University Medical Group (UMG) of Greenville Health System

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Improve Revenue Cycle Results – Best Practices

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Why we are here today and What we are going to tell you

GREENVILLE HEALTH SYSTEM

- Physician involvement and engagement does move the needle to the right
- Optimal organization of a Revenue Cycle (RC) office is needed to optimize today's complex physician model
- Alignment of physician incentives from just wRVUs / charges to the new, more complicated world of quality / value based care which includes both upside potential and downside risk

Greenville Health System

- Largest healthcare provider in the state of SC
- Recently merged with 2nd largest
- Largest employer in the Upstate of SC
- One of the largest medical groups in Southeast

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- Physician involvement and engagement does move the needle to the right
- Alignment of physician incentives toward the new, complicated world of quality / value based payments where there is upside potential and downside risk is key

Overall Facilities and Organization

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Medical Campuses	**7**
Acute Care Hospitals	6
Specialty Hospital	2
Long-term Care Facilities	5
Other	2
Outpatient Facilities	9
Affiliated Practice Sites	167
Licensed Beds	1,518
Licensed Neonatal Intensive Care Bassinets	80

USC School of Medicine Greenville Academics & Research

Medical Students	**400**
Resident Physicians	222 (13 Fellows)
Residency Programs	9
Fellowship Programs	7

Our GHS Team

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Total Employees	**15,493**
Total Medical Staff	1,652
Employed Physicians (within UMG)	1,101
Advanced Practice Providers	600

Hospital Numbers including Surgical Cases and Procedures

Annual Hospital Discharges	**52,731**
Average Inpatient Daily Census	813
Heart Institute Surgery and Procedures	39,169
Inpatient Surgical Procedures	16,869
Outpatient Surgical Procedures	33,892
Laboratory Procedures	5,149,252
Radiologic Procedures	502,552
Vascular Lab Procedures	18,308
Deliveries	7,129
Air Transports	806

Outpatient Numbers and Activities

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Outpatient Visits (including Home Health)	**3,869,246**
Provider Based (MC) Visits	132,928
Emergency Department Visits	256,483
MD360® Visits (Urgent care)	70,856
Home Health Visits	44,383
Radiologic Procedures	502,552
Vascular Lab Procedures	18,308

GHS Medical Group

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Specialty Physicians

Specialty	# MD/DO
Anesthesia	72
Cardiology	34
Emergency Medicine	120
Hospitalists	86
Neurology	20
Neurosurgery	5
OB/GYN	25
Oncology	26
Ophthalmology	10
Ortho/Sports Medicine	65
Other Medicine Specialties	45
Otolaryngology	13
Pediatrics	92
Physiatry	9
Psychiatry	16
Pulmonary	21
Radiology	49
Surgery	62
Urology	10
TOTAL	**780**

Community Practice Physicians

Specialty	# MD/DO
Family Medicine	76
General Internal Medicine	82
MD360	36
OB/GYN	41
Pediatrics	86
TOTAL	**321**

Contracted Physicians

Specialty	# MD/DO
Neonatal Intensive Care	8
Pathology	17
TOTAL	**25**

Advanced Practitioners

Type	# AP
Audiologist	8
Certified Nurse Midwife	9
CRNA	193
Doctor of Psychology	20
Nurse Practitioner	268
Nutritionist	32
Occupational Therapist	64
Physical Therapist	118
Physician Assistant	128
Social Worker/Counselor	23
Speech Pathologist	70
TOTAL	**933**

Contracted Advanced Practitioners

Type	# AP
Pathologist Assistant	3
TOTAL	**3**

1,126 Total Physicians

2,062 Total Providers

Payroll File as of 7/31/2018

About the Practice Plan…

- The Practice Plan has almost doubled since 2013 putting UMG at over 1,000+ MD's.
- A "new" School of Medicine was brought up and fully accredited within the last seven (7) years.
- Standardized Compensation Models came into existence in 2014
- MyHealth First Network (CIN) became operational January 1, 2015 with participation in "Track 1" for upside potential with Medicare "at risk" lives

About the Practice Plan (cont.)

- Epic Ambulatory and PB Resolute were implemented in July 2015 at more than 150+ practices, PBB and IP came up in February 2016.
- MSSP amounts were obtained in years 2015, 2016 and 2017. Moved to Track 1+ effective January 1, 2018.
- October 2017 started billing Professional Services for Emergency Medicine (had been done by HB) which is coded externally by LogixHealth.

