



CENTER FOR PATIENT SAFETY & HEALTH POLICY

UT HEALTH SCIENCE CENTER™

SAN ANTONIO



**Clinical Safety & Effectiveness  
Cohort # 11**

# **Time is Money! Reducing Claim Denials and Write-offs To Improve Revenue Cycle**

September 2012

THE UNIVERSITY OF TEXAS  
MID ANDERSON  
CANCER CENTER  
*Making Cancer History®*

**Educating for Quality Improvement & Patient Safety**

# Financial Disclosure

Diana Gerhardus, MHA, FACHE, has no relevant financial relationships with commercial interests to disclose.

# The Team

- Division

- CS&E Participant-Diana Gerhardus, FACHE, MHA, Senior Business Administrator, Department of Medicine
- Team Member-Albert Rios, Director Billing, Coding & Revenue Cycle Operations, UTM
- Team Member-Roger Valdez, Manager, Business Office Healthcare, Insurance Follow-Up - Surgery & Shared Services Team, UTM
- Team Member-Blanca Bidart Sandoval, MBA, Manager, Revenue Cycle Medicine Team & Customer Service & Special Accounts, UTM
- Team Member-Laura S. Vega, CCS-P, Compliance Education Consultant, Department of Medicine

- Sponsor Department

- Department of Medicine

## Project Milestones

- Team Created April 2012
- AIM statement created April 2012
- Team Meetings April – May 2012
- Analysis May – August 2012
- CS&E Presentation September 2012

## AIM STATEMENT

Reduce claim denials due to untimely filing and consequently, write-offs, within the Department of Medicine by 10% by August 2012.

# Background

Increasing overall clinical revenue in the Department of Medicine by reducing untimely denials/write-offs allows for growth in clinical programs without additional resource input.

- The Department is positioned to prevent untimely denials/write-offs
- Highest charge \$ amount in the Department's controllable write-offs.

# Background

- An untimely filing denial is defined as a claim not filed to the payer within a prescribed/contract time from the date of service.
  - Medicaid allows 95 days
  - Carelink allows 92 days
  - Medicare allows 365 days
  - Most commercial plans allow 90 days
- The goal to file a claim should be less than 15 days from the date of service.

## How Will We Know That a Change is an Improvement?

- Untimely denials and write-offs will decrease over a period of time
- Measure
  - Flow chart, fishbone
  - Pareto charts by payer, specialty, and place of service
  - Control chart-charges denied due to untimely claims
- Source of Data
  - EPIC



## What Changes Can We Make That Will Result in an Improvement?

Overall, the process remains unchanged but we can.....

- Decrease overall charge lag days- date of service to claim submission
- Clear providers to code services; education

