AAHAM
American Association of Healthcare Administrative Management
Maryland Chapter

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Getting More From Your Membership

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AAHAM Certifications

Certification Options Available:

Certified Revenue Cycle Executive (CRCE)
- Senior and Executive Leaders

Certified Revenue Cycle Professional (CRCP)
- Supervisors and Managers

Certified Revenue Cycle Specialist (CRCS)
- Revenue Cycle Team Members

Certified Revenue Integrity Professional (CRIP)
- Charge Master Management

Certified Compliance Technician (CCT)
- Compliance Competency

Ask us about the Study Guide Loaner Program available to MD AAHAM members

Certification Benefits

Individual Benefits

- Increased earning potential
- Competitive advantage
- Recognition
- Opportunities for career growth

Employer Benefits

- Increased staff competency
- Promote ongoing training/education
- Develop career ladders

Maintaining Your Certification

CRCE

• Must be a National member in good standing by January 31st of each calendar year (dues paid and received by office)

• Earn forty (40) hours of continuing education units (CEUs) within two years of certification date

• CEUs are submitted and recorded by the National Office within 30 days of the end of the 2 year designation period

CRCP AND CRIP

• Must be a National member in good standing by January 31st of each calendar year (dues paid and received by office)

• Earn thirty (30) hours of continuing education units (CEUs) within two years of certification date

- •15 of the CEUs must result from attendance at AAHAM related educational programs

• CEUs are submitted and recorded by the National Office within 30 days of the end of the 2 year designation period

CRCS AND CCT

OPTION 1

- Retake and pass the exam every 3 years

OPTION 2 - CRCS

- Become a National member prior to your certification expiration date and maintain a National membership in good standing

- Earn thirty (30) hours of continuing education units (CEUs) within three years of certification date (CEUs begin to accumulate after you become a National member, not before)
  - 15 of the CEUs must result from attendance at AAHAM related educational programs

OPTION 2 - CCT

- Become a National member prior to your certification expiration date and maintain a National membership in good standing

- Earn twenty (20) hours of continuing education units (CEUs) within three years of certification date (CEUs begin to accumulate after you become a National member, not before)
  - 10 of the CEUs must result from attendance at AAHAM related educational programs

National Member Benefits

Individual Benefits

Valuable Educational and Career Support

- Opportunities to strengthen and improve your knowledge and skills
- Accessible Job Bank of positions in your field
- Webinars, List serves

Certification

- Nationally recognized certification program to give you the competitive edge in your career

Publications

- Keep on top of the latest regulations and guidelines impacting patient accounting matters
- The Journal of Healthcare Administrative Management
- Legislative Currents
- National News
- eNewswatch

Discount Program

- Receive discounts on products and services (examples below)

Alamo	1-800-flowers.com
Office Max	Wyndham Hotels
AFLAC	TSYS
UPS	lenovo

Revenue Cycle Concepts

Patient Access

List Advantages of Pre-Admitting patients.

•Patient is already familiarized with the admission process
•Admission time is reduced
•Special needs can be accommodated
•Room requirements are anticipated
•Diagnostic, Lab, and Radiology services can be provided in advance
•Eligibility, third party benefit exclusions, authorization requirements, co-insurance amounts, and other insurance information can be verified
•Early detection of Charity Care
•Financial Counseling and payment arrangements can be made
•Pre-Cert requirements can be met

List Disadvantages of NOT Pre-Admitting patients.

•Exact date of admission is not always known
•Consent forms are delayed or incomplete
•Pre-Cert is not obtained or incomplete
•Patients writing is not legible
•Patient forgets insurance information and/or referral/auth information
•Unaware of insurance eligibility changes

Patient Access

List at least 5 laws that govern MSP:

1. BBA – Balance Budget Act of 1197
2. TEFRA – Tax Equity and Fiscal Responsibility Act 1982
3. DEFRA – Deficit Equality and Reduction Act 1984
4. COBRA – Consolidated Omnibus Budget Reconciliation Act 1985
5. OBRA – Omnibus Budget Reconciliation Act 1986, 1989
6. HIPAA Health Insurance Portability and Accountability Act 1996
7. Black Lung Benefits Act
8. Federal Coal Mine Health and Safety Act
9. Title XIII

List at least 5 groups of individuals to whom MSP may apply.

