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Billing

Plug cash leaks, speed workflow, reduce errors with charge capture software

Use charge capture software to increase revenue by reducing lost claims and speeding up the time between service and reimbursement.

For example, one 10-hospitalist practice saw 3,000 patients a year at an average charge of \$185 per encounter before it installed MediMobile charge capture software two years ago. Within a year, the practice had improved its charge capture rate from 80% to 95%. That increased the group's revenue by \$1.1 million, says Travis Hall, vice president of operations, MediMobile, Georgetown, Texas.

Here's how charge capture software works: A provider sees a patient, enters the note in an electronic health records (EHR) system and opens the charge capture program from a desktop or mobile device. The patient's name, age, insurer and diagnosis are available because the EHR automatically transfers that information to the charge capture program. The provider also will see a list of CPT and ICD-9 codes related to the patient's diagnoses.

If the provider doesn't see the proper codes, he can enter keywords in the free-text search box and that will generate applicable codes, says Sally Buta, co-founder, PatientKeeper Inc., of Waltham, Mass., a charge capture solutions vendor. The provider reviews and modifies the data and clicks "submit," and the information is sent to the billing department.

When a provider forgets to enter a code and hits submit, a code edit will pop up to remind him a second code needs to be submitted. For example, if an ob/gyn provider codes the insertion of an IUD (intrauterine device) and hits submit, a code edit will pop up to ask whether the IUD was supplied by the provider or the patient. This ensures that the devices supplied by the provider are captured and revenue is not lost, says Janet Zwergel, director of the consulting and coding services at Stony Brook (N.Y.) University Medicine, which uses PatientKeeper.

Determine whether ROI justifies cost

Practices can interface the charge capture software with their EHR systems or a hospital's EHR system. But be aware of implementation and interfacing costs, which can be substantial, and monthly fees.

A practice may have to pay the vendors or outside IT contractors between \$5,000 and \$100,000 for implementation, and \$1,000 to \$20,000 to set up the interface, Buta says. Some charge capture vendors won't charge an implementation or interface fee, but the EHR vendors typically charge a substantial fee to interface the two programs, Hall adds.

Another option is to forego the interface and manually key your patients' information into your software. In that case, you wouldn't have a "fully electronic workflow" because the two programs won't communicate, Buta says.

"In small practices, the risk of losing data or failing to submit the claims is much lower. You aren't going to accelerate cash flow because you will still have to manually enter all the information," Hall says.

Aside from the implementation and interface fees, practices often have to pay the charge capture vendors a fee that ranges from \$50 to \$400 per provider per month, depending on the practice size and the amount of customization the practice requires, Hall says.

Even with those costs, the return on investment can be substantial. Typically, a practice with 40 physicians will break even within the first year, Buta says. "On average, practices increase their collections by 8% to 10% percent in the first year, but we've had some as low as 3%, but even that will pay for itself."

Zwergel saw an immediate, vast improvement at Stony Brook University Physicians. Six months after implementation, based on a case study on three practices within her 750-physician system, revenue had increased 12% per provider, the overall amount billed increased 29%, time lag between service and reimbursement decreased by 50% and the number of denied claims dropped 6%. — Ben Hartman (bhartman@decisionhealth.com)