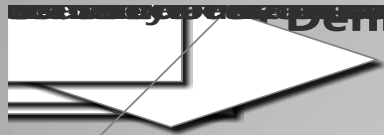
# Intervention

## Plan

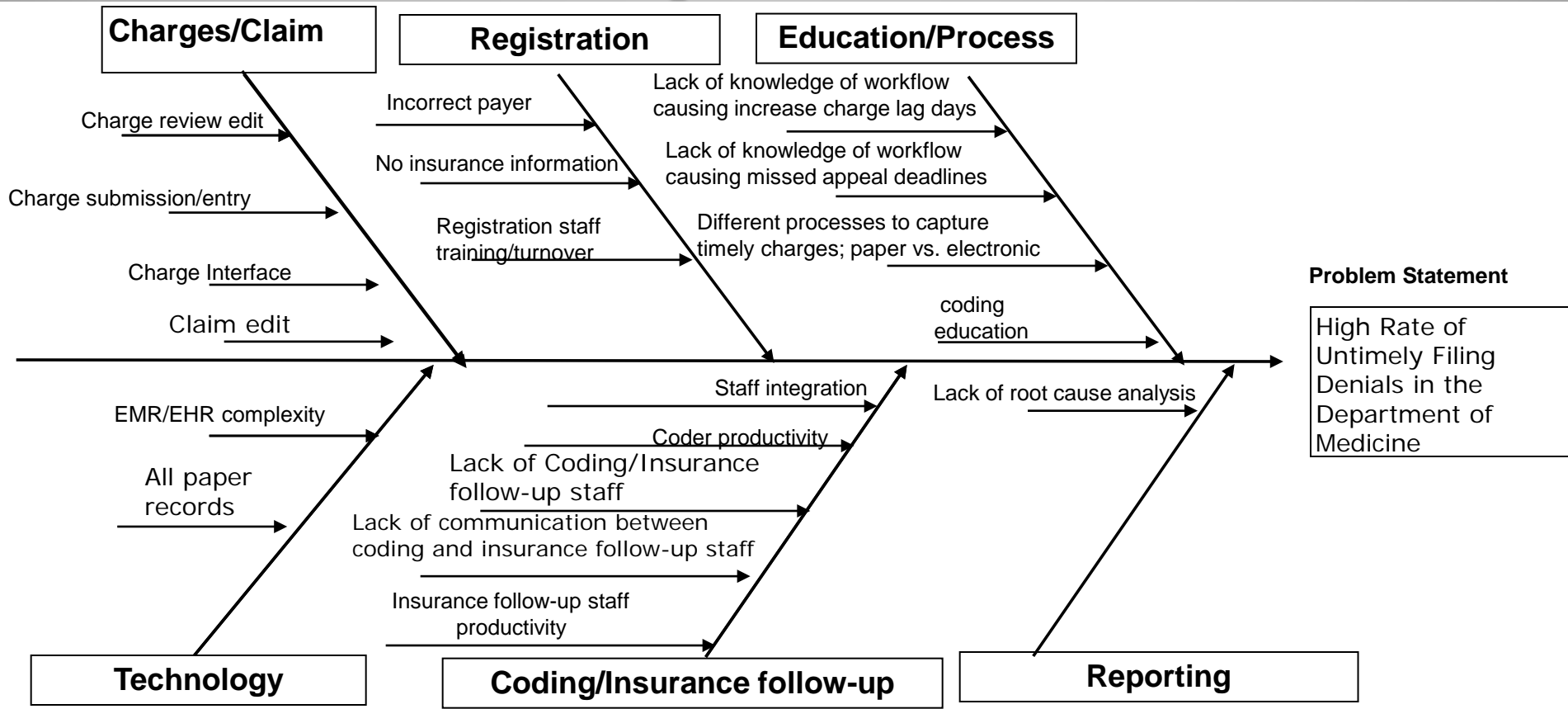
- Front-end:
  - Reduce overall charge lag days from date of service to claim submission(Jan 2012-August 2012)

