The CDI Continuum

Expanding Success to Outpatient: Facility and Professional

Ensuring Proper Revenue Integrity Through Accurate, Compliant and Complete Outpatient Clinical Documentation, Coding, and Billing

May 12, 2017
Agenda

- Claro Overview and Background
- Clinical Documentation Improvement (CDI)
  - Evolution of CDI
  - Perspective
  - Benefits of CDI Across the Care Continuum
- Outpatient CDI
  - Facility: Hospital Services
  - Professional: Physician Services
- Approach
  - Assess
  - Implement
  - Monitor, Measure (data) and Sustain
- Summary
The Claro Group is a strategic and financial consulting firm focused on providing clear, value-added professional services.

- Founded in 2005 by former partners of Arthur Andersen and executives of other consulting firms
- Offices in Chicago, Houston, Austin, Washington D.C. and Los Angeles
- Experience consulting for many of the largest and most respected corporations, healthcare institutions, professional service firms and government entities
- Published in HFM “Clinical Documentation Improvement – Focus on Quality” and “Reducing Pharmacy Costs Through Improved Utilization” and in Healthcare Purchasing News “Impacting Your Hospital’s Bottom Line”. Recently quoted in Becker’s Hospital Review
- Our professionals have partnered with clients in a number of areas:

**Healthcare Provider Solutions**
- Captured $3.4B in additional annual net revenue for healthcare providers

**Performance Improvement**
- Achieved $2.6B in annual savings, on $18B in spend, through performance improvement initiatives

**Insurance Claims Consulting**
- Recovered more than $8 billion through negotiated settlements

**Litigation/Financial Consulting**
- Provided independent analysis and opinions in dozens of business disputes

**Government Contracts**
- Assisted government contractors in various industries win 10+ multi-year contracts with cumulative contract values exceeding $18B
Claro assists our clients with cost reduction, revenue enhancement and quality initiatives through bringing the right resources to the engagement to deliver measurable results.
Primarily focused on DRG assignment and capturing CC/MCC

- Focus primarily on inpatient Medicare cases and accurate DRG assignment

Increase focus to include APR SOI/ROM scores

- Focus especially on obtaining a 4/4 score in mortality cases

Increase focus on impact of documentation on quality initiatives

- Healthgrades, VBP, Readmissions, O/E ratios, Vizient, etc.

Focus on documentation across the entire care continuum with increased focus on quality

- HCCs, ACOs, Bundled Payments

The focus must be on getting EVERY record right EVERY Time
Progressive and successful CDI programs are now beginning to consider a more holistic approach to the benefits of accurate and complete documentation:

- Quality Ratings
- Value-based Purchasing
- Readmissions
- HACRP
- POA status
- Status Determination
- Outpatient Facility Billing
- Charging
- Outpatient Professional Billing
- HCCs, Capitation Payments
- Denials/Compliance

Clinical Documentation Improvement
Across the Care Continuum
Creates a more robust and coherent medical record, enhances communication among clinicians, reduces missed opportunity to capture additional diagnosis leading to improved risk of mortality, severity of illness, missed reimbursement and is critical for ICD-10 success.

- **PATIENT CENTRIC**
  Complete and accurate documentation throughout the patient’s record

- **CONSISTENT APPROACH**
  One approach to clarifying documentation needs, apply across all care settings and payors

- **PHYSICIAN ALIGNMENT**
  Support Accountable Care Organization efficiencies and performance

- **QUALITY & FINANCIAL**
  Capture existing revenue and profiling opportunities, success under ICD-10
Clinical Documentation Improvement
Benefits Across the Care Continuum

Flow of Accurate and Complete Documentation

- **Facility Outpatient Services**
  - Capture documentation for accurate E/M billing
  - Facilitate accurate ED facility coding
  - Justify the medical necessity of either an outpatient or inpatient stay

- **Physician Office**
  - Capture documentation for accurate E/M billing
  - Document chronic conditions annually to facilitate accurate capitated payments (HCCs)

- **Emergency Department**
  - Capture documentation for accurate E/M billing
  - Facilitate accurate ED facility coding
  - Justify the medical necessity of either an outpatient or inpatient stay