1. Car accident victim
2. Federal Black Lung
3. Aged covered by LGHP
4. Spouse of Aged covered by LGHP
5. Disables person
6. Patients eligible for Medicare solely on the basis of ESRD during 30-month coordination period
7. Workers' Compensation

Patient Access

UR says Medicare patients should not be admitted as an inpatient since it is not medically necessary for an inpatient stay. The physician says he wanted the patient admitted, patient accepts financial responsibility. What steps should be taken?

- Complete an ABN
- Obtain insurance information
- Bill as a 110 type of bill
- Must use occurrence code 32 when billing

Describe Utilization Review functions and relationship to admitting.

UR determines if an admission meets criteria to be medically necessary. Once the patient is admitted, an ongoing review of the patient's condition and documentation is done to certify necessity. At time of discharge, UR can assist the patient with appropriate placement. UR also processes appeals for medical necessity denials.

<u>Relationship to Admitting:</u> Assures medical necessity, decreases unnecessary admissions, assures the patient receives appropriate care, assess appropriate level of care

Patient Access

Please list the 5 collection control points and the importance of each in maximizing collections:

1. Pre-Admission
2. Admission
3. In-House
4. Discharge
5. Post-Discharge

Note: This answer would only have received partial credit because the question also asked to state the importance of each in maximizing collections.

List at least 5 types of outpatients and 5 types of inpatients.

Inpatients:
1. Medical
2. Surgical
3. SNU
4. Geriatric
5. Hospital
6. Long Term Care (LTC)

Outpatients:
1. Same Day Surgery
2. Observation
3. Ambulatory Services (e.g. Lab)
4. Radiology
5. Clinic
6. Emergency Room

Billing

Which government agency establishes policies for reimbursement of healthcare providers?

Department of Health and Human Services (DHHS)

What code identifies the specific date defining a significant event relating to the bill that may affect payment processing?

a. Condition Code
b. Value Code
c. ICD-10
d. Occurrence Code

Billing

Define Late Charges and list 3 causes and 3 ways they impact accounts receivable management.

Definition:
Late Charges are charges that are entered on a patients account after final billing.

Causes:
1. Computer software issues
2. Untimely charge entry
3. Inefficient charge capture protocols

Impact:
1. Lost revenue due to minimum billing amounts and timely filing requirements.
2. Additional work/re-work for billing and follow-up staff
3. Delayed billing and reimbursement

Note: Outline what the question is asking you to provide in your answer and number your lists so you don't forget anything!

Billing

Define an ABN and list at least 3 data elements that it must contain.

Definition:
Advanced Beneficiary Notice – Written notification provided to Medicare recipients prior to services being provided notifying them that Medicare more than likely, or will not cover.

Elements:
1. Services expected to be non-covered
2. Cost of services
3. Date of service
4. Patient signature accepting responsibility

Or

5. Patient Signature declining services

Billing

List and define 5 Standard HIPAA Transaction Sets.

1. 270 - Eligibility and Benefit Inquiry
2. 271 - Eligibility and Benefit Inquiry Response
3. 276 - Claim Status Request
4. 277 - Claim Status Response
5. 834 - Enrollment and disenrollment
6. 837I - Electronic Claim – Institutional
7. 837P- Electronic Claim – Professional
8. 835 - Electronic Remittance Advice

Note: List them even if you can't define them for partial points and it's okay to give more than they are requesting. List what you know.

Credit & Collections

What are some advantages and some disadvantages of collection at time of service? List at least 3 of each.

Advantages
- Increase hospital cash collections
- Reduces amount due at discharge
- Reduces overall accounts receivable
- Reduces bad debt
- Reduces Administrative overhead (sending letters, postage, staff)

Disadvantages

May cause pubic relations issues between:
- Hospital and doctor
- Patient and Hospital
- Patient and Doctor

Credit & Collections

Define charity, bad debt and indigent. What is the distinction between bad debt and charity in regards to the income statement?

Charity: Cash flow is never expected. Charity results from providers policy to provide health care free of charge to individuals who meet certain financial criteria where the service was never expected to generate cash flow

Bad debt: Won't pay. Bad debt is an uncollectible account resulting from an extension of credit.

Indigent: Can't pay. An indigent person is one who has no means of paying for medical services or treatments and is not eligible for benefits under Medicaid or any other public assistance program

Distinguishing between bad debt and charity on financial statements

Under the American Institute of CPAs Audit and Accounting Guidelines:

Bad debt is defined as an expense

Charity is defined as a deduction from revenue (indicated at a footnote on the income statement)

Credit & Collections

List all of the US bankruptcy codes and provide a definition.

