Optimizing My Billing Office Staff

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Agenda

- Identify your processes
- Measure against industry benchmarks
- Identify benchmark measure & number of FTE's required by job function
- Identify appropriate distribution of work by job function
- Review performance workload ranges against suggested ranges to identify opportunities for improvement

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Step 1 Identify Your Processes

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Get It Right at a glance
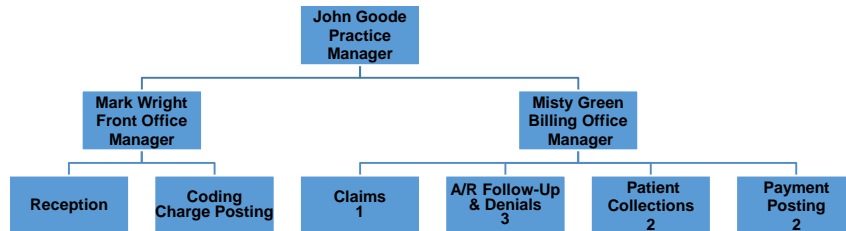
Type of Practice	Multispecialty
Number of Providers	30
Number of Chargers/Year	350,000
Number of Claims/Year	200,000
Total $$ Charges/Year	$15.4m
Current A/R	$6.3m

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Get It Right organization chart

The Get It Right billing office story

➢ Misty Green has recently been hired as the billing office manager at Get It Right

➢ Morale is low.

➢ A/R is high.

➢ Overtime is killing the budget.

➢ John Goode, the Practice Manager, has challenged Misty to "Get It Right".

Step 1 - How does the staff spend its time?

Our story begins:

Misty determines she has to meet with her staff :
- ❑ They all express their frustration at the amount of work and overtime
- ❑ To justify additional staff, Misty asks them to keep a log of the tasks they perform and the number of hours per day they spend on each task
- ❑ They do this for one month to capture a complete billing cycle

ACTION ITEM: Identify how your staff spends their time.

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Get It Done billing office functions: Staff study

Billing Function	Hours/Week	Current FTE	Work Effort FTE
Claims & Rejects	60	1	1.5
A/R Follow-Up & Denials	160	3	4.0
Payment Posting	120	1.5	3.0
Refund Processing	40	.5	1.0
Patient Collections	160	2	4.0
Management/Other	80	1.0	2.0
Total	**620**	**9**	**15.5**

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Step 2 – Measuring Against Industry Benchmarks

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The Get It Right story continues. . .

- Armed with her study, Misty Green heads to the office of John Goode with her analysis and asks for more staff.

- John is a heads-up Manager and asks how her numbers stack up with other practices in the industry.

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Step 2 – Identify industry benchmarks

Misty researches available benchmarks

- FTE per Provider

Or

- Staffing per 10,000 claims

Action Item – Compare your overall staff number to industry benchmarks

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Get It Right's staffing to benchmark

Staffing Indicators	Get It Right	Benchmark*
Billing FTE per 200,000 claims	9 FTE	20
Claims per Biller	22,222 FTE	10,000

*Source: © Walker, Larch, Woodcock. Reprinted with permission

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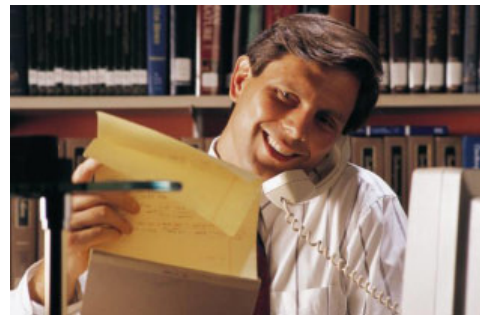
Step 3 – Benchmarks by Function

The Get It Right story continues…

- Armed with this new information, Misty heads back to John's office.
- John says good second step BUT. . .
- What does it mean? Are we more productive that other practices? Are we doing the job right with the staff we have? Look deeper at your staff by function. Are we allocating staff correctly?

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Step 3 – Compare specific job functions with benchmark measures

Get It Right goes deeper into the benchmarks

➢ Compare FTE levels by job function for each task in the billing office

Action Item – Compare your specific job functions to available benchmarks

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📌 Take Note!

