

## Information Technology For Streamlining Business Office Processes

In today's healthcare market, the Account Receivables (AR) total dollars collected and total AR days are measurement tools by which the operational success of the Business Office is determined. Undoubtedly, there



are several challenges to overcome, such as the hospital's inability to bill and collect efficiently, which makes it difficult to add to the bottom line. In this area, information technology can significantly improve operations and revenue generation for the Business Office. This article includes several suggested avenues of assistance that technology can bring to the table to help deal with

shrinking reimbursements, FTE cut backs and the new demands that healthcare is throwing our way. This article also describes some of the issues that are pitfalls for your hospital's financial end, and reveals how technology can assist your hospital in overcoming these stumbling blocks. In my past experience as a Director of Admitting and Business Office, I have lived the life and have experienced the good, the bad and the ugly. My hopes in writing this article is to give you ideas about using technology that is available now to help round up your AR, reduce your AR and maintain it at a cost efficient level.

### Up front Gathering

What is up front gathering, and how does it push up your AR Days? Up front gathering is activity that takes place before, during and after a patient receives treatment in the hospital, and prior to the final bill dropping when the Business Office has its first chance at billing and collections. It must be clear that neither the Business Office is limited to only the front-end gathering process, nor is Admitting limited to the back-end collection process. Information technology can help bring these two departments' operations together efficiently. With this in mind, I want to share some gathering ideas that will assist your back-end collections staff.

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### Orders

Hospitals can use imaging to scan an order as soon as it is generated. Scanning allows for an instant record of the order, which can be immediately viewed across the enterprise. Scanning also prevents the loss of orders and other important documents. Using the scanned order, the pre-admit department can determine if the ordered procedure needs pre-certification, check for

medical necessity and ABN, or just start the pre-admit process to speed up the patient's time at registration. Smart imaging technology provided by a leading software and consulting company enables hospitals to maintain scanned images even if the patient does not yet have a MPI number, which is just what you may need for linking an order.

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**A medical necessity front-end tool can be used with your content provider to enable staff to check for medical necessity at any point and screen in MEDITECH, not just when the patient is registered.**

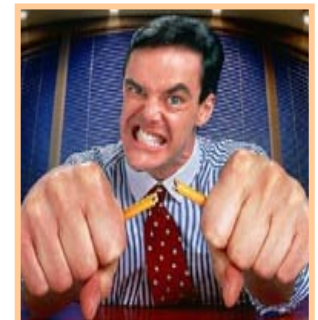
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### Medical Necessity Checking

Another example of technology simplifying Admitting and Business Office processes is reflected in the automation of medical necessity checking. A medical necessity front-end tool can be used with your content provider to enable staff to check for medical necessity at any point and screen in MEDITECH, not just when the patient is registered. This technology, currently being provided by a leading IT vendor, provides a window to current LMRP's ruling via the Internet for HFCA content to determine why an item is not covered. The technology enables you to work with your ordering physician for any test, and provide information to the patient prior to the testing time. The system can also automatically print information letters to the physician for uncovered tests to help educate his staff. You can also provide access to this tool to your physicians directly, so that they can actually check a diagnosis and test for themselves before ordering for their patient. You can have the ABN to include demographic information and the names of the tests not covered and the reasons why, and automate the printing of ABNs. Taking it a step further, Admitting can scan the signed ABN for better record keeping. The Business Office can access the information online and know that a process has taken place via the BAR comment that the system puts automatically.

### Correct MPI Number

During my days as the Director of Admitting and Business Office, my admitting staff seemed to always be plagued by two errors that affected our accuracy totals. Of course one was pulling the wrong MPI number. MPI delays can add time to the collection process, as well as jeopardize patient care. Either the patient gives you his/her middle name in one visit and first name in the second visit, or he/she has a name change and fails to inform the Admitting staff. All of these errors can wreak havoc on Medical Records and Business Office, not to mention the physicians who do not have access to patient's prior records for



determining the best treatment option. Once again, information technology has the solution to eliminate these problems. Biometrics for healthcare facilities allows a link between the correct MPI and the patient's fingerprint. Biometric device deployment reduces MPI errors and assists in fraud prevention. It also provides an identification of a patient that may be brought to the hospital unresponsive or inebriated, or even a child that may be injured and brought to the ER for care. Think of the time savings and improved productivity this new form of identification can bring to the registration process!

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### **Insurance Numbers**

The second error most encountered by my staff in registration was long insurance numbers that are hard to enter correctly. Information technology can help prevent this problem by providing the ability to scan the insurance card in Admitting. When a patient's insurance number fails on your electronic billing system, the biller can immediately pull up the insurance card online, without having to pull the patient file to look at the photocopied card or worse yet, having to call the patient for the information. This speeds up your billing process, which in turn means that your cash will come in faster. Also remember that the card is scanned as the patient enters the system, so another advantage is the ability to check for benefits while the patient is in-house. Collect when the patient is in front of you, not 60 days later.

