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Meet the Presenter…

Linda D. Parsi, MD
MBA, CPEDC, CMC, CMOM, FAAP

On the topic:
Tips to Improve Revenue in the Medical Office Cycle
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Top Areas to Improve Your Revenue & Medical Office Cycle

Linda D. Parsi MD MBA CPEDC FAAP

Excerpts from The Medical Office Cycle Series

Disclosures

- Owner of Parsi Pediatrics
- Owner of The P.E.D.S. MD Company
Speaker Background

- Medical School at Baylor College of Medicine in 1994
- Pediatric Residency at Baylor College of Medicine from 1994-1997
- Private practice since 1997
- Opened own practice in 2004 to present
- Masters of Business at University of Texas at San Antonio in 2008
- Certified Medical Office Manager in 2010
- Certified Medical Coder in 2012
- President of the San Antonio Pediatric Society 2011 to 2013
- Adjunct Faculty of the UTHSCSA
- Certified Pediatric Coder (CPEDC) in 2014
- AAP Coding Publications Editorial Advisory Board in 2015

Objectives

- Analysis of your medical office with a SWOT analysis
- Review top areas of the Medical Office Cycle to improve revenue and quality
- Review key areas which may assist in increasing revenue by thousands to tens of thousands of dollars
- Review key areas to improve efficiencies throughout the office
Introduction: Why does this affect me?

- To Survive and Thrive!
- Need to be a team!
  - Everyone is important for the cycle to work!!
  - Everyone needs to communicate and be educated to be the most effective!
- Tremendous amount of changes in the healthcare system

Analysis of Your Office

- Identify areas: perform SWOT analysis
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats
- Evaluate: Take steps to improve
  - Education in your field
  - Gain knowledge of areas identified

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Top Areas to Identify of the Medical Office Cycle

- Front
- Back
- Revenue Cycle Management
- Practice Analysis
- Practice Management
The Medical Office Cycle: **FRONT**

- Scheduling
- Patient Demographics
- Verify Patient Insurance
- Patient Payments
Front: Scheduling

• How many do you need to see per day?

**Quick analysis:**

 ◦ **Expenses** from the year prior:
   - Include all expenses including doctors salaries
   - Ex: $1,000,000

 ◦ **Payment per Patient**: Total year payments divided by total number of patients for the year:
   - Total Year payment/pt: $1,000,000 payments /10,000 pts seen= $100 payment/pt
   - Monthly payments: $1,000,000 payments/12 months= $83,333.33 per month
   - Monthly patients: 10,000/12 months= 833 pts a month
   - Daily patients: 833/21 days= 40 pts a day

Front: Scheduling

• Arrange a mix of visit types: sick and well

• Know the percentages of each insurer: ex 30% Medicaid, 30% BCBS, 25% Humana, 10% Aetna, 3% Cigna, 2% other = 100% total

• Know your coding
Front: Scheduling

- Make goals every day
- Manage Schedule: proactive approach to remind patients overdue on visits
- Open appointments: same day appointments
- Reminder calls/texts/emails for appointments
- No-shows: follow-up calls to reschedule
- Communication with entire team

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Front: Patient Demographics

- Patients to fill out ALL information on demographics, financial consents AND SIGN paperwork
- Update at least q month
- Remember to do siblings at same time
- Copy/Scan insurance and drivers license cards

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**Front: Insurance for Eligibility**

- Check insurance card at every visit to capture any changes in plans; ex: same carrier but different plan, therefore different ID numbers
- Check insurance for eligibility if active

**Front: Patient Collections**

- Patient copays and balances
  - Depending on insurance plan, patient responsibility could be 15 to 20% or more of total revenue
  - Check Balances: uncollected copays, co-insurances, deductibles (remember can only collect what is allowed)
  - Example: if have $1,000,000 in payments for the year then could be up to 15 to 20% which is $150,000 to $200,000!
- Educating the patient!!!
- Payment plans based on your state parameters
- If insurance allows can charge patients for FMLA forms, physical school forms, additional supplies, medical records
Checks & Balance System:
- Medical practices lose $25 billion annually (Association of Certified Fraud Examiners)
- In 2010, the Medical Group Management Association stated: 83% of respondents reported embezzlement and 18% had thefts greater than $100,000.
- More than half were practices involved 5 or fewer physicians

