

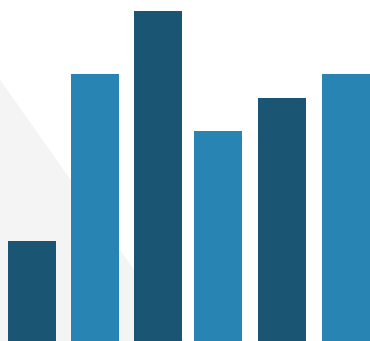
CASE STUDY

CRITICAL ACCESS HOSPITALS

JANUARY 2019



WOUND CARE
RCM



"Spend time upfront to invest in systems and processes to make long-term growth sustainable."

-Jeff Platt, SkyZone CEO

Our client is a privately-owned, 25-bed Critical Access Hospital located in the southeast.

The facility provides a large number of crucial services to the surrounding communities, including a comprehensive Wound Care department, one of their primary planned drivers for revenue enhancement.

The hospital however, struggled to articulate a growth beyond their average annual revenue of \$7 million. They contracted with a wound care vendor to manage their billing and were left largely dissatisfied with their overall inability to manage the RCM and Wound Care services as a whole.

Genesis RCM was given an opportunity to review the case as a potential replacement vendor for the hospital's billing business.

AT A GLANCE

FINDINGS

Low Charges Factor

1. HOPD charges for low tier and high tier skin applications were extremely low. Below are the billing rate examples.

C5275	\$	1,650.00
15271	\$	1,850.00
15275	\$	1,950.00

2. The hospital used products like Epifix, Puraply, Primatrix, Oasis, Grafix Prime, Grafix Core, Theraskin, Hyalomatrix etc and billed them at lower charges.

3. Ultimately, we observed that the hospital used a combination of low tier as well as high tier skin substitutes, however they billed the high tier skin substitutes with a low tier application code and vice versa which resulted in lower reimbursement.

Result:

The inappropriate billing and lower charge rates for both the application and the product calculated a lower cost-to-charge ratio for the hospital and thus resulted in compromised reimbursements.

Overlooked Procedures

Reviewing the clinical documentation, we learned that:

1. The Lower Extremity Studies were never performed on majority of the cases during a new patient visit.

i.e. 93922, 93923, 93924 or 93925.

2.. HOPD conducted multiple wound treatments on the same day with same patients; however they missed to bill all the treatments.

i.e. There were cases 15271 and 15275 should have been billed, however HOPD billed out only 15271 (or) 15275.

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FINDINGS

Overlooked Procedures (cont.)

3. We observed that the department had treated a lot of cases with compression wraps however the appropriate procedures were never billed to the insurance.

i.e. Example Procedure is 29581

4. In addition, compression wrap cases that were performed bilaterally were not billed appropriately to the insurance.

Result:

Failure to appropriately bill lower extremity studies, application of skin grafts, and compression wraps (Bilaterally) resulted in significant revenue loss to the hospital.

