

OASIS Alert

Prospective Payment System: 5 Ways To Keep Money From Slipping Through Your Fingers

Hint: Improved communication among staff members translates to money in the bank.

After all your efforts to comply with Medicare requirements, don't turn around and hand the government money unnecessarily. Fight for the money you've earned.

Four years into the prospective payment system many home health agencies finally find themselves focusing less on surviving and more on improving profits. And agencies can take action to keep more of what they earn under PPS, experts emphasize.

Experts offer these suggestions for agencies looking to improve their bottom line:

1. Focus on collaboration between clinical and financial staff. Even after four years, very few agencies have closed the gap between the clinical and financial sides of the business, says consultant **Pat Sevast** with **American Express Tax & Business Services** in Timonium, MD. If clinicians don't understand the financial impact of decisions they make or if billing staff don't appreciate clinicians' responsibilities for quality of care profitability will suffer, she warns.

2. Don't be afraid to cancel a RAP. You might have a hard time predicting how many therapy visits a patient will need, says consultant **Linda Krulish** with **Home Therapy Services** in Redmond, WA. But if you underestimated at the start of care, you're not locked into that error.

If you later provide the 10 or more therapy visits for reasons other than a significant change in condition but don't cancel the original request for anticipated payment, you won't be paid the premium for the increased therapy use. At any time before you submit the final claim, you can cancel the previous RAP and submit a new one to change your original answer to M0825, Krulish explains.

Strategy: Develop a system of communication between clinical and billing staff to track the difference between the therapy you expected the patient would need and what you actually provided, Krulish advises.

Compare the final claim - which lists every therapy visit - with the payment grouper showing whether the episode was high or low therapy. If the claim and the therapy grouper don't jibe, you might need to cancel and resubmit the RAP, and then 24 hours later submit the final claim, she suggests.

Try this: Even better is to discover discrepancies "in real time," Krulish says. She offers one low-tech way to do this: Draw 10 boxes on an adhesive label from an office supply store and place the label on the front cover of the patient folder that agencies leave in the home. Then each time someone makes a therapy visit, she should initial and date one of the boxes. The person who initials the last box is responsible for notifying the billing office so they can decide whether they need to cancel and resubmit the RAP.

3. Think about who is doing what. Developing more efficient operations "is the key to the PPS process," stresses York, PA-based consultant **Barb Gingerich** with **Advantage HCMR Consultants**.

Now that agencies receive an episodic payment, there is a financial benefit to the agency to make only the number of visits necessary. Streamline costs without affecting quality by asking where you are duplicating efforts and whether the right person is doing the job, she says.

For example, a nurse shouldn't spend time re-stocking her supply bag when a clerical support employee could complete the task instead, Gingerich explains.

Implement standards of care that "plot out the teaching across a sequence of visits," she suggests. This way the visits are efficient and not redundant, improve quality and also control costs, she adds.

4. Stay on top of the survey process. Surveys are a fact of life, but the better prepared you are, the more streamlined the process will be - saving you time, money and aggravation, experts say. Besides OASIS reports, you need to be familiar with the conditions of participation, the interpretive guidelines, your state licensure rules and guidelines, the state operations manual sections that describe the survey process, and your own agency's policies and procedures).

5. Use data to drive decisions. You can't know how to improve profitability if you don't have basic data, Sevast warns. For example, if you use your projected revenue based on the start of care assessment home health resource group reimbursement figures to plan your budget, you may be in for a big surprise. You have to take into account what percentage of that amount you normally collect, she says.

Other helpful data include the number of episodes by HHRG, visits per discipline by HHRG and the percentage of low utilization payment adjustments, therapy downcodes and significant changes in condition.

Tip: Smaller agencies without time to learn to retrieve the many reports their software systems can produce should consider looking for an intern from the Information Technology department of a local college, Sevast suggests. These students can learn your system and help you figure out how to get what you need from it, she advises.