### **Driver Licenses**

If Admitting scans the driver license at Registration, you can use this data to verify the patient's ID for recurring visits. The driver license is also a good form of fraud prevention as it proves who received the services. Think about those patients that swear at Admitting that they have not received prior care at your facility.

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**The hospital that does not ask for payments does not get payments. Use technology to assist in up front collections.**

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### **Bill to Drop Days**

You all know about the holding pattern that keeps the bills from dropping. I have seen some hospitals with as big as a 10-day window from discharge to the final bill dropping. What is this cushion time used for? Look at your processes and determine why the extra days are built into the holding pattern. Most hospitals build the time for late charges. How much time is reasonable to give departments to get their charges in? I worked with our hospital's administration and revenue departments, and together we reduced the hold time by 2 days for outpatients and 3 days for inpatients. It is my recommendation that hospital management must hold the individual departments responsible for managing their own charges, and not hold the Business Office hostage for delay by other departments. At the hospital I was working, our rule was that if a department did not

get the charges in within a specified time frame, it lost the revenue it generated. This significantly increased our AR holding revenue and reduced our AR days.

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**Wouldn't it be nice if the Business Office can send online messages to alert Registration when an admitting patient has a history of bad debt, incorrect addresses, or when a patient never returns collection calls?**

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### **Coding**

If your hospital is not experiencing a shortage of coders, especially after APCs went into effect, then hats off to you. I talk to hospitals every day that are facing coder shortages, and they consider it a top challenge. If this is a concern at your hospital, then using imaging technology is the answer. What imaging allows you to do is scan the documents that a coder needs to see in order to code, and provide online access to those documents so coders can code from home, down the block, or from another state. These documents can remain in the system for future access as well. The faster you get the event coded, the faster it can be billed and collected.

### **Instant Messaging and Alerts**

Does your hospital have recurring patients that you may call your frequent flyers like we did? You know, the ones



that use the ER as a doctor's office and who seldom pay their bills. Wouldn't it be nice if the Business Office can send online messages to alert Registration when an admitting patient has a history of bad debt, incorrect addresses, or

when a patient never returns collection calls? Process automation technology can work wonders here.

Intelligent software is currently available, which among other things, includes instant messaging functionality that enables online messages to be sent across the different modules of MEDITECH.

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Picture a registration clerk getting a warning message on his panel when registering a patient, informing him that the patient entered in the system has major bad debt. The registration clerk can then request payment right after the triage process for the services. He can either try to collect outstanding debts or call a financial counselor to discuss other payment options with the patient. The hospital that does not ask for payments does not get payments. Therefore, use technology to assist in up front collections. My registration staff helped immensely in collecting outstanding debts. In fact, each

month they recovered between \$20,000 - \$30,000 in outstanding accounts. Self paying accounts are the hardest to collect on, so use the power of technology to empower your staff to ask the right questions when the patient is standing in front of them.

Have you ever wished that there was an easier way to alert someone within the hospital of a fact other than picking up the phone or going to the other person's work area? The same automation technology can be used here to provide instant messaging for internal communications. When a message is sent to another staff member, it automatically displays on the user screen, regardless of where the user is in MEDITECH. Calculate the amount of time that will be saved in not trying to track someone down for a message. Admitting can send an instant message to the appropriate department that a patient has been registered and is on the way for services.

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### **Reducing Redundant Keystrokes**

Are repeated keystrokes slowing down your staff? Workflow automation technology can automate the entire process between scheduling and registration to help eliminate errors and speed up the process. The same automation technology mentioned previously can be used in any MEDITECH module, and has been very successful in reducing errors, reducing keystrokes, reducing staff documentation time, and improving the process of information gathering.

### **Pre-cert or Authorization Tracking**

If your hospital has a large volume of managed care services that must be authorized on an ongoing basis, how do you automate the tracking? Do you require a new order every 30 days for recurring services for Medicare patients? Each of these issues can be time consuming for the hospital, but not addressing these issues can be very costly too. We all know that the certification process ultimately falls on the patient, but whose revenue is it going to affect? Process automation technology can help in this area as well by incorporating a tracking mechanism into the automation tool to direct reminders to any party responsible for follow-up. Reminders can be set up at time increments that the hospital establishes. This means, no more lost revenues due to the inability to track information on a regular basis.

### **Advance Directives**

As you may be aware, hospitals are required by law to ask for living wills or advance directives. The law requires that you must ask for these documents on each visit. These documents cannot be maintained for the life of a patient as a blanket statement. Admitting usually ends up as the requestors of Advance Directives even though the document does not affect registration in any

way, it is collected for clinical reasons. In order to automate the process of collecting this document and making it available for access by clinical departments, hospitals can use process automation technology to remind registration clerks to collect this document upon registration. Hospitals can then use imaging technology to scan the document and link it to the patient's individual visit record to make it accessible immediately to clinical personnel.