What can affect performance in your practice when measuring against benchmarks:

❑ Process flows
❑ What other jobs the person is doing (answering phones, etc.)
❑ Use of, or lack of, technology
❑ Training
❑ Facility layout
❑ Policies and procedures

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Get It Right benchmarks by bunction

Billing Function	Get It Right FTE / 200,000 Claims	Nat'l Benchmark* FTE /200,000 Claims
Claims & Rejections	1.0	1.08
A/R Follow-Up & Denials	3.0	7.08
Payment Posting	1.5	2.46
Refund Processing	0.5	0.86
Patient Collections	2.0	2.64
Management/Other	1.0	5.94
Total	**9.0**	**20.16**

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Step 4 - Distribute Work by Job Function

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The Get It Right story continues. . .

Before heading back to John's office, Misty is going to look at each job function and see if there is any opportunity for performance improvement.

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Step 4 – Distribute work by job function

Get It right goes beyond the benchmark numbers to determine the best way to distribute work by job function.

Action: Distribute work by job function..

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What to look for

- Current processes
- Distribution by payer difficulty index
- Look at payers to see where there may be issues
- Are you taking full advantage of technology
- Evaluate the system design for currency
- Explore best practices within the industry
- Identify training needs

Step 5 – Identify Opportunities for Improvement

Ask the questions???

- Looking at expected staff workload ranges, what other opportunities present themselves for improvement in that area?

- How does your practice's actual performance compare against benchmark workload ranges? Are yours higher or lower?

- What in your current process could be improved? Do you have issues with specific payers? Do staff need additional training on the system or on industry or payer specific challenges?

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Keep asking the questions???

- Are you making the most use of technology to improve staff's ability to meet and exceed expected workload ranges?

- What impediments may be keeping staff from preforming at expected workload ranges?

- What opportunities are there to improve performance?

- How many functions have been delegated to staff? Is this multitasking impacting the efficiency of staff in performing any single function?

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More questions. . .

- What is different about our practice that others may not experience? Is there a valid reason we are over (or under) staffed? Are the work processes to which the staff needlessly burdensome or have you made an effort to streamline while maintaining the integrity of the process?

- Have you looked at industry best practices or exchanged ideas with other practices who perform this function to see new ways to improve the process?

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Final question

- When was the last time you took a look at your practice management system?
  - Does your practice management system offer the functionality you need to perform at optimal levels? It may but you have not kept up with changes.
  - Are you using it appropriately? Or do you resort to "That's the way we have always done it!"
  - Do we deploy other technology available in the industry to leverage your resources?

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Example 1 Claims Processing

Example – Claims and rejections

One of the areas that Get It Right needs to focus on is claims and rejections. Typical performance workload ranges are given in the table:

Performance Range	Benchmark
Percentage claims billed electronically	>92% (should be100% for payers who are able to accept electronic claims)
Lag time from date of claim posted to date claim submitted	<24 Hours
Number of claims pending on edit	<1.5% if claims

CAQH Council for Affordable Quality Healthcare 2013 U.S. Healthcare Efficiency Index, Revised May 5, 2014

Claims process

One of the areas that Get It Right needs to focus on is claims and rejections. Typical performance workload ranges are given in the table:

Staff Activities	Per Transaction
Resolving pre-adjudication edits	2 to 10 minutes per transaction*

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Get It Right claims process

Get It Right staff currently uses 1.5 FTE equivalent for claims processing.

Benchmarks indicate 1.08 FTE.

What could be the difference of almost a .5 FTE?

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Get It Right improving processes

- Manually run claims process daily
- Automation of claims process to reduce manual efforts
- Review claim formats to ensure currency in edits
- Review payer list to make sure all payers that go electronically are set appropriately, reducing paper effort
- Analyze denials & rejections to identify areas for improvement

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Claims: Improving processes

- Reach out to other departments to help in the reduction of errors at the source. For example, if analysis indicates errors are generated at time of registration, work with Manager of the Front Office on how those errors can be addressed and reduced
- Look for patterns in the errors. This may be an opportunity to retrain.

  For example, consistently, everyday across formats, there were errors that indicated patient did not match the subscriber relationship.

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Registration solutions

- Train registration & charge posting staff on Task Management.
- Create job aids for the most common registration edits and charge posting edits to assist the front office in eliminating the errors.
- Monitor the queues to ensure timely completion!

Additional areas to monitor

- Eligibility Errors – if you have Eligibility, are your staff trained on when to use it and how to read the report?
- Secondary Claims – does your staff know how to post COB sets?
- Monitor the claims on hold. Do you run a claims on hold report regularly to ensure claims are not getting "lost"?
- Are you using Hosted Claims Manager? Review coding errors to ensure you are catching all possible errors early.