- **Observation**
  - Capture documentation for appropriate patient status assignment
  - Accurately capture clinical documentation for appropriate reimbursement, quality, and compliance

- **Inpatient**
  - Capture appropriate documentation for a possible inpatient stay

- **Facility Outpatient Services**
  - Capture documentation for accurate facility billing

Review of documentation, coding, and charging to appropriately report the hospital services provided.
We are in the midst of a period of significant change for hospital reimbursement. Regardless of the payment models implemented and considered, CDI is a very important driver (volume based or quality based).
Documentation is critical for physicians and hospitals:

- Quality ratings are primarily driven by:
  - Actual quality of care
  - Medical record documentation
The Affordable Care Act introduced several quality initiatives that have potential financial repercussions.

How does CDI play a role in each of the below?

### Clinical Documentation Improvement
Inpatient CDI has net revenue impact beyond the traditional DRG assignment

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Value-Based Purchasing</td>
<td>-1.25%</td>
<td>-1.5%</td>
<td>-1.75%</td>
<td>-2%</td>
</tr>
<tr>
<td>Readmissions</td>
<td>-2%</td>
<td>-3%</td>
<td>-3%</td>
<td>-3%</td>
</tr>
<tr>
<td>Hospital Acquired Condition Reduction Program (“HACRP”)</td>
<td>0%</td>
<td>-1%</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-3.25%</strong></td>
<td><strong>-5.5%</strong></td>
<td><strong>-5.75%</strong></td>
<td><strong>-6%</strong></td>
</tr>
</tbody>
</table>
With an increased focus on quality and with the risk adjustment models in use, it is imperative to understand the importance of complete and accurate documentation in all care settings:

- What is documented in the physician office setting can impact quality scoring for hospitals
  - Example: Hospital Readmission Reduction Program
- What is documented in the inpatient record can impact payment models in the office setting
  - Example: HCCs used in managed care contracts
Clinical Documentation Improvement
Benefits across the Continuum

- **Patient Centric**
  - Complete and accurate documentation throughout the patient record

- **Consistent Approach**
  - One approach to clarifying documentation needs, applied across all care settings and payors

- **Physician Alignment**
  - Support accountable care organization and other integrated care models with improved communication and partnership with the medical staff

- **Quality and Financial Benefits**
  - Capture existing revenue and quality opportunities, with additional focus on value-based reimbursement initiatives
Outpatient CDI - Facility
<table>
<thead>
<tr>
<th>Client Background</th>
<th>Community based, existing revenue integrity team and process in place.</th>
<th>Large academic medical center in the Midwest with an IP CDI program in place; limited focus on OP</th>
<th>Community Hospital in the Midwest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed Size</td>
<td>360 Beds and 120 Beds</td>
<td>775 beds</td>
<td>110 Beds</td>
</tr>
<tr>
<td>Net Patient Revenue</td>
<td>$1.1 Billion</td>
<td>$1.3 Billion</td>
<td>$134 Million</td>
</tr>
<tr>
<td>Expected Mortality</td>
<td>14.3% improvement</td>
<td>9.9% improvement</td>
<td>37% improvement</td>
</tr>
</tbody>
</table>
| **Annual Net Revenue Impact:** | **$11,400,000**  
  **$4,200,000 (IP)**  
  **$7,200,000 (OP)** | **$22,090,000**  
  **$11,340,000 (IP)**  
  **$10,750,000 (OP)** | **$3,425,000**  
  **$1,400,000 (IP)**  
  **$1,600,000 (OP)**  
  **$425,000 (Phys Ofc)** |
Outpatient CDI - Facility
Common Points of Opportunity

- Standard Claim Scrubbing and Editing
- Existing systems = primarily compliance based edits
- Lack of insight or awareness into potential missed documentation and revenue
- Lack of feedback to departments

Outpatient CDI/Charging Team, Infrastructure, and Process

- Net Revenue Impact
- Improved Compliance
- Feedback and Measurement
## Outpatient CDI - Facility
### Common Points of Opportunity

<table>
<thead>
<tr>
<th></th>
<th>Missing or incomplete documentation</th>
<th></th>
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<tbody>
<tr>
<td>2</td>
<td>Fail to charge for the service</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>CPT or HCPCS code is not present or is incorrect</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Charge is not correctly mapped to a CDM Module</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Documentation fails to support medical necessity</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>CDM record is incorrect</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>HIM codes don’t transfer to claim if matching charge is not present</td>
<td></td>
</tr>
</tbody>
</table>