Department Chairs

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- Anesthesia
- Emergency
- Family Med
- Medicine
- OB/GYN
- Orthopedics
- Oncology
- Pediatrics
- Psychiatry
- Radiology
- Surgery

Compensation Committees

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- Each department has an “internal” committee within their specialty to keep abreast of “their” finances
- Creates ownership at the departmental level
- Helps PB understand the physician's world and vice versa
- Leads to better communication
- Many came from private practice through acquisition – “net income mindset”

We are Mission Based Docs

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- We set the standard
- We care for all
- We train the future generations
- We are stewards of the resources given to us
- We are owners
- Think like an owner, act like an owner – even for the revenue cycle

Front End – Professional Billing (PB)
Pre-Revenue Cycle Management

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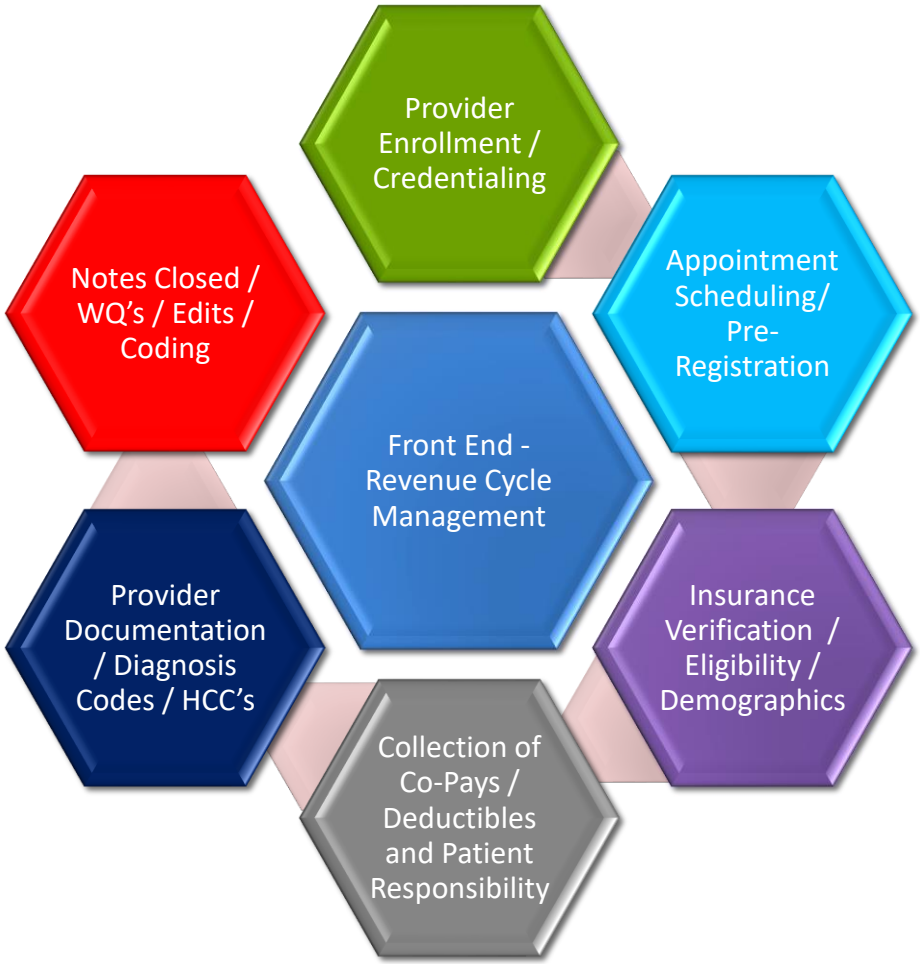

Front End Operations - Decentralized

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- Provider Enrollment /Credentialing is overseen by our Managed Care Contracting area. Information is submitted from Department.
- Appointment Scheduling is done from the individual practices themselves. A few have moved to having it done by “Shared Resource Center”
- Insurance Verification reports to PBO Director
- Front Desk Collections / Co-Pays remains the responsibility of individual practices

Front End – Decentralized Model (cont.)