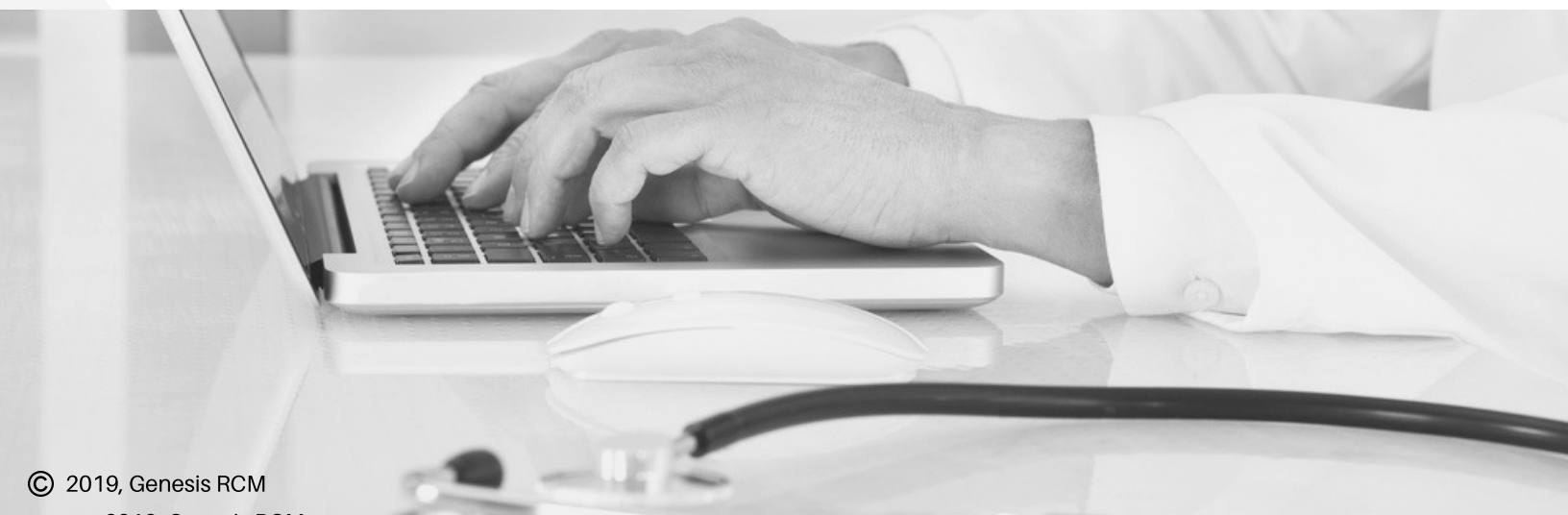
Inappropriate Coding

On financial review, we observed that:

1. Medicare denied many Debridement cases as CO-50. Upon further analysis, we found the Primary diagnosis did not meet the LCD. Several cases were billed with incorrect diagnosis codes.

Result:

Inappropriate coding/billing resulted in non-payment and imposed a measurable, negative impact the hospital's clean claim submission ratio.



FINDINGS

Product Failure & Patient Satisfaction Decline

Evaluating the hospital's Wound Care Department and outcomes, we identified that:

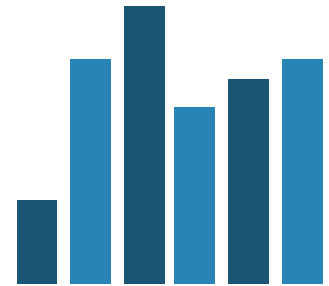
1. The hospital's OPD had been using a lot of low tier skin substitutes. Though we could not find any particular reason other than a low product invoice to the Hospital.
2. A quick survey with the patients who were treated with low tier skin substitutes from the HOPD revealed their healing difficulties and subsequent dissatisfaction with the services.

Result:

Utilization and a of low tier skin substitutes not only hindered the reimbursement results for the HOPD but also reduced their patients' satisfaction and loyalty (return visits, referrals, etc)

"Ensuring clinical and financial processes within the organization meet patient demands will boost patient collections, patient satisfaction, and ultimately patient retention."

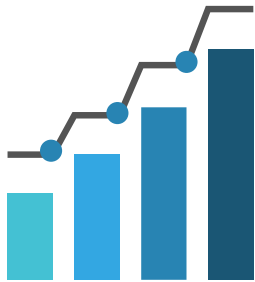
- MGMA, 2018 Report



Our final impression of the hospital's Wound Care Department was that it faced significant ongoing losses without quick intervention to improve workflows, better negotiate and manage product purchasing and applications, and optimize its billing procedures.

RESULTS

The hospital took the findings above under consideration, GENESIS RCM became a their vendor/partner by signing contracts for 3 years from 2018 onwards. Below is a quick snapshot of our work.

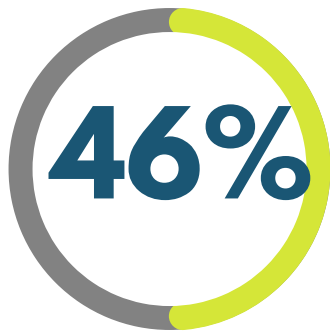


Before (2017):

\$7.4M
Annual Revenue

12 Month Results (2018):

\$13.6M
Annual Revenue



**Revenue Increase In
Year 1 of Service**

The Difference Makers

1. Genesis assumed extensive management of the HOPD Wound Care Department, implementing their proprietary Wound Care Solutions Program for everything from coding protocols and revenue cycle to preferred biologics vendor pricing and utilization, and more.
2. \$1.2M additional dollars were collected over the course of 2018 by rebelling all missed opportunities from the 2017 within timely filing deadlines.
3. Genesis brought complete HOPD revenue cycle operations within Best Practice guidelines for clean claims, charge days, A/R and denials, collections and more.