1. Incomplete physician, nursing, or ancillary service documentation
2. System is physician order driven
   - Order is NOT connected to a charge
   - Or Not connected to the correct charge
3. CPT code applied to the charge is incorrect
   - Drug/supply charge is missing the HCPCS code
   - Incorrect code selected at time of charging
4. Procedure charge mapping
   - Parent to Child CDM mapping
   - Flow sheet documentation charge mapping
5. Charge for service when documentation fails to support medical necessity
   - Potential RAC risk without appropriate medical necessity documentation
6. Tables supporting CDM
   - Fee Schedule/CDM Price table errors
   - Charge connected to inactive CDM
7. Revenue code 360 not present
   - No Account to post charge to
   - Duplicate accounts for the same date
The following are select examples of opportunities identified within the areas of nursing/physician documentation improvement, coding, and charging.

**Emergency Department Trauma Activation**

- Trauma activation services may be called when patients arrive to the Emergency Department by ambulance services
- Trauma accounts with the *appropriate nursing/physician documentation* may be eligible for an additional trauma activation charge
- Education with the emergency department medical staff, nurses, and charge analysts, as well as ongoing monitoring and account review, assists in addressing the opportunity.

**Emergency Department Level Charge**

- The ED Level charge is often driven by multiple factors. Accurate and complete documentation is oftentimes a key contributor to the level assignment.
- The Chief Complaint and/or patient acuity is often a factor influencing the level assignment and may not be accurately documented to reflect the full severity of the reason for the ED visit.
- The Nursing Assessments can also often be a factor in influencing the level assignment. Nursing may not understand the importance of complete and accurate documentation of all of their patient assessments leading to under-reporting of the severity of illness and level assignment.
Outpatient CDI - Facility
Examples of Documentation, Coding, and Charging Opportunities

Documentation in the Operative Report

• The procedure CPT coded may not be the most appropriate code based on what the physician documented, or failed to document, in the operative report

• Some examples include:
  • A surgical procedure was performed and the physician documentation lacked specificity, therefore an unlisted procedure CPT was coded. Querying the physician facilitates more complete documentation in order to apply the most appropriate CPT code resulting in higher reimbursement.
  • A laser procedure using a laser supply may have been performed and documented but there is no charge for the disposable laser fiber supply.
  • A colonoscopy procedure with a biopsy was performed and documented, however, just a colonoscopy procedure was coded.

Bedside procedures

• Minor procedures may be performed at bedside when patients are in an outpatient status not in the surgical suite

• Some examples of bedside procedures include drainage of an abscess, debridement, nasal packing, cardioversion, and simple aspiration or biopsy

• In order to charge for bedside procedures accurately, appropriate nursing/physician documentation is needed to support the procedure CPT code and charge.
Outpatient CDI - Professional
Improve the accuracy and completeness of patient records by extending the CDI process to the professional setting to better reflect:

- Severity or complexity of patients
- Medical decision making (MDM) or treatment planning
- Diagnoses captured via delivery of care to patients
- E/M leveling and RVUs
- Accurate capture of HCCs for Medicare Advantage plans and other commercial plans

Consider an initial focus on E/M levels and RVUs to include:

- Validating the charging/coding for what is currently being billed
- Identifying opportunities for improved documentation that can impact the E&M billing (what is missing)

Expand scope to focus on a complete and accurate medical record which would impact risk variables such as HCCs.

- HCCs utilized in risk adjustment methodology for capitation payments within Medicare Advantage populations
- Depending on a hospital’s contract with the plans (shared savings plan), there can be material revenue opportunity that is passed on to the provider
- ACOs and other quality organizations are beginning to consider or are already utilizing HCC methodology
The level of service selected is a function of History, Exam and Medical Decision Making. For the purposes of this session we will focus on MDM but for all level codes the appropriate history and exam must be documented.
The number and severity of diagnoses, the amount of data reviewed and the risk of significant complications/morbidity and mortality all converge to paint the most accurate picture of the care provided, based on the clinical documentation.

