ADVANCED DATA SYSTEMS RCM

NOVEMBER 2024

INSIGHTS

Articles of Interest in the World of Revenue Cycle Management from Advanced Data Systems RCM

What Constitutes 84% of a Medical Group's Expenses?

Is it diagnostic/medical equipment? Rent? Malpractice or liability insurance? Staffing? Tongue depressors?

If you're thinking "staffing" you're on the right track. But specifically, what staffing? .snaicisyhP (We spelled it backwards so as to not give the answer away immediately in case you wanted to think about it.)

Yes, they - which actually includes all providers - make up 84% of basically any medical group's expenses. And that's all while they're generating less revenue, not necessarily of their own doing. In fact, the report shows that providers are working more while generating less revenue.

Of course, non-provider staffing for "back of the house" personnel is also expensive when factoring in recruiting, training, salaries, and benefits. That's why having AI-driven automation that can remove, or at least reduce, tedious hands-on manual operations should be leveraged. Working with an RCM company that has its own outsourced behind-the-scenes workforce, in addition to the AI-architected-type of platforms mentioned can dramatically help to consolidate in-house staffing.

Click here for the entire KaufmanHall article.

(ADSRCM, with our outsourced workforce and AI-driven MedicsCloud Suite, provides powerful workflow and efficiency for clients while driving maximized revenue as well.)

Out of Sight, Out of Mind, Out-of-Pocket

Unfortunately, these blend neatly in terms of patient responsibility amounts:

- ✓ frequently, they're out of sight (unknown to patients in advance when it can be better mitigated)
- ✓ out-of-mind (after the fact, patients may well pay their cable bill before yours) and
- ✓ out-of-pocket because that's the crux of the problem in the first place

But don't take our word for it. According to a PhRMA survey, high out-of-pocket costs may well sour their relationships with you even though it's not your fault. You're perceived as the "bad guy" for wanting (needing) to be paid on balances not covered by insurance.

And as you might know from personal experience, those balances are becoming more and more pronounced. Patients are thought to be the third largest payer group in the US behind only Medicare and Medicaid. This only goes to further highlight the out-of-pocket problem.

Click here for the PhRMA article.

In your world you're almost assuredly fighting three constant battles:

- ✓ to avoid not being paid by insurance (aka, denials),
- ✓ to ensure being paid as optimally as possible when you do get paid by insurance, and
- ✓ to capture patient responsibility balances

All three are possible if you have the correct tools and services to support your efforts.

(ADSRCM clients have AI-driven, proactive alerts on claims likely to be denied and resubmissions within 72 hours of others not pre-detected, and we'll guarantee to increase revenue in 90 days. Clients also have access to our pre-appointment Patient Responsibility estimator for avoiding surprises and keeping patient balances tightly managed, and pre-appointment out-of-network alerts.)

Medicare and Improper Collections Practices

On the heels of the previous article about patient balances comes word from CMS and the Consumer Federal Protection Bureau (CFPB) about their efforts to suppress collection activity for low-income beneficiaries.

At the core of it is the Qualified Medicare Beneficiary (QMB) group. Patients falling into this group can't be billed for cost-sharing, which includes co-pays and deductibles. To explain it better, QMBs are low-income older adults and people with disabilities whose Medicare Part A and B cost-sharing are covered by state Medicaid agencies.

The CMS/CFPB effort (law) essentially aims to "free-up an individual's limited income for food, housing, and other life necessities." Those providers who don't follow the law and who bill for cost sharing as described violate their Medicare agreements, are subject to sanctions, and would need to refund amounts received for what was improperly billed.

The CFPB is the agency involved in unfair debt collection practices and under whose responsibility falls the Fair Credit and Reporting Act.

The bottom line is to be careful in pursuing what shouldn't be pursued.

Click here for the joint statement which is dated October 31, 2024.

The Risk in Concentration

This one may be a little deceptive. Of course, there's no risk in concentration except when "concentration" refers to a single point of failure. In that case, concentration is a risk.

According to a newly released report, healthcare facilities and settings stand to be at tremendous risk when one key system or process ceases to function. One example given of concentration risk is when something like a workforce shortage severely derails the operation.

Another example is when there are mergers/acquisitions that limit patients' access to care and/or when the combined organization is unable to handle any particular crisis.

The obvious way to mitigate concentration risk is to identify all your potential single points of failure, and to develop contingency plans for each in an "if X happens then we activate Plan Y."