# Process Analysis Tools

Process Analysis Tools



# Process Analysis Tools



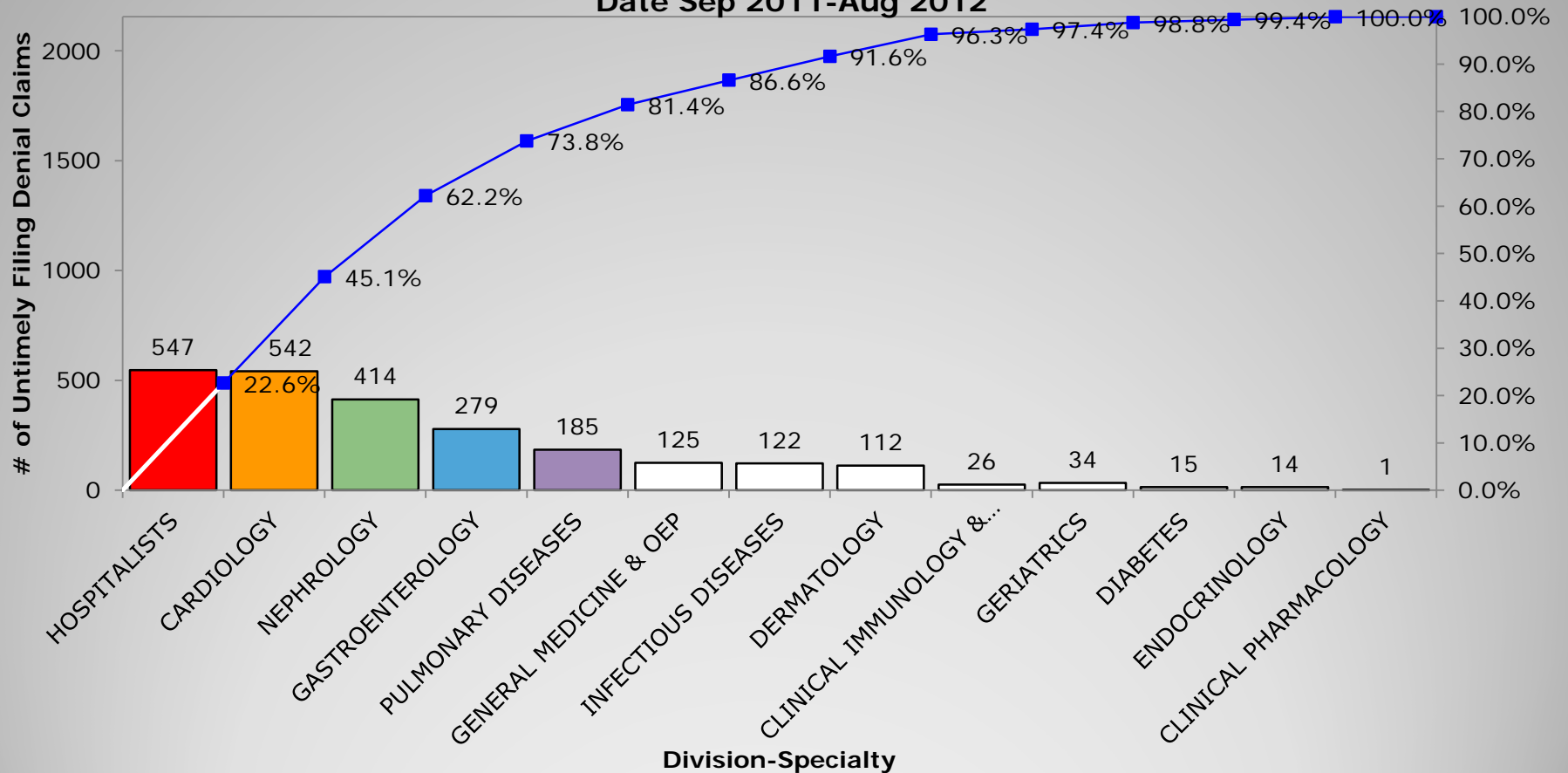
# Implementing the Change

## Do

- Front-end
  - Decrease charge lag days
    - Hire coders; overtime; monitor CRWQ and productivity daily/weekly
    - Clear providers to code their services; educate