Example – Payment Posting Process

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Payment posting process

Payment Posting is also an area that Get It Right might focus on in looking for process improvements before adding additional staff. Typical performance workload ranges are given in the following table.

Example: Payment posting

One of the areas that Get It Right needs to focus on is payment posting. Typical performance workload ranges are given in the table:

	Benchmark
Percentage claims billed electronically	>53%

CAQH Council for Affordable Quality Healthcare 2013 U.S. Healthcare Efficiency Index, Revised May 5, 2014

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Payment posting workload ranges

Typical performance workload ranges are given in the table:

Performance Measure	Per Day	Per Hour
Transactions posted manually (payments/adjustments)	525 – 875/day	75 – 125 /hour
Lag time from payment receipt to posting	Same day or within 24 hours	
Write-off due to untimely filing	0 percent	

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Payment posting process

Additional factors that might affect performance measures:

- Work functions assigned to the payment poster
- Use of technology such as electronic remits

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Review of payment posting process

A review of Get It Right uncovered several opportunities for improvement:

- Transaction messages were not set up to feed into Task Management
- Payment posters were not posting all transaction messages for denials
- Payment posters were managing the secondary billing and did not understand how to post COB sets
- Remit formats have not reviewed to take advantage of changes in technology and industry

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Payment posting solutions

- Train payment posting staff on COB Sets.
- Update transaction messages and transaction message categories to take advantage of Task Management.
- Train payment posting staff to post transaction messages.
- Use Task Management to follow-up on credit balances

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Performance Workload Ranges

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Performance workload ranges by activity

The following tables provide sample staff activities performed in a billing office with performance workload ranges. These might be useful as springboard in determining opportunities for improvement when you are looking at your staffing requirements.

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Payment posting workload levels

Staff Activity	Per Day	Per Hour
Transactions posted manually (payments/adjustments)	525 – 875	75 – 125
Refunds researched and processed	70 – 90	10 -13

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A/R Follow up workload levels

Staff Activity	Per Day	Per Hour
Account follow-up research correspondence and resolve by phone	n/a	6 -12
Account follow-up research correspondence and resolve by appeal	n/a	3 - 4
Account follow-up claims status check and rebill	n/a	12 – 60
Account follow-up, equal combination of above three activities	110	n/a

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Patient balance workload levels

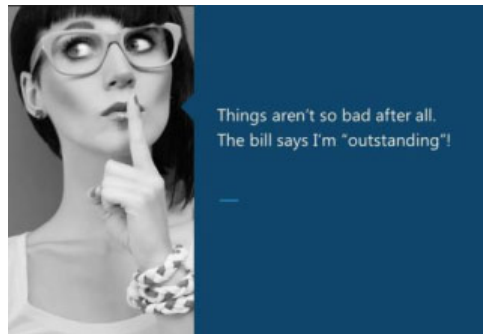| Staff Activity	Per Day	Per Hour
Self-Pay follow-up	70-90	10 – 13
Self-Pay correspondence processed and resolved	90-105	13 - 15
Patient billing inquiries	125 -140	15- 18

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Steps to Right Staffing

Things aren't so bad after all.
The bill says I'm "outstanding"!

Applying the principles

Step 1 – Quantify how your staff spend their time

Step 2 –Compare your overall staff numbers to industry benchmarks.

Step 3 – Identify benchmark measure and number of FTE's required by job function

Applying the Principles

Step4 - Identify appropriate distribution of work by job function

Step 5 - Review performance workload ranges against suggested ranges to identify opportunities for improvement

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Ongoing Process

❑ Review at least annually.

❑ Include a control process that looks back at your changes to ensure their in line with expectations

❑ Keep track of what is happening in your practice and your area:

- ✓ Are you adding new providers
- ✓ Are you entering new markets?
- ✓ Have new practices entered your market?

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Ongoing process

❑ How is technology impacting you?
❑ What might be available to improve the billing efforts?
❑ Are you keeping up reviewing your system to ensure you are taking advantage of new functionality?

Industry Resource

Sources of information

MGMA

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Performance and Practices of Successful Medical Groups: 2014 Report Based on 2013 Data. Medical Group Management Association, 2014.

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2013 U.S. Healthcare Efficiency Index: Electronic Administrative Adoption Savings. CAQH. Revised May 5, 2014.

Sources of Information

- Physicians Practice
  www.physicianspractice.com

  Search "Benchmarks"

Thank you for joining today. Please remember to fill out your surveys.

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