

Staying up-to-date with payer requirements pays big dividends

Frequent payer policy and procedure changes can take providers by surprise and result in costly denials and rework

Clients

New York-based University Physicians Network (UPN) and West Virginia University Healthcare.

Challenge/Objective

Frequent payer policy and procedure changes, which are often overlooked by healthcare providers, result in costly denials, reworks and appeals and can also negatively impact reimbursement and cash flow.

Resolution

Experian Health **Payer Alerts** delivers information providers need in daily notifications that provide access to policy and procedure changes in numerous categories.

Results

Avoidance of unnecessary claim denials and increased knowledge for improved workflow; a UPN member group, for example, recovered more than \$40,000 as the result of one policy change for the coding of routine EKGs.

Payer policy and procedure changes: The bottom-line impact

Capitalizing on every reimbursement opportunity is key in today's challenging healthcare environment, and one commonly overlooked area that results in costly denials, reworks and appeals is constantly changing payer policy and procedure changes.

These frequent changes impact reimbursement and add administrative complexity to already busy healthcare organizations. Without manually scouring payer websites and policy and procedure manuals on a daily basis, providers lack a proactive approach and risk payment delays, increased billing costs and lost revenue. Provider organizations are, however, realizing the significant impact this can have on their bottom line.

Payer Alerts users have the option to receive alerts either through a daily email digest or a Web-based portal. With easy-to-read alerts in administrative, clinical, reimbursement and pharmacy categories, providers gain quick access to policy and procedure changes on more than 58,000 Web pages operated by 475 insurance companies.

The notifications detail each change and give a summary overview of the most pertinent information. As a result, providers minimize costs and streamline operations while protecting the bottom line.

The following case studies demonstrate how two healthcare organizations are leveraging Payer Alerts to avoid unnecessary denials altogether.

University Physicians Network

UPN, a limited liability corporation owned and operated by physicians in the New York area, serves more than 1,700 physicians. CEO Robert Goff recognized members were experiencing claim denials and missed revenue opportunities because of payer policy changes that weren't evident until EOB receipt. Unwilling to accept these denials as a cost of doing business, UPN implemented Payer Alerts in 2007.

“Payers are increasing their edits, but if you know about them ahead of time and are able to make the required adjustments, you can avoid both denials and time-consuming appeals. With Experian Health, we now have an automated, straightforward process that helps us minimize unnecessary denials and take a proactive approach.” Goff says.

Payer Alerts

For example, one group recovered \$42,000 from a single policy change. The payer began denying routine EKGs. After reviewing a Payer Alert, it became evident that with proper diagnoses codes pointing to relevant cardiac issues, the insurer would pay for the EKG.

UPN members have experienced a range of benefits as a result of the notifications, including successful appeal of claims where payers postdated policy changes; clarification of changes that contained arbitrary language; lower than average denials and appeals; better communication between members and health plans; and significantly reduced administrative fees.

Identifying quantitative returns is difficult, according to Goff. "When you install a railing on a staircase you never know how many falls you prevent — you only know the up-front cost. Payer Alerts is similar. We are proactively addressing potential problems, which enables us to prevent denials, improve cash flow and eliminate the time and expense associated with appealing those claims altogether."

WVU Healthcare

The academic faculty practice of WVU Healthcare is a multispecialty medical group comprised of 19 clinical departments, as well as several satellite locations, with operational functions both centralized and decentralized. This approach can make payer updates and notifications challenging. Revenue Cycle Operations is centralized, but it segments all accounts receivable to its staff by payer.

In need of an easier way to manage changes and disseminate information to staff, WVU Healthcare began using Payer Alerts in 2009. Alerts are emailed daily from Experian Health to a subset of individuals who make certain that each notification is reviewed and shared within their respective departments.

This distribution list has grown from 10 to more than 40 individuals, including department coding managers and compliance specialists, who can set filters based on their particular specialty and review needs within the Experian Health portal. The portal can streamline the alert notification process and reduce the time spent reading cumulative alerts.

"With Payer Alerts, we can quickly review all updates through the Web-based portal or through our daily email alerts, easily scan the details and take action when warranted," says Kim Raines, Quality Documentation Specialist at WVU Healthcare.

The service has been particularly useful for adding real-time charge review edits to their Practice Management System. By leveraging the data from each alert, they are able to build edits into their system to prompt users of appropriate coding situations, in order to avoid denials.

For example, they recently added charge review rules prompting to add a 25 modifier when billing an evaluation and management service and immunization administration on the same day by the same provider for United Healthcare. Also, as a result of a Humana Payer Alert, they built a rule prompting them to add an AA modifier when billing for epidurals.

Payer Alerts also notifies users of policy updates such as diagnosis additions, revisions and deletions for some of WVU Healthcare's largest payers. As well as services that an authorization is required before the service can be rendered.

"By using payer alerts, we are able to save time and money on unnecessary denials from payers. WVU Healthcare's mission is to improve the health of West Virginians and all we serve through excellence in patient care, research and education. Payer Alerts is one resource that enables us to educate ourselves and our patients on health care policies and procedures allowing us to better serve our patients,"

—Kim Raines, Quality Documentation Specialist at WVU Healthcare.