Different duties for different staff (TMA): “Keep Honest People Honest” MGMA’s key research results
- One collects payment (make copies of cash & checks with practice management system receipt)
- One copies payment deposits (both patient & insurance deposits) and notates in a deposit log
- One deposits the payments into the bank
- One balances and reconciles the monies across the deposit log, bank, and practice management system (Balance & Reconciling section)
- Consider having an accountant to oversee process
- At least 3 different people
The Medical Office Cycle: BACK

- Managing time with patients and staff
- Understanding Basic Coding Concepts in a Nutshell
- Superbill and capturing all charges as a team

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Back: Managing Time

- Efficiently utilize Medical Assistants and Nursing staff to their maximum certification
- Checklists for staff duties
  - Patient Workup/Follow-up/Labs
  - Medications
  - Medical Supplies
  - Inventory
- Handouts to patients

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Back: Coding in a Nutshell

COMMUNICATING YOUR STORY IN CODES

- ICD: DIAGNOSIS
- CPT: WORK
- HCPCS: SUPPLIES

Back: Coding is Foundation of the Medical Home

MEDICAL HOME

ICD-10, CPT, HCPCS

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Back: Basic Coding Concepts

- Documenting/Understanding
  - ICD-10 (International Classification of Diseases)
  - CPT (Current Procedural Terminology)
  - HCPCS Level II (Healthcare Common Procedure Coding System)
- Proper Documentation: over coding and under coding is considered abuse
**Back: Proper E/M Coding: Your Work**

- Levels of E/M services code descriptions:
  - **Nature of presenting problem**: This drives the Hx, PE, and MDM or Time (5 Types)
    - Minimal: may not need physician (e.g., insect bite)
    - Self-limited/minor: transient in nature (e.g., URI)
    - Low severity: little risk of morbidity/mortality without tx (e.g., allergic rhinitis)
    - Moderate severity: moderate risk of morbidity/mortality without tx (e.g., asthma exac)
    - High severity: risk of morbidity/mortality is high without tx (e.g., status asthmaticus)
  - **History**: 3 parts - HPI, ROS, PMFSH
  - **PE**: 19 body areas and organ systems
  - **MDM**: 3 parts - # of Dx, Data, Risk
  - **Time**: more than 50% of total time spent in counseling and coordination of care face to face
    - Counseling
    - Coordination of Care
- Need to understand different formats so one can pick and choose depending on presenting problem
- Understand 1995 and 1997 Center for Medicare and Medicaid Service (CMS) guidelines so one can choose depending on presenting problem for Hx, PE, and MDM

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**Determining Level of E/M: Overall Picture**

- **Nature of Presenting Problem** **DRIVES** Hx, PE, or MDM

- **Time**: if equal to or greater than 50% was spent in counseling and coordination of care
Proper E/M Coding: History

HPI – C.S.A.L.T.Q.M.D.(9)

1. **Context:** happened when playing football
2. **Severity:** pain scale [1-10], improving, worsening
3. **Associated Signs/Symptoms:** blurred vision with headache, cough with runny nose, nausea with vomiting
4. **Location:** (right ear, big toe, head, lower abdomen)
5. **Timing:** persistent, occasionally, twice weekly, daily, 15 minutes after
6. **Quality:** dull, clear, cloudy, thick, throbbing
7. **Modifying Factors:** took ibuprofen without relief, improved with nebulizer treatment
8. **Duration:** 2 days, since last night, 1 week
9. **No. of Chronic Diseases:**

PMFSH (3)

**Past Medical History:**
- Current medication
- Prior illnesses and injuries
- Operations and hospitalizations
- Age-appropriate immunizations
- Allergies
- Dietary status

**Family History:**
- Health status or cause of death of parents, siblings, and children
- Hereditary or high risk diseases
- Diseases related to CC, HPI, ROS

**Social History:**
- Living arrangements
- Marital status
- Sexual history
- Occupational history
- Use of drugs, alcohol, or tobacco
- Extent of education
- Current employment
- Other

ROS (14)

1. Constitutional symptoms
2. Eyes
3. Ears, nose, mouth, throat
4. Cardiovascular
5. Respiratory
6. Gastrointestinal
7. Genitourinary
8. Integumentary
9. Musculoskeletal
10. Neurological
11. Psychiatric
12. Endocrine
13. Hematologic/lymphatic
14. Allergic/immunologic