The following table outlines the complexity of medical decision and the E/M level which is applicable in both the office and inpatient settings:

<table>
<thead>
<tr>
<th>Type - Complexity</th>
<th>Number of Diagnosis and Management Options</th>
<th>Amount and Complexity of Data Reviewed</th>
<th>Risk of Significant Complications, Morbidity and/or Mortality</th>
<th>CPT Levels Associated with Care Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Straight-Forward 99201/99202</td>
<td>Minimal: Cold, insect bite, tinea corporis</td>
<td>Minimal or None</td>
<td>Minimal</td>
<td>1 and 2</td>
</tr>
<tr>
<td>Low 99203/99213</td>
<td>Limited: Cystitis, allergic rhinitis, simple sprain</td>
<td>Limited</td>
<td>Low</td>
<td>3</td>
</tr>
<tr>
<td>Moderate 99204 99214</td>
<td>Multiple: Lump in breast, pyelonephritis, colitis, head injury with brief loss of consciousness</td>
<td>Moderate</td>
<td>Moderate</td>
<td>4</td>
</tr>
<tr>
<td>High 99205 99215</td>
<td>Extensive: Multiple trauma, Acute MI, severe respiratory distress, peritonitis, acute renal failure, TIA, weakness, sensory loss</td>
<td>Extensive</td>
<td>High</td>
<td>5</td>
</tr>
</tbody>
</table>
### Clinical Scenario

94 yr. old female presents to establish as a new patient to our office, accompanied by daughter. Recently in the ED due to pneumonia. Started on Ceftin but still coughing, tired and weak.

Significant PMH for CAD and dementia.

Daughter says pt. has memory issues.

Nonsmoker. FH: Heart attack; eye disease.

**Chief Complaint:** Recent ED visit - pneumonia

**ROS:** All systems negative except CV and Psych.

**History:** Comprehensive

**Exam:** Comprehensive

**MDM:** High

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### Medical Decision Making

**Diagnoses or management options:** *(Extensive)*

- **Diagnoses:**
  1. Pneumonia
  2. CAD
  3. Dementia

- **Mini mental exam reviewed:** moderate memory issues noted.

**Management options:**

- Reviewed ED notes. Given continued symptoms, will trial another round of ABX.
- Will repeat chest x-ray and get some baseline labs.
- Continue CAD meds: metoprolol ER & lasix
- Lipid profile
- Continue donepezil.

**Amount/complexity of data:** *(Extensive)*

- CMP (Comprehensive Metabolic Panel)
- Chest x-ray: PA & Lateral
- Obtain history from others (daughter)
- Summarize records

**Risk:** *(Moderate)*

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**Billed as 99202**

**Actual E/M Level: 99205**

**MDM: (High)**
Hierarchical Condition Categories are selected as a risk adjustment model for accountable care organizations (ACOs). Physician practices invested in ACOs as well as those hospitals that have purchased these practices are affected in regards to reimbursement.

HCCs are also the risk adjustment model for readmissions, VBP mortality, and HACRP which makes them increasingly important for hospitals.

Medicare Advantage (MA) plans are reimbursed by risk adjustment of the HCC model. MA plan purchase has been increasing every year among the Medicare population. As more and more physicians practices are being purchased by hospital systems, not only is physician revenue increased but hospital revenue as well.

HCC documentation can affect publicly reported quality scores, managed care contracting, and reimbursement from other insurers as well.
76 year old female seen in the office for routine f/u.

- Meds include Metformin, Coreg and Lisinopril.
- Patient reports numbness and tingling of feet and occasional sharp shooting pain.

76 year old female = 0.448 RAF score for demographic

Scenario 1: Documentation:
- Documentation includes only symptoms and treatment plan
- Total RAF score: 0.448
- Reimbursement: $4,032

Scenario 2: Documentation:
- Diabetes documented w/o associated complications or manifestation
  - RAF score 0.104
  - CHF not documented
- Total RAF score: 0.552
- Reimbursement: $4,968

Scenario 3: Documentation:
- Diabetes with peripheral neuropathy
  - RAF score 0.318
- Chronic diastolic CHF
  - RAF score 0.323
- Additional score for CHF + DM
  - RAF score 0.154
- Total RAF score: 1.243
- Reimbursement: $11,187