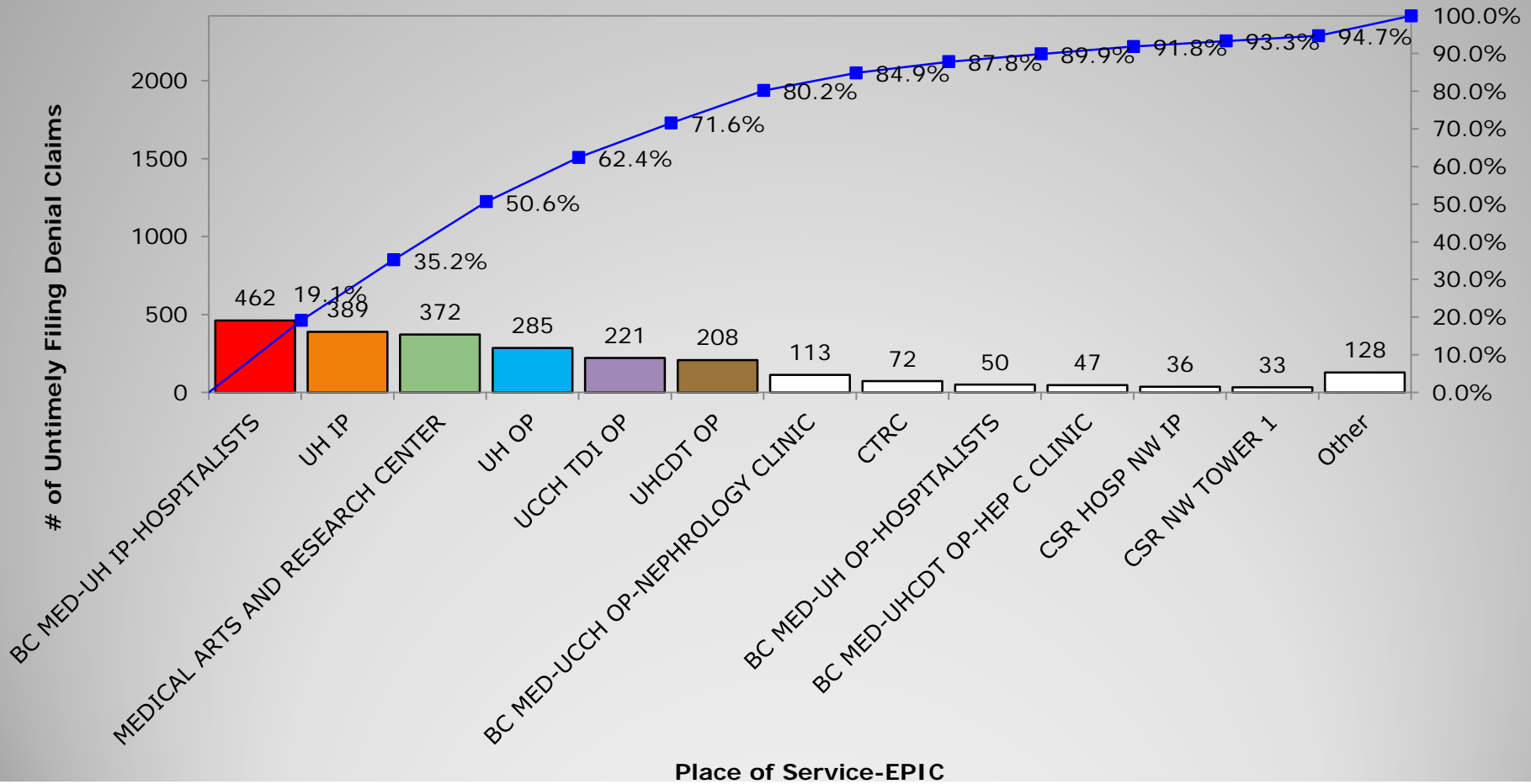
# Decision Making Tools

Pareto Chart-# of Untimely Filing Denial Claims by Division(Specialty)-Posting Date Sep 2011-Aug 2012