4 Levels of Hx

<table>
<thead>
<tr>
<th>1995 Guidelines (typically general)</th>
<th>1997 Guidelines (typically specialists)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem focused:</strong></td>
<td></td>
</tr>
<tr>
<td>New: 99201</td>
<td>Established: 99212</td>
</tr>
<tr>
<td>CC</td>
<td>Brief HPI: 1-2 elements</td>
</tr>
<tr>
<td></td>
<td>Same as 1995</td>
</tr>
</tbody>
</table>

| **Expanded Problem focused:**     |                                        |
| New: 99202                         | Established: 99213                     |
| CC                                | Brief HPI: 1-2 elements                |
|                                   | ROS: 1 (prob pertinent)                |
|                                   | Same as 1995                           |

| **Detailed:**                      |                                        |
| New: 99203                         | Established: 99214                     |
| CC                                | Extended HPI: 4 elements or status of 3 chronic conditions |
|                                   | ROS: 2-9                               |
|                                   | PMFSH: 1 from either PMFSH             |
|                                   | Same as 1995                           |

| **Comprehensive:**                 |                                        |
| New: 99204 or 99205               | Established: 99215                     |
| CC                                | Extended HPI: 4 elements               |
|                                   | ROS: 10 of 14                          |
|                                   | Complete PMFSH: 1 item from 2 areas    |
|                                   | 1 item from all 3 areas                |
|                                   | Same as 1995                           |
Proper E/M Coding: PE

Physical Exam: Body Areas/Organ Systems (19)

<table>
<thead>
<tr>
<th>Body Areas: 7</th>
<th>Organ Systems: 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Head</td>
<td>1. Constitutional-2 (3 vitals or gen appearance)</td>
</tr>
<tr>
<td>2. Neck-2</td>
<td>2. Eyes-3</td>
</tr>
<tr>
<td>3. Chest (breasts, axilla)-2</td>
<td>3. ENT-6</td>
</tr>
<tr>
<td>4. Abdomen</td>
<td>4. Respiratory-4</td>
</tr>
<tr>
<td>5. Genitals, groin, buttocks</td>
<td>5. Cardiovascular-7</td>
</tr>
<tr>
<td>7. Each extremity</td>
<td>7. Genitourinary (M-3, F-6)</td>
</tr>
</tbody>
</table>

Note: 1997 Guidelines may have elements for different body areas/organ systems.

Proper E/M Coding: PE

<table>
<thead>
<tr>
<th>4 Levels of PE</th>
<th>1995 Guidelines (typically generalists)</th>
<th>1997 Guidelines (typically specialists)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Focused:</td>
<td>(1) Limited exam of the affected area or system</td>
<td>1-5 elements identified by a bullet in 1 or more systems</td>
</tr>
<tr>
<td>New: 99201</td>
<td>Established: 99212</td>
<td></td>
</tr>
<tr>
<td>Expanded Problem Focused:</td>
<td>(2-7 limited) Limited Exam of the affected area or system and other related organ systems</td>
<td>6-11 elements identified by a bullet in one or more areas or systems</td>
</tr>
<tr>
<td>New: 99202</td>
<td>Established: 99213</td>
<td></td>
</tr>
<tr>
<td>Detailed Problem Focused:</td>
<td>(2-7 extended) Extended Exam of the affected area and other related organ systems</td>
<td>12 elements: -2 elements identified by a bullet in at least 6 areas or systems or - 12 elements in at least 2 areas or systems</td>
</tr>
<tr>
<td>New: 99203</td>
<td>Established: 99214</td>
<td></td>
</tr>
<tr>
<td>Comprehensive:</td>
<td>(8+) General multisystem exam requiring 8 or more organ systems or a complete exam of a single organ system</td>
<td>18 elements: -1 Multisystem exam: at least 9 organ systems or body areas of all elements in each system - 2 or at least 2 elements in 9 systems - 3. Single organ system: all elements identified by a bullet and documentation of every element</td>
</tr>
<tr>
<td>New: 99204 or 99205</td>
<td>Established: 99215</td>
<td></td>
</tr>
</tbody>
</table>
Proper E/M Coding: MDM