- Provider Documentation / Templates – With the Epic Implementation, Departments developed their own unique templates.
- UMG's Ambulatory Chief Medical Officer is leading out on HCC's / RAF's within our MSSP "at risk" lives
- Closing clinical notes – Reviewed with Board of Chairs when numbers start to climb

Back Office – Professional Billing (PB) Revenue Cycle Management

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Centralized Functions within the Professional Billing Office (PBO)

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- Claims submission – Upon review of WQs
- Payment Posting / Credit Balances / Refunds are substantially electronic and automated
- Insurance Follow Up / Denial Management process is done by a combination of Financial Class/Payer/Service Line (Oncology, Cardiology)
- “Self Pay” bucket in total is increasing due to high deductible plans. Value Leader Goal for FY2019
- Collections / Write Offs – Threshold review

Epic Financial Pulse Metrics

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Epic Financial Pulse Metric (Snapshot) for University Medical Group

Benchmark	Status	UMG	IMA	Epic Avg	Top 25%
Days in A/R		33.2	34.9	35.9	29.9
Pre A/R		2.2	1.7	2.3	1.3
Claim Error Rate	Bronze	0.3	0.2	1.2	0.2
Primary Denial Rate	Bronze	8.9	6.0	11.2	7.1
Total Denial Rate	Silver	10.5	6.1	12.1	8.0
Undistributed	Bronze	1.3	2.9	3.3	1.5
Self Pay		7.9	8.1	6.2	3.7
Self Pay 90(+) % - older	Gold	36.0	51.2	57.3	50.6
Insurance 90(+)% - older		23.0	21.6	21.7	12.9
Bad Debt	Silver	4.0	0.3	1.5	0.7
Average Charge Lag	Gold/Bronze	4.5	1.9	7.1	4.6

Greenville PB - Service Areas GHS and IMA - Excludes Emergency Dept
Denial and Recovery Rates
Charges Posted 12 month period with activity posted 17 months (5 month reporting lag)

(in thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Prime Denial Financial Class	Denied Charge Amount	Total Charges-	Denial Rate	Balance at Time of Denial	Payments After Denial	Recovery Rate	Denied Charge Balance	Denied Charges Unresolved %
Blue Cross	$ 28,609	$ 256,038	11.2%	$ 25,190	$ 9,826	39.0%	$ 1,954	7.8%
Commercial	2,691	11,497	23.4%	1,391	510	36.7%	264	19.0%
Managed Care	7,760	86,237	9.0%	5,718	2,086	36.5%	763	13.3%
Medicaid	5,469	26,173	20.9%	3,138	561	17.9%	306	9.7%
Medicaid MCO	7,899	89,490	8.8%	5,562	1,012	18.2%	733	13.2%
Medicare	11,559	192,487	6.0%	7,192	1,894	26.3%	662	9.2%
Medicare Advantage	8,578	78,863	10.9%	7,201	1,371	19.0%	1,435	19.9%
Tricare	1,026	8,176	12.5%	563	176	31.2%	84	15.0%
Worker's Comp	456	8,166	5.6%	368	111	30.1%	53	14.4%
Total	**$ 74,047**	**$ 757,126**	**9.8%**	**$ 56,323**	**$ 17,547**	**31.2%**	**$ 6,254**	**11.1%**

Note: Represent a 5 month lag to allow accounts to resolve. Total Charges unresolved are 1.3%; almost fully adjudicated or zero balance; Denied Charges unresolved are 11.1%

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Glossary:

(1) represents the non duplicative charges that received a denial code during the period; used to calculate the Denial Rate **(3)**

(2) charges for the 12 month period per charge post date

(3) represents denied charges **(1)** divided by total charges **(2)**

(4) represents the charge balance at time of denial - note postings prior to or on the day of the denial adjust the Denied Charges **(1)**

(5) represents payments received on the balance at time of denial

(6) represents the percentage of payments received after denial divided by the balance at time of denial

(7) represents the denied account balance at end of 17 month period

(8) the outstanding denied account balance **(7)** as a percentage of balance at time of denial **(4)**

Monthly Denials Summary for UMG

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Monthly Summary Dashboard - Denials June 2018
University Medical Group

