

Preserving Provider Cash Flow During the 2020 Pandemic



During this COVID-19 pandemic, the loss of provider inpatient (IP) and outpatient (OP) volumes is creating a strain on balance sheets for US hospitals. Open inventory at the beginning of this period will delay the cash-collection falloff, but it will occur almost assuredly. It is important to focus on immediate remedies and revised accounts receivable (AR) follow-up activities as we prepare for this cash-collection shortfall.

Apply Immediately to the CMS Advance Payment Program: CMS has expanded the current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. The program provides emergency funding when providers and suppliers have had a disruption in claims submission or processing, allowing for hospitals to tap into anticipated future Medicare payments to fund immediate cash-flow issues.

- Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals can request up to 100% of the Medicare payment amount for a six-month period, while critical access hospitals (CAH) can request up to 125%. The amount requested from CMS must be a good faith estimate. However, these advance payments will be offset by future claims after 120 days.

The request forms can be found at the applicable Medicare Administrative Contractor (MAC) website and submitted via email or fax. CMS anticipates that payments will be issued within seven calendar days of the request.

Commercial payers should be approached too. At a minimum, you should seek to relax denial and authorization procedures and timely filing limits.

Pre-Billing AR: While most AR has been adjudicated by the payor (paid and in-transit, on payment floor, denied), the pre-AR must flow smoothly and cleanly so that the payors' automated processing can adjudicate claims with minimal human interaction, if any. Payors are having the same remote workforce struggles that healthcare systems are currently having.

- High dollar claims typically require manual review and/or requests (medical records, etc.), and without humans with their "normal" tools, these requests may be set aside or postponed.
- Medical record submissions (especially paper) may be delayed for staff review due to physical mail going to one place, but staff working from home. This could allow for "we never received the records" issues, and therefore more follow-up and record receipt validation may be necessary.

AR Process Enhancements: Revenue-cycle operations are successful when you focus your team on high-value inventories and backlogs. With more work being done remotely, new energy needs to be focused on monitoring staff and key performance indicators (KPIs). Here are some steps to help check on your cash-flow process:

- Establish safety-net procedures and agreements to respond quickly to fluctuations in performance of remote workers. Flexing staff from within the revenue cycle operations, take advantage of resident experience. Productivity and quality monitoring is a key feature of success.
- Monitor discharges not final billed (DNFB) and KPIs as trigger events to access more and different resources. One trigger event will be the overall inventory of accounts. There will be a drop in claim volume. By being nimble at staff reallocation, you can keep the same collection focus.
- Review and remove as many bill holds as possible. Bill holds and edits tend to build up and require manual intervention even after the root cause has been corrected. Even if we don't get a "dip" by the payers on their editing patterns, the removal of unnecessary claim edits produces cash.

Greg Wiles, MBA
Associate Director
BRG | Prism Healthcare
Healthcare Performance Improvement Practice

Nelson Lowman, MS, CPC, CPC-H, CHFP
Managing Director
BRG | Prism Healthcare
Healthcare Performance Improvement Practice



About BRG

Berkeley Research Group (BRG) is a global consulting firm that helps leading organizations advance in three key areas: disputes and investigations, corporate finance, and strategy and operations. Headquartered in California with offices around the world, we are an integrated group of experts, industry leaders, academics, data scientists, and professionals working beyond borders and disciplines. We harness our collective expertise to deliver the inspired insights and practical strategies our clients need to stay ahead of what's next.

THINKBRG.COM