- Medical Decision Making: 3 areas
  - Number of Dx/Tx Options
  - Amount/Complexity of Data
  - Level of Risk
- Use these 3 areas to calculate points and determine level of MDM
- Choose level based on meeting or exceeding 2 out of 3 areas
- 1995 and 1997 guidelines are the same

Proper E/M Coding: MDM

AAP Coding Card 2015
## Proper E/M Coding: MDM (Dx/Mgt)

### Calculate Dx/Mgt

<table>
<thead>
<tr>
<th>Established Problem</th>
<th>1 point (Max 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Problem worsening, inadequately controlled, or failing to change as expected</td>
<td>2 points (Max 2)</td>
</tr>
<tr>
<td>New Problem without additional workup</td>
<td>3 points (Max 1)</td>
</tr>
<tr>
<td>New Problem with additional workup</td>
<td>4 points (Max 1)</td>
</tr>
</tbody>
</table>

### Example: Calculate Dx/Mgt

<table>
<thead>
<tr>
<th>Problem</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma exac</td>
<td>2</td>
</tr>
<tr>
<td>Bilateral OM</td>
<td>3</td>
</tr>
<tr>
<td>LLL pneumonia</td>
<td>4</td>
</tr>
</tbody>
</table>

**TOTAL POINTS:** 9 points

### Total Level of Dx/Mgt

<table>
<thead>
<tr>
<th>Level</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal</td>
<td>1 point</td>
</tr>
<tr>
<td>Low</td>
<td>2 points</td>
</tr>
<tr>
<td>Moderate</td>
<td>3 points</td>
</tr>
<tr>
<td>High</td>
<td>4 points</td>
</tr>
</tbody>
</table>

**Total Level of Dx/Mgt:** High

---

## Proper E/M Coding: MDM (Data)

### Calculating Data Reviewed/Ordered

<table>
<thead>
<tr>
<th>Activity</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order or review laboratory studies</td>
<td>1 point</td>
</tr>
<tr>
<td>Order or review radiology, nuclear medicine studies</td>
<td>1 point</td>
</tr>
<tr>
<td>Order or review other studies (e.g., ECG, EEG, cath, PFTs)</td>
<td>1 point</td>
</tr>
<tr>
<td>Decide to obtain old records OR Decide to obtain hx from someone other than pt</td>
<td>1 point</td>
</tr>
<tr>
<td>Discuss test with performing physician</td>
<td>1 point</td>
</tr>
<tr>
<td>Independently review image, specimen, or tracing</td>
<td>2 points</td>
</tr>
<tr>
<td>Review &amp; summarize old records OR Obtain hx from someone other than pt OR Discuss care w/ other healthcare professional</td>
<td>2 points</td>
</tr>
</tbody>
</table>

**Total Level of Data Reviewed/Ordered**

<table>
<thead>
<tr>
<th>Level</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal</td>
<td>1 point</td>
</tr>
<tr>
<td>Low</td>
<td>2 points</td>
</tr>
<tr>
<td>Moderate</td>
<td>3 points</td>
</tr>
<tr>
<td>High</td>
<td>4 points</td>
</tr>
</tbody>
</table>

