A Process to Recover Additional Revenue for Home Care Plan Oversight

Submitted by Denis J. Devos, P. Eng,
Mercy Physician Community PHO, Port Huron, Michigan
A case study presentation from the ASQ Healthcare Division: www.asq.org/health.

Copyright © 2009, Denis J. Devos.
Used with permission.

Submit your own case study to be considered for publication.

What other content would you like to see on the Healthcare Division site? Let us know!
Mercy Physician Community PHO

- Primary care office
- One doctor for family practice

Mercy Physician Community PHO saw an opportunity to recover more revenue for patients’ home care by performing a more thorough review of the treatments and chart notes and physician orders and charging against additional codes.
The Project Team

- Billing manager
- One practice transformation advisor (QIC – Facilitator)
The Problem

- The billing clerk had been submitting claims for managing home-care visits for five years, but was only submitting the initial and recertification codes for each patient and was not including the care plan oversight code.
- After a visit by one of the home-care nurses, it was determined that additional codes could be billed against if the clerk sorted out what type of support was being offered by the physician.
- Our tasks:
  - Determine how much the administrative work would cost.
  - Determine how much additional revenue could be generated.
  - Create a process to make billing easier and less time-consuming.
Project Goals

• Better understand the requirements for submitting against the codes for care plan oversight.
• Bill against those codes when appropriate.
• Capture $98 per patient that was being left behind by not billing for the additional services—work toward capturing this revenue for 100% of patients who were eligible.
Root Cause Analysis

There were two root causes:

a) A lack of understanding of the different codes allowed for home care plan oversight.

b) A lack of time during the day to allow the billing clerk to investigate this new billing practice – the new process would involve sorting through the files to properly find and account for the additional eligible tasks.
Addressing Root Causes

- **Root cause (a):** The billing clerk learned about the additional codes and eligible physician activities from the home healthcare nurse.

- **Root cause (b):**
  - Learn that the revenue opportunity is $98 per patient, create a process to photocopy documentation when it comes in, and perform the billing at the end of each month.
  - We created a simple worksheet to capture the data and assess whether or not eligibility for the $98 fee was met.
  - The billing clerk reviewed six months’ of home care billing data to recover additional revenue for the practice.
Return on Investment

Costs
• One-time consultant’s fees: 2 ½ hours = $375
• Billing clerk’s time: 10 hours of additional work to process 122 home care reports @ $25/hour = $250
• Total cost to process six months worth of data = $625

New Revenue
• 14 of the 122 reports (six months) were ineligible for the additional $96.58 fee: 108 eligible x $96.58 = $10,430
• On an annual basis, expected new revenues total 20,860, with an associated ongoing cost of $500 per year
Return on Investment

Net Return On Investment:

• Each report takes about five minutes to process when done in a batch at the end of the month. Cost = $2 each.

• Each eligible report earns $96.58, for a net of $94.58 each.

• An estimated 216 reports per year earns $20,860.
Monitoring and Evaluating Over Time

• The practice transformation advisor has been following up each month.

• After the first time using the worksheet, changes were made to make it even more effective and easy to use.

• By making this new process part of the month-end billing process, the billing clerk has integrated the additional work into her routine.

• If or when work gets behind, it is still cost effective to outsource a portion of the work for a half day.
# New Worksheet Created

## JANUARY

<table>
<thead>
<tr>
<th>Patient’s Name and Diagnosis</th>
<th>Range of Treatment Dates</th>
<th>Certification: Home Health Plan of Care (G0180) - $48.65</th>
<th>Activities to Coord. Services</th>
<th>Documentation</th>
<th>Medical Decision Making</th>
<th>Review: Charts Plans, Labs etc</th>
<th>Team Conferences</th>
<th>Discussions w/ Pharmacists</th>
<th>Billing Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Name One</td>
<td>Feb 1 - Feb 28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-486</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Name Two</td>
<td>March 22 - April 22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-486</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient Name Three</td>
<td>April 15 - April 30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-486</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** Time spent must equal at least 30 minutes per patient per month in order for reimbursement.

**Care Plan Oversight - Home Health Patient (G0181) - $96.58**

- Patient Name One: $48.65
  - G0180
  - Billing Eligible
- Patient Name Two: $96.58
  - G0180
  - Billing Eligible
- Patient Name Three: $96.58
  - G0180
  - Billing Ineligible
For More Information

- Learn more about Mercy Physician Community PHO: [www.opns.org/?id=10&sid=1](www.opns.org/?id=10&sid=1).
- More case study presentations are available from the ASQ Healthcare Division: [www.asq.org/health/quality-information/library](www.asq.org/health/quality-information/library).
- Read healthcare case study articles from ASQ: [www.asq.org/healthcare-use/why-quality/case-studies.html](www.asq.org/healthcare-use/why-quality/case-studies.html).
- To find articles, books, courses, and other resources on healthcare quality, search the ASQ Knowledge Center: [www.asq.org/knowledge-center/search](www.asq.org/knowledge-center/search).