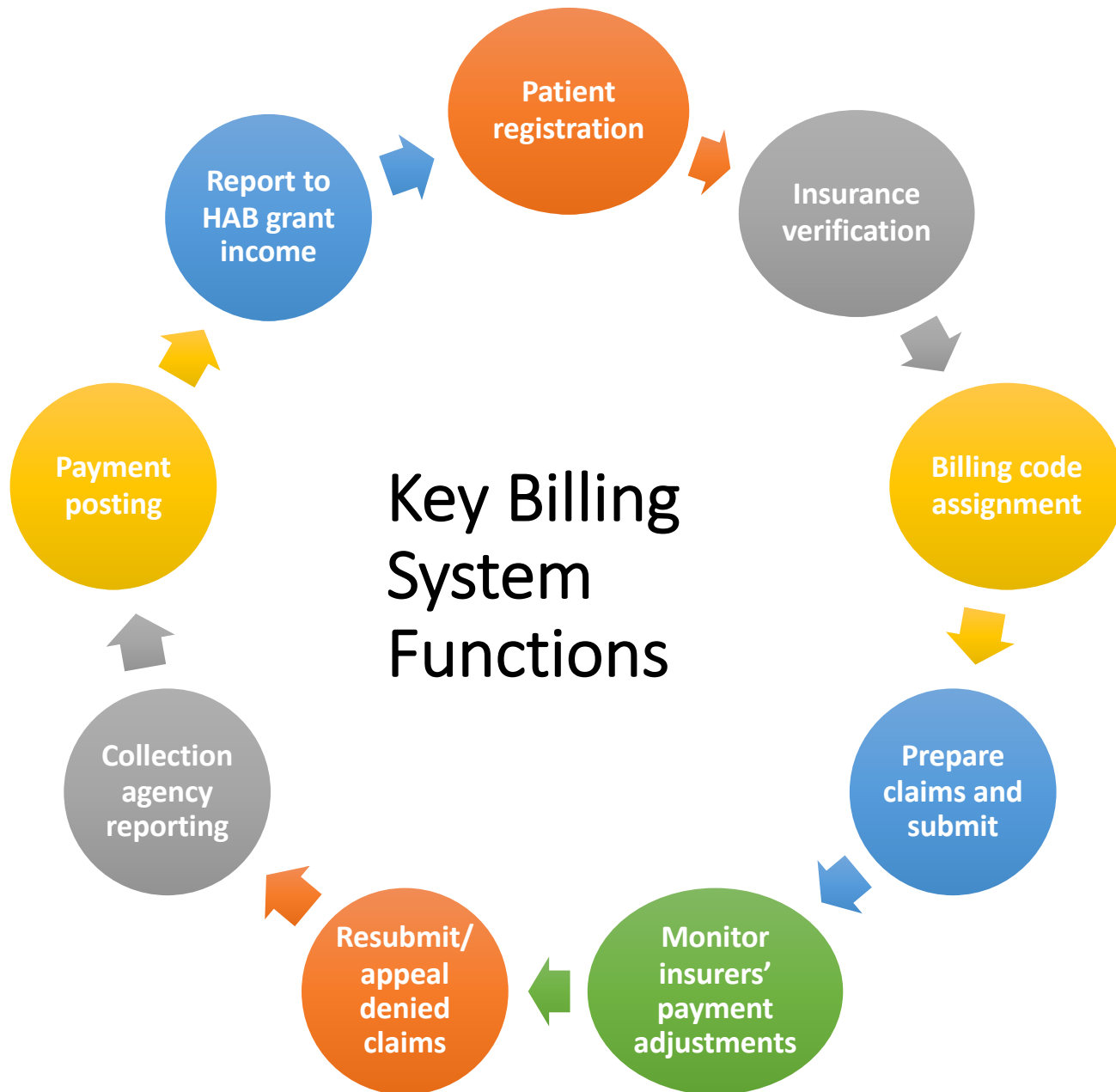
Assess Billing Feasibility

- Does your agency:
 - Provide services covered by insurers?
 - Serve insured populations?
 - Meet insurers' provider requirements?
 - Have organizational infrastructure?
 - Have capital to invest in a billing system?
 - Have sufficient funds to cover the short and long term cost of a billing system?
 - Have a board that can help build your capacity?
 - Have TA available to help you build your system?

Assessing Feasibility: The Bottom Line



Key Functions of Billing systems



Selecting a billing approach

Three Billing Models



In-house staff model

Outsourced model

Organizational partnership

Pros and Cons of Staff Model Billing Systems

Pros	Cons
<ul style="list-style-type: none">▪ Control billing functions and revenue▪ Staff accessibility▪ Billing staff may take on other tasks▪ Maintain patient confidentiality	<ul style="list-style-type: none">▪ High labor cost▪ Initial launch likely to be slow▪ Ongoing training needed▪ High claims volume and paid claims rates needed to cover costs▪ Liability due to employee neglect and theft▪ Dependent upon a few staff▪ Few services offered▪ Must buy IT and billing software▪ Low return on investment▪ May need clearinghouse services

Pros and Cons of Outsourced Model Billing Systems

Pros	Cons
<ul style="list-style-type: none">▪ Low labor costs▪ Quick launch▪ Credentialed, experienced staff▪ Can handle high volume claims processing▪ Benefit from lessons of other providers▪ Multiple services offered▪ Low IT requirements▪ Transparency▪ Return on investment	<ul style="list-style-type: none">▪ Must procure the service▪ Inexperience makes it hard to compare multiple vendors▪ Patient confidentiality delegated▪ Variable fees based on volume▪ Fees may not be apparent in contract negotiation▪ Some services are outside your community

Selecting a billing service



Chat in Question

- If you use a billing service, how did your agency find and select it?