**Total Level of Data:** Moderate
### Proper E/M Coding: MDM (Risk)

**Calculating Risk** (based on highest risk noted from table)

<table>
<thead>
<tr>
<th>Presenting Problem</th>
<th>Diagnostic Procedure</th>
<th>Mgt Options</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 self-limited, minor problem</td>
<td>Venipuncture; Chest X-ray; ECG/EEG; Urinalysis; Ultrasound</td>
<td>Rest; Gargle; Elastic bandage; Superficial dressing</td>
<td>Minimal</td>
</tr>
<tr>
<td>2+ self-limited, minor problems OR 1 stable chronic illness OR acute uncomplicated illness injury</td>
<td>Physiologic nonstress test; Non-cardiovascular imaging study w/ contrast; Needle biopsy; Arterial puncture; Skin biopsy</td>
<td>OTC drug; Minor surgery, no comorbidities; PT; OT; IV fluids w/out additives</td>
<td>Low</td>
</tr>
<tr>
<td>1+ chronic illness w/ mild exac OR 2 stable chronic illness OR undiagnosed new problem, uncertain prognosis OR acute illness w/ multiple symptoms OR acute complicated injury</td>
<td>Physiologic stress test; Diagnostic endoscopy, no comorbidities; Deep needle or incisional biopsy; Cardiovascular imaging study w/ contrast; Obtaining fluid from body cavity</td>
<td>Minor surgery w/ comorbidities; Elective major surgery w/ out comorbidities; Rx drug management; Therapeutic nuclear medicine; IV fluids w/ additives; Closed fracture tx</td>
<td>Moderate</td>
</tr>
<tr>
<td>1+ chronic illness w/ severe exac, progression OR illness/injury posing threat to life or bodily function OR abrupt change in neurologic status</td>
<td>Electrophysiology study; Diagnostic endoscopy w/ comorbidities; Densitometry</td>
<td>Elective major surgery w/ documented comorbidities; Emergency major surgery; Parenteral controlled substances; Drug therapy requiring intensive monitoring; Decision for DNR or de-escalation of tx due to poor prognosis</td>
<td>High</td>
</tr>
</tbody>
</table>

**Example: Calculating Risk**

<table>
<thead>
<tr>
<th>Presenting Problem</th>
<th>Diagnostic Procedure</th>
<th>Mgt Options</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma Exac MODERATE</td>
<td></td>
<td>Rx drug management MODERATE</td>
<td>MOD</td>
</tr>
</tbody>
</table>

### Proper E/M Coding: MDM (2 out of 3)

**Calculating Total MDM**

<table>
<thead>
<tr>
<th>Dx/Mgt</th>
<th>Data Reviewed/Ordered</th>
<th>Risk</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 point – Minimal</td>
<td>1 point – Minimal</td>
<td>Risk Minimal</td>
<td>Straightforward</td>
</tr>
<tr>
<td>2 points – Low</td>
<td>2 points – Low</td>
<td>Risk Low</td>
<td>Low</td>
</tr>
<tr>
<td>3 points – Moderate</td>
<td>3 points – Moderate</td>
<td>Risk Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>4 points – High</td>
<td>4 points – High</td>
<td>Risk High</td>
<td>High</td>
</tr>
</tbody>
</table>

**Example: Calculating Total MDM**

<table>
<thead>
<tr>
<th>Dx/Mgt</th>
<th>Data Reviewed/Ordered</th>
<th>Risk</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 points – High</td>
<td>3 points – Moderate</td>
<td>Moderate</td>
<td>Total MDM: Moderate</td>
</tr>
</tbody>
</table>
Determine Level of E/M:

<table>
<thead>
<tr>
<th>HPI</th>
<th>ROS</th>
<th>PMFSH</th>
<th>Problem Focused</th>
<th># of Dx</th>
<th>Risk</th>
<th>MDM</th>
<th>Level of E/M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>0</td>
<td>0</td>
<td>Problem Focused</td>
<td>1</td>
<td></td>
<td></td>
<td>Straight-forward</td>
</tr>
<tr>
<td>1-3</td>
<td>1</td>
<td>0</td>
<td>Expanded Problem Focused</td>
<td>2-7 Limited</td>
<td></td>
<td></td>
<td>Straight-forward</td>
</tr>
<tr>
<td>4+</td>
<td>2-9</td>
<td>1</td>
<td>Detailed</td>
<td>2-7 Extended</td>
<td>Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4+</td>
<td>10+</td>
<td>3</td>
<td>Comprehensive</td>
<td>8+</td>
<td>Moderate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Problem Focused**: HPI 1-3, ROS 0, PMFSH 0
- **Expanded Problem Focused**: HPI 1-3, ROS 1, PMFSH 0
- **Detailed**: HPI 4+, ROS 2-9, PMFSH 1
- **Comprehensive**: HPI 4+, ROS 10+, PMFSH 3

- **Level of E/M**:
  - Straight-forward
  - 99201 (10 min)
  - 99202 (20 min)
  - Low
  - 99203 (30 min)
  - Moderate
  - 99204 (45 min)
  - High
  - 99205 (60 min)
Calculate Level of E/M: New Pt – Example

<table>
<thead>
<tr>
<th>New Pt</th>
<th>Detailed</th>
<th>Comprehensive</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPI 4+, ROS 2-9, PFSX 1</td>
<td>99203</td>
<td>99204</td>
<td>99204</td>
</tr>
</tbody>
</table>