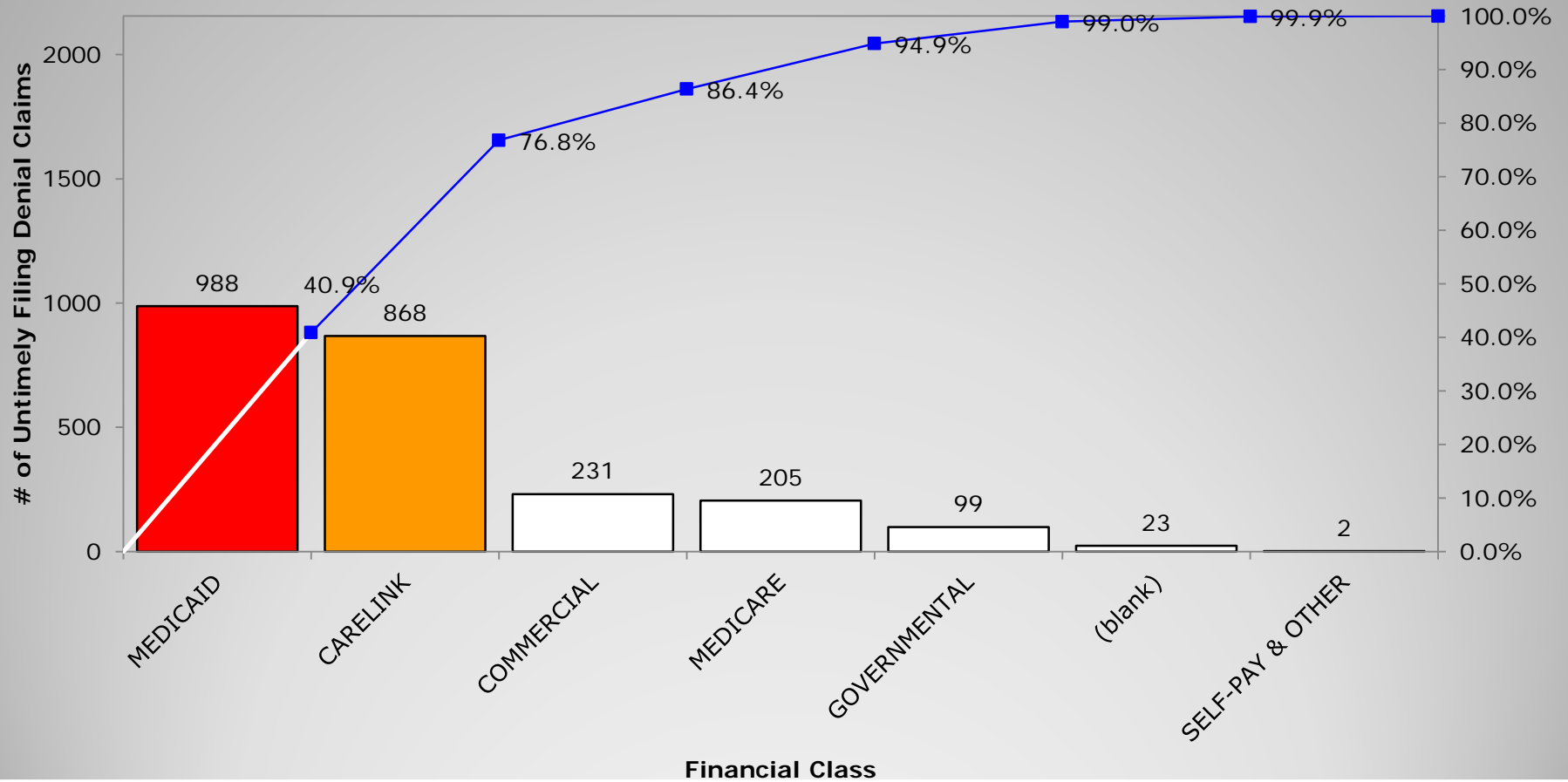
# Decision Making Tools

Pareto Chart- # of Untimely Filing Denial Claims by POS (Posting Date Sep 2011-Aug 2012)



# Decision Making Tools

Pareto Chart-# of Untimely Filing Denial Claims by FC- (Posting Date Sep 2011-Aug 2012)