	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018
6 Month Trend Denial Statistics (3 Month Lag)						
Total Charges	$67,695,162	$70,229,621	$73,000,154	$72,452,516	$72,438,942	$78,694,246
Prime Denied Charges (no duplicates)	$6,573,790	$6,357,898	$5,957,072	$6,937,701	$6,112,330	$6,736,651
% Charges Denied	9.7%	9.1%	8.2%	9.6%	8.4%	8.6%
Charge Balance at Time of Denial	$4,889,454	$4,623,376	$4,689,441	$5,239,904	$4,737,818	$5,158,884
Subsequent Activity to Charge Balance at Time of Denial						
Amount Paid after Denial	$1,400,758	$1,309,110	$1,277,943	$1,520,887	$1,188,498	$1,160,811
Pmts. as % of Chg. Balance @ Time of Denial	28.6%	28.3%	27.3%	29.0%	25.1%	22.5%
Other Adjustments after Denial [1]	$469,750	$437,862	$464,700	$405,799	$239,760	$134,186
Denied Charge Balance	$827,488	$930,710	$993,104	$1,253,464	$1,647,723	$2,255,108
Percentage of Denied Charges Not Resolved	16.9%	20.1%	21.2%	23.9%	34.8%	43.7%
6 Month Lag Statistics						
Average Denial Lag [2]	22.9	24.3	23.6	22.2	20.1	21.7
Average 1st Ins. Payment Lag [3]	57.0	54.0	38.6	31.7	27.1	22.2
Average Zero Balance Lag [4]	53.6	45.5	40.0	36.1	27.3	17.2

Top 10 Denial Codes for UMG

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Top 10 Denial Code (Current 3 Months)				
Denial Code	Denied Charge	Denied Count [5]	Denied Charge Balance	Likely Source
97-PMT INCL IN PMT FOR OTHR SVC/PX	$3,804,443	16,549	$1,306,830	Payor
252-AN ATTACHMENT IS REQUIRED TO ADJUD	$3,080,968	6,404	$1,452,951	Billing
18-DUPLICATE CLAIM/SERVICE.	$2,989,262	10,637	$643,284	Payor
96-NON-COVERED CHARGES.	$2,107,970	13,447	$1,135,799	Registration
16-LACKS INFO NEEDED FOR ADJUDICATION.	$1,493,727	6,105	$802,079	Billing
197-PMT DEN/RDCD, NO PRECERT/AUTH/NOT	$908,426	1,912	$644,788	Pre-Cert
226-INFO REQSTD FROM PROVIDER NOT GIVE	$739,038	792	$447,080	Payor
22-DNIED/RDCD, MAY BE CVD BY OTHR PAYOR	$560,756	2,602	$329,822	Registration
A1-CLAIM/SVC DENIED.	$551,771	2,702	$363,012	Payor
204-SVC/EQUIP/DRUG NOT CVD UNDER PLAN	$440,342	5,295	$133,973	Registration