Time: if equal to or greater than 50% was spent in counseling and coordination of care

Determining Level of E/M: Established Pt – Need 2 out of 3 for Level (using 1995 guidelines)

<table>
<thead>
<tr>
<th>Nurse Visit</th>
<th>0</th>
<th>0</th>
<th>99211 5 min</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPI 0, ROS 0, PFSX 0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problem Focused</td>
<td>Problem Focused</td>
<td>Straight-forward</td>
<td>99212 10 min</td>
</tr>
<tr>
<td>HPI 1-3, ROS 0, PFSX 0</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expanded Problem Focused</td>
<td>Expanded Problem Focused</td>
<td>Low</td>
<td>99213 15 min</td>
</tr>
<tr>
<td>HPI 1-3, ROS 1, PFSX 0</td>
<td>2-7 Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed</td>
<td>Detailed</td>
<td>2-7 Extended</td>
<td>Moderate 99214 25 min</td>
</tr>
<tr>
<td>HPI 4+, ROS 2-9, PFSX 1</td>
<td>2-7 Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensive</td>
<td>Comprehensive</td>
<td>8+</td>
<td>High 99215 40 min</td>
</tr>
<tr>
<td>HPI 4+, ROS 10+, PFSX 2</td>
<td>8+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Calculate Level of E/M: **Established Pt – Example**

<table>
<thead>
<tr>
<th>Ext Pt</th>
<th>Detailed</th>
<th>Comprehensive</th>
<th>Moderate</th>
<th>Level of E/M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HPI 4+, ROS 2-9, PFSX</td>
<td>8+</td>
<td>99214</td>
<td>99214</td>
</tr>
</tbody>
</table>

**Time:** if equal to or greater than 50% was spent in counseling and coordination of care

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**Back: Coding in a Nutshell**

- **Documentation:** part of compliance & should support the superbill/encounter form
- **Medical Record:** should be complete and legible; should be completed at time of service or as soon as possible
- **Relevant Hx, PE, and MDM to the reason for encounter**
Back: Superbill & Capturing All Charges

- Update Superbill q year
- Example of Superbill: customize to your practice
  - Categorize the superbill based on your office procedures and workflow
  - Put key words or numbers beside codes so more easily understandable: time, units, phrase
  - Easier to capture all work when user friendly
  - Remember to understand and put all units
  - Educate everyone on how to use a superbill

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Back: Superbill & Capturing All Charges

- ICD-10: Diagnosis to tell your story in codes which supports your E/M codes and rest of CPT and HCPCS
- CPT: Work Categories & Units (ex for pediatrics)
  - E/M (Sick & Well)
  - Wellness Services: Bright Futures (ASQs), TB, Lead, Visual Acuity, Behavioral Health (Vanderbilt)
  - Vaccines
  - Administration (components for vaccines)
  - Medications (Rocephin, Prednisolone, Decadron)
  - Labs (Flu A and Flu B)
  - Respiratory (multiple Nebulizer Tx, Spirometry)
  - Non Surgical Procedures
- HCPCS: Medical Supplies (tubing, mask)

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Back: Example of Superbill

Office Superbill

Hospital Superbill

The Medical Office Cycle:
Revenue Cycle Management (RCM)

- Billing
- Reconcile & Balance
- Reports
**RCM: Billing**

- Update charge amount and allowable schedule(s) q year
- Turn-in Superbills within 24 to 48 hours to submit claims on time and gain faster payment
- Scrub Superbills and add necessary modifiers
- Watch paper/electronic remittance advice (RA) (payments) for denials/$0 payments/100% of charges
- Autoposting vs Manual posting
- Send patient statements once claim is posted/applied
- Be aware of insurance deadlines regarding claim submission

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**Work the A/R**

- Legally, a clean claim should pay within 30 days
- Should review A/R at least once a week
- Regarding patient A/R, have a process in place if patient balance exceeds 120 days

**Work the Denials**

- Review the reasons
- Send letters to patient/guarantor regarding any issues on denials
- Make necessary changes for resubmission
- If necessary, contact insurance payer for more information