Chapter 7 (Liquidation): Provisions for individuals and businesses who are unable to pay debts based on income. Assets are auctioned to satisfy debtor claims. This is the only bankruptcy whereby the debt may be completely dissolved is discharged.

Chapter 11 (Corporate Reorganization): Provisions for business only. Applies to distress businesses to allow for reprieve from creditor claims while continuing to function and work out a repayment plan.

Chapter 12 (Farmstead Reorganization): Provisions for Farmers only

Chapter 13 (Wage Earner Plan): Provisions for Individuals only. Allows an individual to work out a repayment plan of up to five years. The debtor must begin making payments under the plan within 30 days of filing the plan.

Credit & Collections

Define Dismissal and Discharge. Why is this distinction important for collection staff?

Dismissal: A court ruling on a bankruptcy whereby the bankruptcy is dismissed

Discharge: A bankruptcy court's erasure of the debts filed for bankruptcy by an individual debtor.

This distinction is important for collection staff because in the case of a dismissal you are still able to collect the debt from the patient. In the case of a discharge of the debt then you must cease all collection activity and write off the balance.

List the six elements of a successful collection letter.

1. Clear
2. Concise
3. Correct
4. Concrete
5. Courteous
6. Considerate

A/R Management

What are the 7 major areas of Patient Financial Services?

1. Pre-Admission/Pre-Certification
2. Admission
3. In-House
4. Discharge
5. Medical Records
6. Billing Collections

What is the 72 hour rule? How can you ensure compliance? List 5.

The 72 hour rule applies to PPS providers who are paid by DRG. The rule requires all diagnostic outpatient services furnished in connection with the principle diagnosis within 3 days prior to a hospital admission to be bundled together with the inpatient services for Medicare billing.

Example: Patient goes in Friday to the ER for chest pain. Saturday patient suffers a heart attack and is admitted. You much bundle all charges for Friday and Saturday together.

Steps for Compliance:

1. Establish a program to merge accounts with your billing software vendor
2. Establish a computer report to identify exceptions
3. Develop a review system to test claims before and after submission
4. Educate and train staff
5. Work with admission staff to ask the patient if they have had services within the 72 hour period

A/R Management

What causes credit balances?

- Overpayment by insurance company and/or patient
- Cash receipts improperly posted
- Miscalculation of contractual allowances
- Debit/Credit transactions not balanced
- Incorrectly transferring account balances
- Inaccurate proration
- Addition or reversal in charges resulting from audits or charge reconciliation
- Duplicate payments

What is the impact of credit balances?

Credit balances will cause the Balance Sheet to be understated because the AR is the net balance of debit and credit balances. It also could prompt a potential fraud and abuse situation because of Medicare.

What are the Medicare Credit Balance reporting requirements?

Reporting is required quarterly for all participating providers for any "improper or excess payment made to a provider as a result of a patient billing or claims processing error".

A/R Management

Define ATB. List 5 or more elements of an ATB.

Definition: Age Trial Balance – Can be designed to break the receivable into several categories, but every report will provide a picture of how the receivable is aging in groups. It allows a manager to assess how old the receivable is and how collectable or non-collectable by age.

Elements:

1. Patient Name
2. Admit Date
3. Discharge Date
4. Financial Class
5. Payments Posted
6. Insurance Benefits
7. Type of service

What is the Charge Master? List 5 elements of the Charge Master and its role.

Also known as the Charge Description Master (CDM), is a master pricing list that includes services, supplies, devices and medication charges for Inpatient and Outpatient services by a healthcare provider. It's a file that contains all charges that a hospital generates. It is the link between services provided, general ledger and the generation of claims and billing.

Elements: Department numbers, revenue codes, charge master numbers, charge description, charge amounts, HCPCS codes, modifiers, and general ledger numbers

Roles: Facilitate accurate service code usage, point data through APC pathway, interact with the APC grouper, link between charge reimbursement and cost, and serve as statistical base for payer and billing compliance.

A/R Management

Define Fraud and Abuse.

Fraud: Intentional or illegal deception or misrepresentation made for purposes of personal gain, or to harm or manipulate another person or organization. Act is committed knowingly and willfully.

