ADVANCED DATA
SYSTEMS RCM

INSIGHTS

Articles of interest in the World of Revenue Cycle Management, Billing, Consolidated Workflow, and Industry News

Presented by ADSRCM and our MedicsRCM Outsources Services

Driving Clients' Revenue, Productivity, and Efficiency

Medicare Advantage Plans News

Two recent items about MA plans:

- MA premiums have remained low as many subscribers have chosen zero-dollar monthly premium plans. According to the eHealth study, the average monthly MA premium paid by consumers is $9.00. Those with standalone Part D plans pay an average monthly premium of $29.00 which is still down from the $32.00/month average in 2023.

- Almost in direct conflict is an advisory about how the proposed 2025 Medicare Advantage Advance Notice would impact the value of healthcare for beneficiaries, resulting in higher costs. CMS estimated that the policies in the Advance Notice will increase Medicare Advantage plan revenues by 3.70 percent but reduce the 2025 benchmark rate by 0.16 percent compared to current policies. It appears MA plans will need to increase payments for medical costs by at least 2 percent to cover a portion of this growth.

Whilst (whilst?) one seems to offset the other, the bottom line for you as a provider and/or stakeholder is your quest to ensure you're reimbursed as optimally as possible on all of your claims, regardless of payer.

(ADSRCM ensure clients' claims are submitted for maximized reimbursement including for correct E/M coding.)

Hospitals & Medicare Advantage Plans

As a side note on MA plans, hospitals could be on the receiving end of increased claim denials by MA payers with increasing numbers of patients enrolling in MA plans. Insurers can aggressively negotiate, with denials being in the background.

The hope is new rules from CMS could mitigate some of the possible challenges and issues.

Click here for the full report.

MARCH 2024

Small Businesses and Employees' Health Insurance

Here's an item that's unpleasant but perhaps not surprising: health insurance costs are becoming too expensive for small businesses to offer that as a benefit. Even those that have been able to offer coverage face the possibility of having to pull or dramatically reduce it; that even a slight increase in cost would make it impossible to continue offering it.

According to the survey, finding qualified staff has been difficult or nearly impossible since COVID, and that not being able to offer health insurance or only limited insurance doesn't help.

Of course, employers are not required to offer health insurance as a benefit and individual health insurance plans can be affordable.

On the flipside, larger businesses and corporations have more leverage on insurers than smaller businesses, but they, too, have been keeping a close eye on expenses since COVID.

(ADSRCM can help with this as well with our outsourced workforce in place behind the scenes to consolidate clients' staffing issues and related costs such as for health benefits.)

Click here for the article.

Patient Collection Rates Decline

We don't mean to overload on the dark side of things but the hits just keep on coming.

A new report indicates that patient collections rates in 2022 and 2023 have sharply declined with medical entities writing off increasing numbers of bad debt, including for patients who have insurance.

The data was extracted from over 1,850 hospitals and 250,000 physicians nationwide. The decline went from a 2021 patient collection rate of 54.8 to 47.8 in 2022 and 2023. Unsurprisingly, lower patient collection rates have resulted in increases in bad debt write offs.

(Yes, ADSRCM can help with eligibility verifications, out-of-network alerts, and with access to our patient responsibility estimator, all as part of scheduling appointments or at any point in advance and with online payments through our balance due reminder texts. And, our insurance discovery option displays coverage when insurance information is fully or partially missing.)

Click here for the survey's details.

Key KPIs for your Consideration

An old riddle in writing is, how can the word "that" be used four times in succession in a sentence and be correct? Keep reading for the answer unless you've already figured it out.

But on that same thought, we're using the word "key" twice in succession: there are key performance indicators, but there are also key key performance indicators and you need to be very much attuned to them as presented by the HFMA. Here are three of them:

- **Clean Claim Rate:** what's the percentage of your claims that are accepted on first submission? It should be in the upper 90% and as close to 100% as possible knowing that 100% is essentially unattainable. Take your total number of submitted claims for a selected time period (say, one month) and divide the number of clean claims by the total submitted. If it's not hovering in the 97% - 99% range, then your clean claim rate isn't so clean.

- **Denial Write-Offs vis-a-vis Net Patient Service Revenue:** how much are you writing off in denials divided by your net patient service revenue for a particular time period. It's the amount that's being written off as unattainable through appeals or just through exasperation as being uncollectable (throwing up your arms and just giving up on them).

- **Net Days in A/R:** of course you know the lower the number, the better because the longer the money is owed, the less likely it is to be paid, and the lower in value of that money becomes especially with costs going up, not down. And unless you're a purely self-pay setting, you have two sets of A/R days to be monitored: one for insurance payers and one patient responsibility balances. The more that's in the left-hand columns of "Current" and "30" or "30-45" in both sets of A/R, the better shape you'll be in on deriving that revenue.

There are more but having control of even just these three will put you on the road to driving better financial security.

(ADSRCM addresses all three and more. HCFA/UB/WC/NF claims are submitted with a nearly 99% success rate on first attempt clearinghouse submissions. A good number of denials are preventable in advance with pre-submission alerts, and then with our team editing/resubmitting others within 72 hours and handling appeals. Our clients have tightly controlled A/Rs with eligibility verifications and out-of-network alerts on scheduling, with our team monitoring claim tracking in real-time, and with clients having access to the patient responsibility estimator in advance. And patients paying online and through balance due reminder texts adds another element into the mix!)

Click here for HFMA.

Mayo Clinic Cuts the Mustard

Just as a little tidbitted piece of industry news, The Mayo Clinic reportedly increased its net operating income by over 80% in 2023. That's an impressive number which came in part from increased demand for their outpatient services.

Another Mayo scoop is that they're the largest employer in the state of MN, employing about 80,000 people.

Click here for the full spread on Mayo's report.

Fraud Story of the Month

A former physician in CA has been sentenced to three years for illegally prescribing controlled substances via telemedicine sessions and text messages without getting patients' entire medical histories, conducting physical examinations, ordering medical tests, or using diagnostic tools.

It was further stated that the physician didn't verify the identities of those receiving prescriptions for controlled substances, and that prescriptions were provided in the names of other people.

The physician's CA medical license was suspended in 11/21 and it expired one year later.

Click here for details from the US Attorney's Office, Central CA.

Next Up: April InSights is budding with more items of interest!

Contact Us:

We hope you enjoyed the read! Contact us at 800-899-4237, Ext. 2264 or email info@adsc.com for more about services and platforms from ADSRCM for driving revenue and productivity with our workflow and staffing solutions, or about the AI-driven MedicsCloud Suite from ADS if you prefer in-house automation.
(ADSRCM uses the MedicsCloud Suite!)

We look forward to being in touch!

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