**Appeals:** be aware of insurance payer rules

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RCM: Ex CMS 1500 Form

RCM: Ex Remittance Advice
• Reports: Basic System Reports
  ◦ Charges
  ◦ Payments
  ◦ A/R: 30, 60, 90 and 120
    • Patient A/R
    • Insurance A/R

RCM: Reconcile & Balance
• Charges: Ensure all superbills are submitted
  ◦ Reconcile the front office sign-in sheet with the superbill packet
  ◦ If possible, print a report from the practice management (PM) system that shows which patients have been submitted and who’s still pending
  ◦ Maintain a daily Charges Log to verify all charges submitted for a date of service
RCM: Reconcile & Balance

• Daily Payments
  ◦ Separate all monies collected from patients and all checks from insurance
  ◦ Ensure all monies collected are posted and applied in PM system
  ◦ Notate patient deposit amounts in a Deposit Log

• Maintain an Insurance Payments Log to verify payments posted/applied in PM system

RCM: Reconcile & Balance

• Weekly Reconcile Bank Statement, Front Deposit Log, Insurance Payment Log, and PM system
• Monthly & Year-end Balance and close Bank Statement and PM system
  ◦ Good rule of thumb is to balance all month’s insurance payments to the Remittance Advice date
  ◦ Keep in consideration of processing lag times when payments are transacted vs bank date verification
  ◦ Utilize a Monthly Reconciling Report to confirm monthly balancing

• This ensures accurate revenue cycle for the office and the patient
RCM: Reports

- Bank Statement
- Charges Log
- Front Deposit Log
- Patient Payments Log
- Patient Payment Plan Log
- Insurance Payments Log
- Statements Generation Log
- Any other supporting documentation
- Monthly Balance Summary
- Balance & Reconcile Notes

The Medical Office Cycle: Practice Analysis (PA)

- Practice Information
- Inventory Management
- Equipment Purchases
**PA: Practice Information**

- Intermediate Reports: used to verify the health of the office on a financial level
- Advanced Reports: Information used to make any updates/improvements to the office
  - Monthly
  - Quarterly
  - Annual
- Provider Productivity: assess a provider’s coding and documentation
Practice Information: **Advanced Reports Monthly**

- Monthly Balance Summary
- Account Summary
- Analysis A/R by Week
- Provider Productivity Analysis
- Diagnosis Summary
- Insurance Payment Summary (Apples to Apples Comparison)
- Superbill Summary (Apples to Apples Comparison)
- Superbill Breakdown (Apples to Apples Comparison)
- Vaccine & Medical Supplies Cost
- Vaccine & Medical Supplies Invoices

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Practice Information: **Advanced Reports Quarterly**

- Evaluation & Management Breakdown
- Evaluation & Management Average Payments (listed by CPT code)
- Evaluation & Management Average Payments (listed by Insurance – no $0 payments)
- Immunization/Supplies Cost List
- Cost Analysis – Immunizations/Supplies
- Average Payments Immunizations/Supplies (listed by CPT code)
- Average Payments Immunizations/Supplies (listed by Insurance – no $0 payments)

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Practice Information: **Advanced Reports Annual**

- Annual Comparison Monthly Analysis (comparing month to month of same year)
- Annual Analysis (comparing year to year)
- Annual Date of Service Analysis (Apples to Apples Comparison: dates of service with payments)
- Insurance Payment Summary
- Trend Analysis of Visits – Evaluation & Management (new, well, sick & est.)
- Evaluation & Management Breakdown for each Provider
- Evaluation & Management Average Payments (listed by CPT code)
- Evaluation & Management Average Payments (listed by Insurance – no $0 payments)
- Trend Analysis – Immunizations/Supplies/Labs
- Cost Analysis – Immunizations/Supplies/Labs
- Average Payments Immunizations/Supplies (listed by CPT code)
- Average Payments Immunizations/Supplies (listed by Insurance – no $0 payments)
- Annual Provider Productivity Analysis

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Practice Information: **Provider Productivity**

- **Performance measures**
  - Patients seen
  - Collections
  - Days worked
- **Areas to improve**
  - Coding correctly
  - Accurate documentation
  - Daily internal audit and review
  - Superbill and Medical Record need to match
PA: Inventory Management

- Medications/Medical Supplies
- Compare order sheets to delivery
- Research buying groups
- Bargaining
- Review by categories
- Review costs and reimbursements
- Check profits/losses
- Review by insurances