Scenario 3: Documentation:
- Diabetes with peripheral neuropathy
  - RAF score 0.318
- Chronic diastolic CHF
  - RAF score 0.323
- Additional score for CHF + DM
  - RAF score 0.154
- Total RAF score: 1.243
- Reimbursement: $11,187
Approach
Outpatient CDI - **Approach**

Key Activities – Comprehensive CDI

**Phase I**
- Assess
  - Identify and evaluate opportunity – Data Analysis, Benchmarking, Chart Review
  - Understand current state and develop approach and strategy
  - Evaluate technology
  - Determine enablers for success and risks
  - Evaluate staffing needs
  - Understand physician, nursing, and ancillary department perspective
  - Summation meeting and recommendations

**Phase II**
- Implement
  - Organizational awareness and buy-in
  - Establish approach, processes, and technology integration
  - Integrate staffing and resources
  - Training and education including CDSs, Coders, Medical Staff, Nursing, Others
  - Implement process enhancement and improvement
  - Establish metrics, reporting, and dashboards

**Phase III**
- Sustain and Support
  - Ongoing review and educational follow-up
  - Regular discussions to review results and opportunities
  - Continuous process refinement and improvement
  - Monthly financial, quality, & operational reports
Activities

- Current data analysis, benchmarking, and quantification of opportunity
- Chart review - facility outpatient, professional claims
- Review existing processes, tools, payor contract matrix, CDM, revenue and usage
- Staffing analyses
- Departmental and Service Line interviews to understand current state and initiatives
- Detailed findings meeting with key stakeholders
- Meetings with Clinical leadership
- Summation meeting to review findings and recommendations

Objectives, Key Highlights, and Deliverables

- The objectives of the Assessment include:
  - Understand current state and infrastructure
  - Evaluate resource requirements
  - Customize an implementation plan
  - Quantify and validate the opportunity – Facility OP, Pro
- Review should cover multiple payors and patient populations in an effort to understand the extent of the opportunity and where to focus efforts:
  - Medicare, Commercial/Managed Care, Medicaid
  - Facility Outpatient and Professional
- Chart review focuses on the financial impact (charging and coding, E/M assignment)
- Data Analysis and national and regional benchmarking to identify areas of opportunity across the settings of care
- CDM and payor contract matrix review to understand reimbursement methodologies for top payors and charging practices
- Assessment materials you will want to consider:
  - Quantification of the opportunity, findings, and recommendations
  - Chart by chart findings for each case with an opportunity identified
  - Staffing analysis and recommended staffing levels
  - Summary of areas for “quick win” impact
  - Implementation plan to capture identified opportunities
Outpatient CDI - Approach
Integral Elements to Success

- Department visibility and ownership
- Consistent monitoring and measurement
- Ongoing education and process refinement

OP CDI Program

- Monitoring, Measurement, Visibility
- Clinical & Coding Integration
- Physician & Nursing Documentation
- Process & Education
- Claim Analytics & Technology

- Comprehensive Focus
  - Documentation, Coding, Charging
  - All Outpatient/Ancillary Services
  - ED & Observation
  - Root Cause Correction
  - Educate, Review, Feedback
  - Different approach than IP

- Clinical skillset
- Clinical department engagement
- Integration with coding and charging

- Beyond physician documentation
- Ancillary and nursing documentation and charging

- High Volume, Claim Analytics
- Leverage technology
- Prioritize focus
- Monitor and measure

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Summary
Keys to Success for CDI

- Comprehensive evaluation (people, process, and technology) to identify opportunities and contributors to success
- Core focus on quality, compliance, and accuracy supports a framework for success
- Holistic view across the care continuum helps to demonstrate the integrity underlying the program
- Comprehensive approach: People, Process, Technology
- Implement Education, tools, and resources that provide strong foundation for success
- Focused analytics that are provided with actionable guidance
- Understanding that people change through a process – not an event
- Sustained focus helps drive sustained and increasing results
Keys to Success for CDI

- Focus on quality and accuracy of the medical record
- Extensive use of data
- Highly engaged executive team
- Engaged physician leadership
- Auditing and monitoring of CDI Program performance, quality ratings and financial impact with feedback and ongoing education