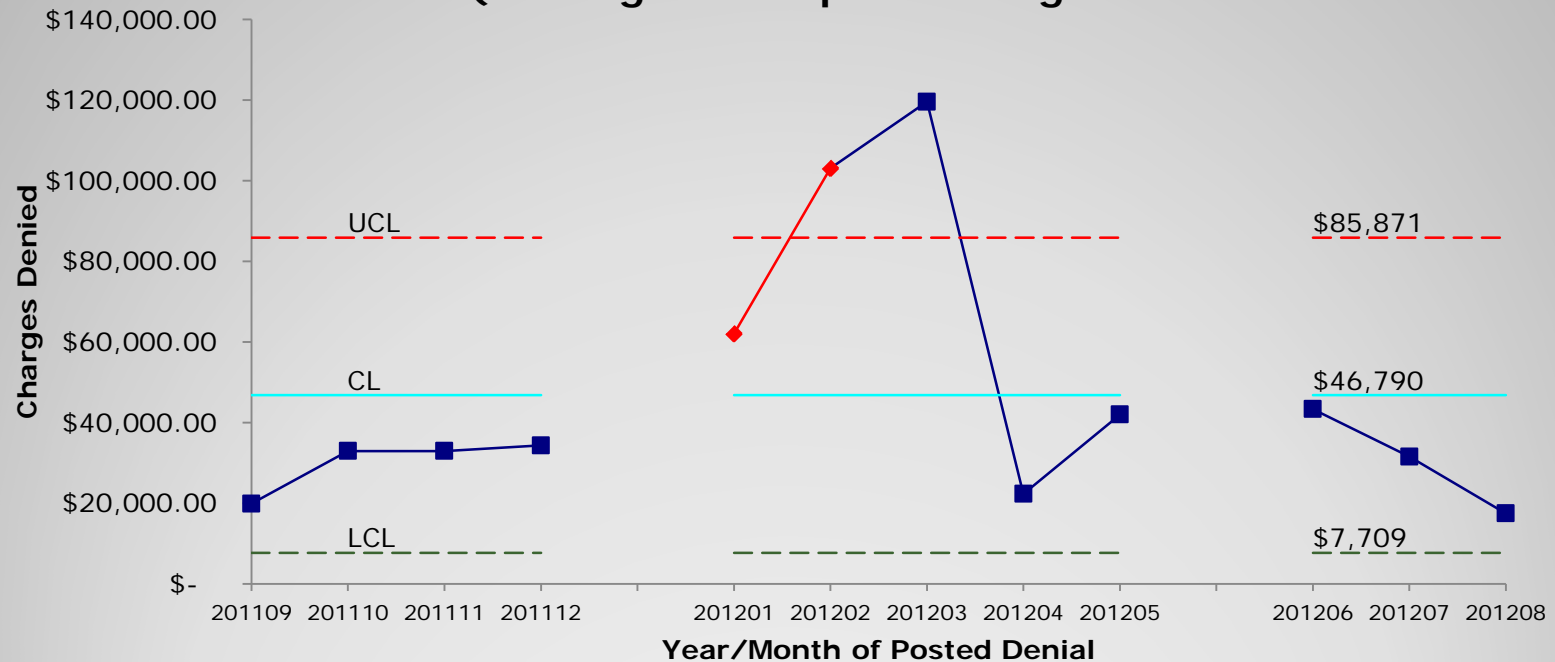
# Results/Impact

## Check

- Monitor for reduction of untimely denials following intervention
- Improvement noted July and August 2012
  - Time frame should be extended to monitor a change in controllable write-offs