### **Forms Automation**

How much time and money are spent each year in forms printing and redesign at your hospital? Do you have to constantly reprint forms when the form content changes? It is very expensive to make changes into the NCR form templates. The current healthcare marketplace has IT vendors that offer forms automation tools. With this process automation technology, you can build and edit forms online, and select the way you want to set up your templates, either using existing forms or creating forms from scratch. The cost and time savings generated with the use of this technology are monumental.

### **Case Management**

Case management is another area that can really affect the bottom line, especially if you have managed care. You depend on the case management team to provide updates to the insurance carriers regarding the status of a patient related to the discharge goals. The importance of good communication and record keeping cannot be neglected here. Automation technology can assist in making physician, nursing, and case manager notes available online across the different modules of MEDITECH, so that important documentation remains online for back-end collection needs and for future visits by the patient. There is a great potential for time savings for the hospital due to efficient and enterprise-wide communication. Making insurance company documents available online also helps registration and billing staff to verify payment based on the number of days or services approved by the review companies. Additionally, having proof online helps speed your appeals process.

### **Collections**

Collections are the lifeblood of a hospital. The Business Office has an awe-inspiring job to bill and collect promptly so the hospital can pay its bills. I often used to



question my staff about how long they could go without a paycheck to reiterate the importance of the collections process. In my healthcare experience, I have seen AR days ranging from a low of 50 days to a high of 110 days, which I have recently witnessed. With these average numbers, collection delays can have a huge financial impact on the operational viability of a healthcare facility. A lot of pressure is placed on the employees of the Business

Office to bill and collect promptly and accurately. Adding technology to assist in this process can result in not only time savings, but also results in an increase in cash flow.

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**HIPAA tracking software can track everything that is done in the system, capture audit information at every field level in every MEDITECH module, generate alarms or triggers in the event of suspicious network activity, provide in-service reminders to users informing them that they are being monitored, and to remind users about HIPAA's procedural guidelines for accessing confidential records.**

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### **Payment Delays**

What are some of the excuses your staff hears from patients or guarantors for delaying payments. The one we heard the most was, "I don't owe that." When your collection staff hears this excuse, the routine is usually to tell the caller you will pull the RA or EOB and call them back. Then you have to go through the process of requesting the RA or pulling it yourself, and calling the patient back. Think about the time your staff will save if they have RAs and EOBs available online to retrieve when the patient is on the phone. When technology is used effectively to complement workflow, it can generate time and cost savings.

### **LSS and MEDITECH Billing Issues**

In the event that your facility is using both MEDITECH and LSS, a common problem generally faced is that the



facility charges for a visit are billed under MEDITECH and the physician charges are billed under LSS. The patient often gets very confused when he/she gets two bills for the same visit. Process automation technology can combine the

MEDITECH self pay balance with the LSS statement, so that the patient only gets one statement, thus reducing confusion and phone calls to your collection area.

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**Remember, technology is available, but in order to leverage it most efficiently, you need to partner with an IT vendor who can deliver on the promises.**

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### **HIPAA**

HIPAA is a force to be reckoned with. In all your activities from registration to eligibility to billing and collections, HIPAA will change how you have done things in the past. During your planning for ensuring HIPAA compliance at your facility, it helps to keep in mind that scanning documents and making them available electronically enables you to maintain secure access to these documents, and efficiently monitor and limit access to private and confidential information. You need reliable HIPAA tracking software that can track

everything that is done in the system, capture audit information at every field level in every MEDITECH module, generate alarms or triggers in the event of suspicious network activity, provide in-service reminders to users informing them that they are being monitored, and to remind users about HIPAA's procedural guidelines for accessing confidential records. You will need to select the right vendor that can guarantee all this and more.

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**In order to have success in achieving the identified goals, management must spend adequate time to select the right IT vendor that can tailor the technology to fit the hospital's unique needs.**

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### **Conclusion**

I hope some of these examples will help you take more control of your AR. Remember, technology is available, but in order to leverage it most efficiently, you need to partner with an IT vendor who can deliver on the promises. As demonstrated in this article, process automation and imaging technology provide much needed improvements in the Business Office processes to generate cost savings, time savings, and to reduce the AR days. Hospital management must be ready for the change that technology can bring in a healthcare setting. Management must also realize that consulting resources are also available in the healthcare marketplace that can be tapped for identifying problem areas and for workflow reengineering. In order to have success in achieving the identified goals, management must spend adequate time to select the right IT vendor that can tailor the technology to fit the hospital's unique needs.

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