PA: Equipment Purchases

- Reimbursement rates
- Breakeven
- Factor in ongoing costs: supplies and maintenance
- When making profit
- Don’t make belly decisions or what your gut tells you without analyzing it!
The Medical Office Cycle: Practice Management (PM)

- Budget Preparation
- Importance of Team Approach
- Motivating Team
- Credentialing
- Compliance

PM: Budget Preparation

- Analyze accounting reports (Profit and Loss statements)
  - Evaluate profit and loss statements to project future budget
  - Forecasting seasonal months
  - Evaluate categories to see if can decrease costs
- Break down costs by categories (medical & office supplies, vaccines, employees, overhead etc)
- Set up revenue goals from previous benchmarks
PM: Importance of Team Approach

- Leadership: Becoming “Good to Great”-this is the most important aspect for any size business
- Be comfortable with the business side of medicine: basic tools
- Don’t be intimidated by business (YOU are extremely smart!! Ask questions!!)
- Educating yourself
- Work with your team will enhance efficiency, productivity and patient care

PM: Motivating Team

Leadership: From Good to Great

LEVEL 5 EXECUTIVE
Builds enduring greatness through a paradoxical blend of personal humility and professional will.

LEVEL 4 EFFECTIVE LEADER
Catalyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulating higher performance standards.

LEVEL 3 COMPETENT MANAGER
Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.

LEVEL 2 CONTRIBUTING TEAM MEMBER
Contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting.

LEVEL 1 HIGHLY CAPABLE INDIVIDUAL
Makes productive contributions through talent, knowledge, skills, and good work habits.
**PM: Motivating Team**

- Developing culture of your office (key to successful organizations!!!): be respectful and fair
- Value each member’s contributions
- Having right people on the team
- Meetings: at least 1 month
- Staff Productivity
- Incentivizing

**PM: Credentialing**

- CAQH
  - Council for Affordable Quality Healthcare
  - Nonprofit Organization collaborating with Providers & Insurers like:
    - Aetna, BCBS, Cigna, Humana, UHC
- Electronic Fund Transfer (EFT)
- Local Hospital Privileges
**PM: Compliance**

- **FRAUD**: obtaining something of value through **intentional** misrepresentation or concealment of material facts; ex: kickbacks, billing for services not provided

- **ABUSE**: practice **NOT consistent** with the goals of providing patients with services that are: medically necessary, meet professionally recognized standards and are fairly priced; ex: waiving co-payments or deductibles except with financial hardship, coding all visits at the same level, unbundling claims (billing for separate services that could be one code)

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**PM: Compliance**

- Fraud and abuse prevention compliance program: now required even for small practices that establishes to prevent, detect, and resolves conduct that is not following:
  - Federal and state law
  - Federal, state and private payer health care program requirements
  - Practice’s own ethical and business policies

- Practice will benefit to tighten billing and coding operations and documentation

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PM: Compliance

7 elements of the Office of Inspector General (OIG): no official guidance but has 7 core elements described in the OIG guidance on voluntary compliance program for small physician practices published in 2000:

1. Conduct internal monitoring and auditing
2. Implement written compliance and practice standards
3. Designate a compliance officer, contact or committee
4. Conduct appropriate training and education
5. Respond appropriately to detected offenses and develop corrective action
6. Develop open lines of communication.
7. Enforce disciplinary standards through well-publicized guidelines

PM: Compliance

- HIPAA
- HI-Tech
- State-level piggy-back laws on HIPAA:
  - ex: Texas HB-300
- OSHA
- CLIA
Conclusion

- We have dedicated our lives to patient care
- By reviewing our SWOT analysis we can improve:
  - our bottom line
  - quality of health care for our patients
  - the financial health of our medical homes
- Remember we can help our patients best if we balance our own lives and work together as a team!

References

- Principles of Pediatric ICD-10-CM Coding
- Coding for Pediatrics, 2015
- Good to Great, Jim Collins
- 2015 HCPCS Level II, Optum Insight
- MGMA
- TMA: Keeping Honest People Honest
Questions???

Thank you very much for the privilege to speak to you today and I hope this information will be helpful.

Any questions you can email at

linda@drparsi.com

The End