Identifying Potential Billing Services

- How do you find one?
- Who are they?
- Where are they?
- What services do they offer?



Selecting a Billing Service

- **Experience and Location**

- Years in operation, staff, insurers, types of healthcare facilities served, gross annual billings,

- **Services**

- Services offered, coding, billing, patient relations, regulatory compliance, reporting, and analysis

- **Resources**

- Training materials, Ps and Ps

- **Technology**

- Data sharing, security, backup, and recovery procedures

- **Pricing Model**

- Percentage-based, fee-based, hybrid

Pros and Cons of Organizational Partnerships

Pros	Cons
<ul style="list-style-type: none">▪ Low labor costs▪ Quick launch▪ Credentialed, experienced staff▪ Can handle high volume claims processing▪ Benefit from lessons of other providers▪ Multiple services offered▪ Low IT requirements▪ Transparency▪ Return on investment	<ul style="list-style-type: none">▪ Must procure the service▪ Inexperience makes it hard to compare multiple vendors▪ Patient confidentiality delegated▪ Variable fees based on volume▪ Fees may not be apparent in contract negotiation▪ Some services are outside your community

Building Partnerships

- Hospital, FQHC, or other entity experienced in billing
 - Contract with a provider with electronic billing
- Share a billing system across a group of providers
- Other benefits of partnering
 - Co-locate to share space and resources
 - Referral agreements
 - Subcontracted services

Weighing the pros and cons of billing models



Weighing Costs of Staff and Outsourced Models

	Staff	Outsourced
1 Billing department costs	\$29,500 <i>Salary for .5 FTE, fringe benefits, ongoing training, supplies, rent</i>	\$3,120 <i>\$15 per hour, 4 hours per week, 52 weeks)</i>
2 Software costs	\$4,400 <i>PMS, data storage, maintenance</i>	\$0
3 Hardware costs	\$2,400 <i>Ongoing hardware cost</i>	\$700 <i>Computer and printer to log onto billing service IT system</i>
4 Direct claims processing costs	\$1,200 <i>Clearinghouse fees</i>	\$24,500 <i>Fees of 7% applied to 70% collection rate on claims billed</i>
5 Billing collection rate	60%	70%
6 Collections	\$300,000 <i>Gross billings * 60% collection rate</i>	\$350,000 <i>Gross billings * 70% collection rate</i>
7 Collection Costs (Sum 1 - 4)	\$37,500	\$28,320
8 Net collections	\$262,500	\$321,680

Key Tasks for Implementing Billing

Countdown to Billing Launch –

- Get buy-in from staff and clients
- Convene billing workgroup
- Identify infrastructure changes
- Build staff capacity



Obtaining Leadership, Staff, & Client Buy-in

- Align with your agency's overarching health insurance readiness efforts
- Engage organizational leadership and staff in planning
- Identify organizational resources for readiness activities
- Identify and address staff and client concerns

Form a Billing Workgroup

- Identify key representation
 - Agency managers, fiscal, IT, lead service providers
- Establish the group's charge and schedule
- Assess resources available to the group
- Analyze unit costs of services to be offered insurers
- Build billing expertise, get TA, learn from your peer agencies

Identify Infrastructure Changes

- Identify coding and billing tasks
 - In-house or outsourced
- Determine new infrastructure, staff training, and IT outlays
 - Assess your accounting system's capacity to track pending claims and revenue and report grant income to the RWHAP
 - Consider the need for a practice management system (PMS)

Considerations in Selecting PMS Software

- Identify critical software functionality, including electronic billing
- Compare PMS products and ask your peers!
- Request proposals and demos from PMS vendors
- Select best system for your agency
- Negotiate and always read the “fine print”!

Access Billing Clearinghouses Through Your PMS

- Functions
- Paying the clearinghouse
- Pros and cons
- Contracting with a clearinghouse

Build Staff Capacity

- Establish billing Ps and Ps
- Build coding capacity
 - Develop encounter form/superbill
 - Build documentation templates for integration in the PMS
- Enhance revenue cycle management processes
- Train staff
- Go LIVE Plan and Launch

Summary Points

- Reviewed key billing functions
- Remember that most RWHAP providers offer billable services
- In considering billing models, weigh their cost versus return on investment
- Choose the billing model that is right for your agency
- Train staff and implement
- Remember: *CRE and the Innovation Center are here to help!*

Resources

- American Medical Association- Medical Group Management Association (MGMA) Practice Management System Toolkit: <http://www.ama-assn.org/ama/pub/advocacy/topics/administrative-simplification-initiatives/pms-toolkit.page?>
- HealthIT.gov. How to Implement Electronic Health Records.
- JSI. STD TAC: <http://stdtac.org/>
- Medical Group Management Association. Selecting a Billing Service: <http://www.mgma.com/practice-resources/tools/billing-service-selection-checklist>
- AMA Steps Forward. PMS system criteria checklist: <https://www.stepsforward.org/Static/images/modules/20/downloadable/PMSCriteriaChecklist.docx>
- NACCHO Billing Toolkit: <http://archived.naccho.org/topics/HPDP/billing/how-to-use-the-billing-toolkit.cfm>