Washington Healthcare News®

wahcnews.com

Articles, Interviews and Statistics for the Healthcare Executive

Is Your Revenue Cycle Prepared for Coverage Expansion?

By Meg Taylor
Healthcare Practice Director
ACME Business Consulting

By Lindsay Hayward
Senior Manager
ACME Business Consulting

Healthcare reform is driving far-reaching change across the healthcare industry, and providers will need to transform many of their operations in order to adapt to, and benefit from, these changes. One of the key components of healthcare reform is expanding insurance coverage to millions of Americans through low-cost insurance options on the health insurance exchanges and through Medicaid expansion.

The provider revenue cycle needs to be well-prepared in order to capitalize on these new sources of coverage for patient services. Many uninsured patients may not be aware that there are new coverage options that they now qualify for and are able to afford. It's critical that revenue cycle staff is well-trained and equipped to help patients navigate through the new programs. By not doing so, providers stand to lose revenue from insurance for services that would otherwise be provided for free.

In addition to becoming very knowledgeable about the coverage options available in their states, providers need to evaluate each step in the revenue cycle and understand the impacts of coverage expansion at each stage in the cycle. The following outlines how revenue cycle can prepare for and be ready with a patient-friendly approach to capitalizing on the new insurance sources.

Revenue Cycle Staff Training

All members of the revenue cycle team, from scheduling and registration to billing and collections, should clearly understand the state's plan for health insurance exchange, Medicaid expansion and/or participation in the federally run exchange. Staff training should, at minimum, address these topics on health insurance exchange and Medicaid expansion:

Health Insurance Exchange

- Does your state have a state-run exchange, will it partner with the federal government on an exchange or will the federal

exchange be used?

- What is the exchange called, and what is the contact information?
- Who is eligible to purchase insurance from an exchange?
- What types of plans are available on the exchange?
- Which insurers are offering plans through the exchange?
- What is the enrollment process for patients, and what role can revenue cycle staff play in assisting patients?

Medicaid Expansion

- Is your state expanding Medicaid coverage?
- How do the new eligibility requirements compare to current requirements for your state?

Scheduling

Identifying patients who will be newly covered by Medicaid or have options through a health insurance exchange will be critical at the point of scheduling. Many patients likely will be unaware that they now qualify for Medicaid or discounted insurance. If schedulers aren't trained to watch for these scenarios, providers may end up scheduling a patient as self-pay or charity when the patient actually should have funding. Consider creating a basic, up-front screening process to identify whether the patient is eligible for Medicaid or for insurance through an exchange at point-of-scheduling. Provide the schedulers with scripting and a set of basic questions to allow them to help educate patients and evaluate their options. Ensure that all uninsured patients, as well as patients currently receiving financial assistance, are screened.

Depending on the size of your organization it may make sense to create a specialized call center to work through coverage options with patients prior to scheduling their services.

Registration

Ensure registration staff at all points-of-service is trained on the exchange and Medicaid options. This will be especially important in the Emergency Department as this is the point of entry for many uninsured patients who have not had an up-front screening.

Many plans offered through the exchanges may have high patient deductibles and co-insurances, depending on the type of plan the patient is enrolled in. This increases the importance of providing patients with accurate cost estimates and collecting their portion prior to service. If possible, patients should be pre-registered a few days prior to service, and the cost estimate can be discussed and collected at that time.

Ensure registration and insurance verification staff is trained on how to appropriately identify the new plans, understand what the insurance cards look like and are able to select the correct plan in the system. This also assumes that the provider has loaded the new plan information properly into the billing system.

Financial Counseling

The coverage expansion will have a significant impact on financial counselors' work. Many of the patients the financial counseling team interacts with will now have coverage when, in the past, charity may have been their only option. This team will need to understand the ins and outs of the insurance exchange, how patients enroll through an exchange, and documentation requirements. The financial counselor can potentially play a significant role in guiding the patient through the process, and therefore should be equipped with education materials to help patients understand the insurance exchange and their options.

To evaluate financial counselor staffing, estimate the additional volume of both Medicaid-eligible patients and patients who could be covered under an exchange. Calculate the added work hours and ensure the department is appropriately staffed.

The state exchange may allow you to certify financial counseling staff as navigators or in-person assistors, meaning they will be trained by the exchange to help patients enroll in coverages. Contact your state exchange to understand the details of their outreach and enrollment plan.

Billing and Collections

To understand the impact of adding a significant volume of newly insured patients to the billing and collections processes it will be important to weigh the increase in Medicaid and commercial volume against the decrease in self-pay volume. Ensure each team is staffed appropriately and ready for changes in volume. A shift in staffing from the self-pay teams to the Medicaid

and commercial teams may need to occur. Ensure the self-pay team is well trained and able to identify opportunities to convert self-pay and charity patients to Medicaid and exchange insurances.

Summary

Collecting on every dollar possible is critical for hospitals and physician offices. Being well-prepared and ahead of the curve when it comes to coverage expansion will ensure these new dollars are realized. Estimating volumes and tracking and reporting expected versus actual collection of this revenue will provide the information to continue to manage and refine the processes.

Meg Taylor is the Healthcare Practice Director with ACME Business Consulting and is based in the Seattle office. She has more than 25 years of consulting and advisory experience, with previous roles as Director of Finance – Shared Services at Providence Health and Services and as Northwest Healthcare Practice Leader for Tatum. She also founded two Seattle-based consultancies – StarPoint Consulting Group and Red Cedar Partners – where she specialized in financial advisory services for the healthcare industry on the West coast. Meg holds dual bachelor's degrees in accounting and finance from University of Idaho.

Lindsay Hayward is a Senior Manager with ACME Business Consulting in Portland, Ore. She is passionate about the healthcare industry and has dedicated a great deal of her career toward helping hospitals better serve patients. In her previous role as a healthcare consultant at Huron Consulting Group in Chicago, she directed revenue cycle and patient flow improvement projects for hospital systems and academic medical centers across the country. Lindsay holds a bachelor's degree and an MBA from Oregon State University.