If you concentrate on that, you'll go a long way in eliminating single failure points.

Click here for the Forrester report.

Mergers and Acquisitions

We just referenced M&As (according to the report) as being a potential risk for single point failure.

On that note comes another report from Kaufman Hall that M&As especially involving hospitals and health systems surged in Q3 of 2024 with 27 announced transactions in the quarter, four of which were described as "mega mergers."

Interestingly, of the 27, seven involved for-profit acquirers, three were academic acquirers, three were religion-affiliated acquirers, and two involved governmental acquirers. The other 12 involved other not-for-profit acquirers.

Presumably all 27 are reviewing their concentration risks.

Click here for the Kauman Hall report.

Medical Fraud-of-the-Month Club

This one is interesting with an international twist.

The owner of a MI-based home health care company was sentenced to 3.5 years for his role in a scheme to defraud almost $8 million in phony Medicare Part A claims. Three doctors and two other owners of home health care companies were involved.

The amount involved $393,000 in Medicare claims that were medically unnecessary, ineligible for Medicare reimbursement, and not provided as represented.

The international part is when he fled to Canada and then to Pakistan living for seven years as fugitive. He then returned to the US.

Click here for the Department of Justice press release.

ICD-11 Update

We're closing November's InSights with some insights on ICD-11.

There's some minimal chatter about it but right now, there's no mandatory implementation date and considering how ICD-10 went, we could be five years out before 11 is implemented in the US. Of course, that's purely conjecture. But then, according to the WHO, migration to ICD-11 will be at member states' own pace and according to their needs and resources. So, that could substantiate the length of time this will probably take.

To that point, In 2018, the CDC stated 2023 would be the earliest the United States would implement ICD-11 for mortality (cause of death). But on the doorstep of 2025, there's still no word yet on when implementation will begin.

Certainly, we'll report on things as updates are provided, but for the foreseeable (and even unforeseeable future), ICD-10 will continue as is.

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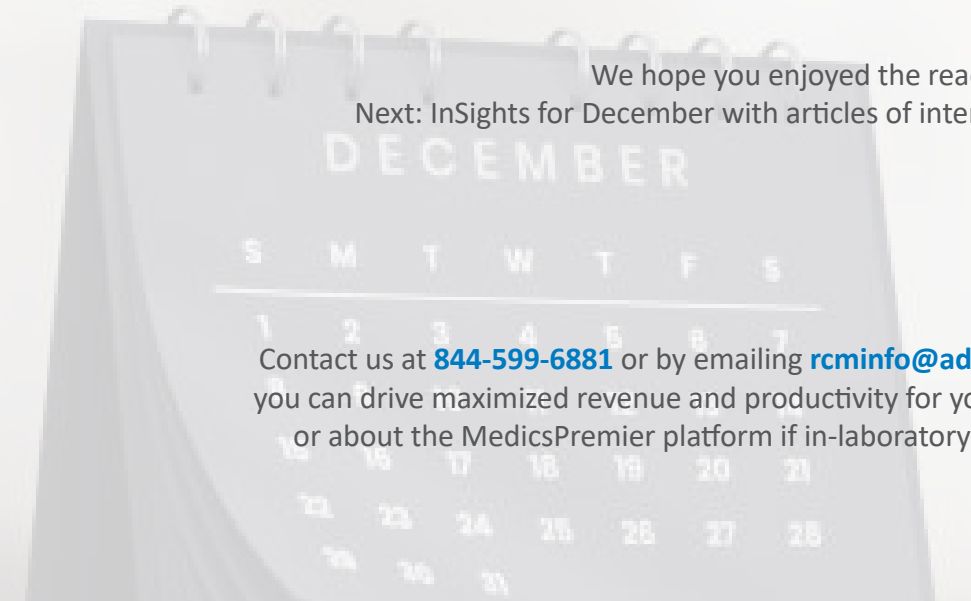
We hope you enjoyed the read.
Next: InSights for December with articles of interest to end the year!



Contact us at **844-599-6881** or by emailing **rcminfo@adsc.com** for more about how you can drive maximized revenue and productivity for your laboratory with ADSRCM or about the MedicsPremier platform if in-laboratory automation is preferred!

Feedback or comments on our newsletters/content are greatly appreciated. Please opine by emailing marc.klar@adsc.com or by calling me at 973-931-7516. I would love to hear from you!
-Marc E. Klar, Vice President, Marketing, ADS RCM.