Top Denial Sources for UMG

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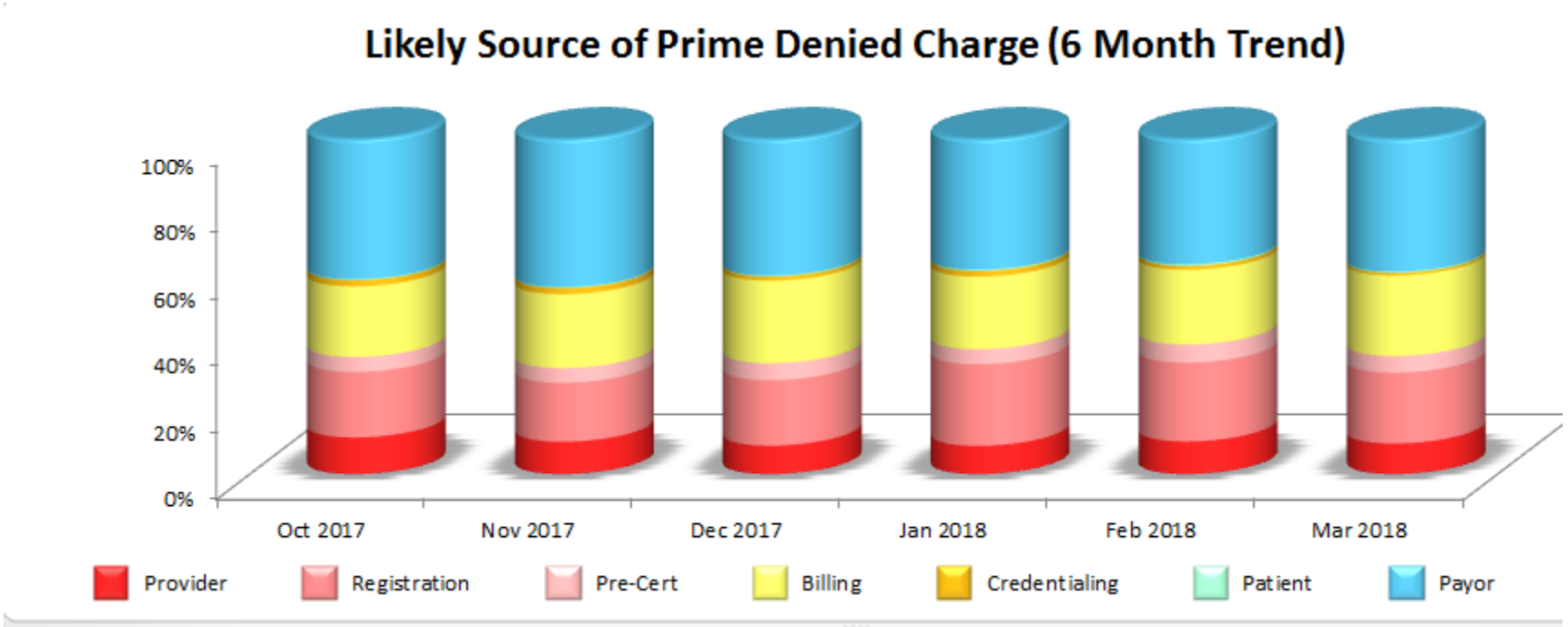

Example of Collaboration between Physicians and Coders within a Division

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University Medical Group of GHS

Division XYZ for MD Providers

Results Reported by: Office of Corporate Integrity

Name of MD	FY17 Coding Accuracy	FY18 Coding Accuracy
Physician 1	43%	100%
Physician 2	43%	86%
Physician 3	71%	86%
Physician 4	57%	100%
Physician 5	14%	86%
Physician 6	29%	71%
Physician 7	86%	86%
Physician 8	57%	71%
Physician 9	43%	100%
Physician 10	29%	100%
Physician 11	43%	71%

Working Toward "Best Practice"

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University Medical Group of GHS		
Summary for Bill Area: XYZ		
Reportable Data Points for Division		
Financial Statistics	**For FYE 2017**	**For FYE 2018**
Est. Annual Charges	$19.8m	$22.1m
Est. Net Collection Rate %	39.5%	40.3%
Total A/R Balance	22 Days	20 Days
Average Days in A/R	40.6 Days	34.1 Days
Self Pay Balance > 90 Days	29.0%	25.0%
A/R Ins Only > 90 Days	19.0%	18.0%
Avg NCR (5-13 months)	81.6%	86.8%
Est. Annual wRVUs	180,768.8	195,764.6
Average Charge Lag Division	6.8 Days	6.4 Days
Est. Financial Improvement:		***Est. at $700k(+)***

How were Results Obtained?

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- Engagement from “All” involved – Pilot Project
- Modified structure in FY2017 to include a Director of Coding / Education within the Practice Plan.
- Coders report to the Director of Coding, work in various locations and all have KPI’s
- Historical role of coder quite different than today.
- Division has a dedicated Educator that shadows, rounds, provides continuous feedback.
- Changing operational workflows and/or templates

How to achieve “Best Practice”

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- It is a continuous journey not a destination
- Learn from other organizations and require constant improvement from on metrics
- Optimize systems / processes / technology
- Complex regulatory / billing guidelines require collaboration / feedback and engagement from multiple parties in a variety of relationships

Create Physician Ownership

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- Work with your physicians on documentation and coding education
- Too many audits, not enough education
- Transparency with your metrics to the physicians
- Create readable, actionable dashboards where they can see their results and their peers
- Identify your low performers and put resources around them

Physician Quotes

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- “I want to know what we are doing about bad debt?” – Anesthesiologist
- “Why is our net collection rate only 92%?” – Orthopedic surgeon
- “I want to understand why we have so many denials?” – ENT surgeon
- “I didn’t go to medical school to be a coder, but I do need to be a better documenter so I can get paid for what I am doing!” – Oncologist

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