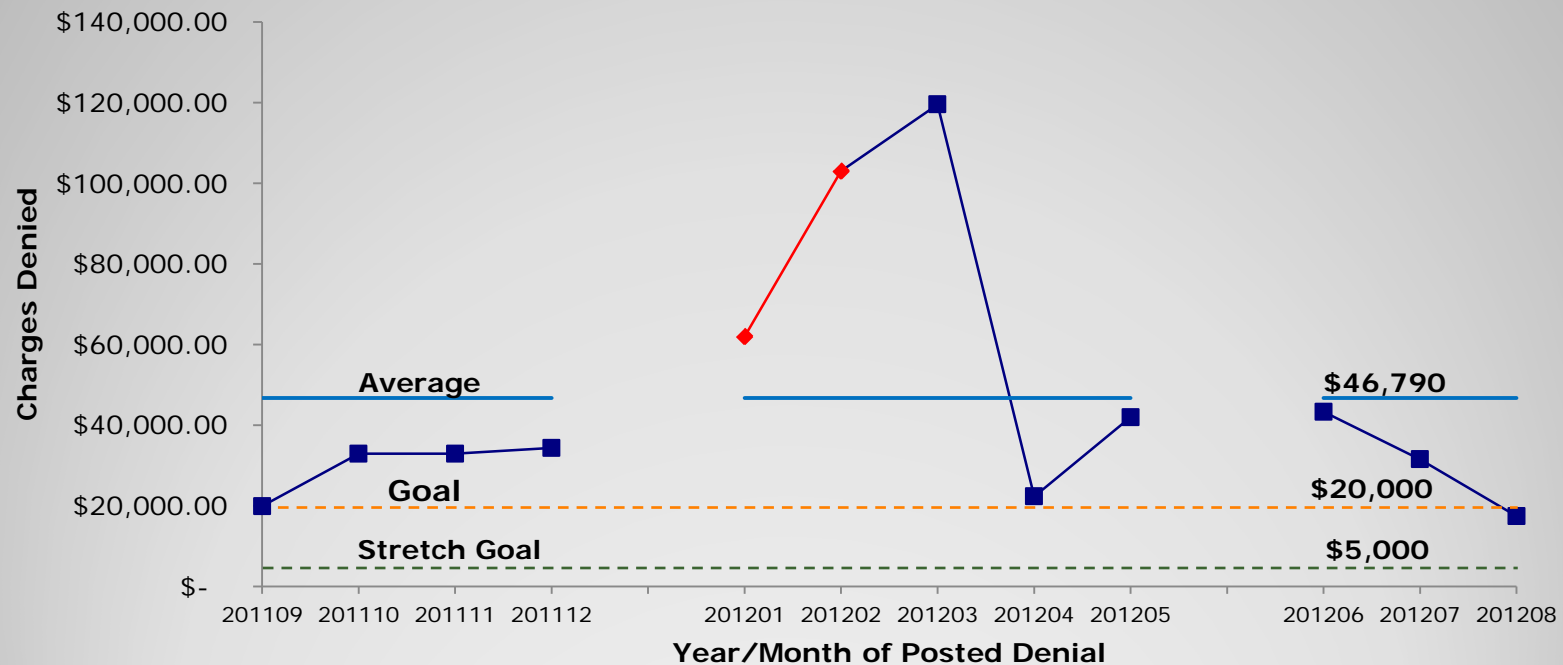
# Decision Making Tools

**Control Chart of Charges Denied due to Untimely Claims  
(Posting Date Sep 2011-Aug 2012)**



# Decision Making Tools

Control Chart of Charges Denied due to Untimely Claims  
(Posting Date Sep 2011-Aug 2012)



# Expansion of Our Implementation

## Act

Revenue Cycle enhancement must continue to tackle the complexities of the payer system and institution.

# Return

	Timely-Filing Denial Charges	Timely-Filing Denial Revenue/Month	Intervention Expenses	Return
Potential (Jan 2012-Aug 2012)	\$441,342	\$138,992	\$25,100 (hired coder; OT hours)	\$113,892

- **Savings:** Insurance Follow-up Staff productivity due to the reduction of these types of denials

# Conclusion/What's Next

- Other Departments could also benefit
- Continued emphasis on charge lag day reduction
- Add other interventions and monitor

**Thank you!**



*Educating for Quality Improvement & Patient Safety*