Examples include offering or accepting kickbacks, billing for services not rendered, and routinely waiving copayments.

Abuse: The misuse of a person, substance, services or financial matters, such that harm is caused.

Examples include excessive or unwarranted use of pharmaceuticals, abuse of authority, abuse of privacy, and duty of care.

What should you consider when evaluating a Financial Information System and vendors? List at 5.

1. Can staff post a transaction batch at one time or multiple batches at once?
2. Can staff post multiple items to one account at the same time?
3. Can staff interrupt posting to look at another account?
4. How fast can staff look up a patient number by patient name or vice versa?
5. What training is included with the purchase?
6. Does the vendor have a support line for questions?
7. What security features are available?
8. Can reports be customized?
9. Is it HIPAA compliant?

Key Metrics

PATIENT ACCESS

Percentage of Occupancy:

You have a 400 bed facility with 8,800 patient days for September. Calculate the percentage of occupancy for the month of September. Show the formula and your work.

Formula: $\frac{\text{Total Patient Days in Period}}{\text{Total \# of beds available in Period}}$

Patient Days = 8,800 (given)
400 beds (x) 30 days in September = 12,000

$\frac{8{,}800}{12{,}000} = 73\%$

Midnight Census:

Ocean View Hospital is a 500 bed hospital. On July 30th the midnight census was 324. Between midnight and 8:00am, when Admitting opened, 20 patients had been admitted as inpatients. Through out July 31st there were 53 discharges. During the day 32 scheduled patients were admitted in addition to 12 through the ED. There were 23 same day surgery cases. What was the midnight census for July 31st? Show your work.

Beginning Census:	324
Overnight admits:	+ 20
Discharges 7/31:	- 53
Admits:	+ 32
ED Admits:	+ 12
7/31 Census =	**335**

Key Metrics

BILLING

From the following information, determine the expected payer reimbursement. Also determine the amount owed by the patient. Be sure to show your work.

Total billed Amount	$12,000
Non-covered charges	$400
Unmet Deductible	$350
Coverage Percentage	80%
Out-of-Pocket Max (excl Ded)	$1,000

Payer Reimbursement:

Covered Charges (12,000 – 400)	$11,600
Unmet Deductible	- 400
	$11,250 (x) 80% = **$9,000**

Out of Pocket Calculation:

Coinsurance ($11,250 (x) 20%)	$2,250
Less OOP max	- 1,000
Additional Payable by insurance	**$1,250**

Total Payer Reimbursement: $10,250.00 ($9,000 + $1,250)

Patient Obligation:

Non Covered Charges	$ 400
Unmet Deductible	+ 350
OOP Max	+ 1,000
Total Patient Pay Amount	$1,750

Key Metrics

CREDIT & COLLECTIONS

What is the formula for the NET bad debt percentage of revenue? Calculate this percentage from the information below:

Gross Revenue	$5,000,000
Net Revenue	$2,750,000
Net Receivables	$30,000,000
Bad Debt Recoveries	$50,000
Bad Debt Write-offs	$275,000
Deductions from Revenue	$425,000
Collection Fees	$12,500
Total Day Outstanding	75

Formula:

$$\frac{\text{Net bad debt (bad debt w/o – bad debt recoveries)}}{\text{Net Revenue}} = \text{Net bad debt \%}$$

($275,000 - $50,000) / $2,750,000 = 8%

Key Metrics

A/R MANAGEMENT

Gross Days in Receivable:

Calculate the Gross Days in Receivable for Capital City Hospital as of 09/30/17 using the following information.

Gross AR in Days = 64.4

Month	7/31/17	8/31/17	9/30/17	10/31/17
Gross Rev	9,000,000	8,500,000	9,300,000	9,600,000
Net Rev	7,600,000	7,250,000	7,775,000	7,950,000
Contr/Adj	1,350,000	1,090,000	1,100,000	1,550,000
Cash Rec	6,750,000	6,450,000	7,025,000	6,950,000
BD W/Os	560,000	710,000	375,000	435,000
Gross AR	19,450,000	18,950,990	18,755,600	18,450,350

Formula: Total Charges for x# of Days = Average Daily Revenue (ADR)
Total Number of Days

7/31	9,000,000	31	26,800,000 = 291,304 Avg Daily Rev
8/31	8,500,000	31	92
9/30	9,300,000	30	

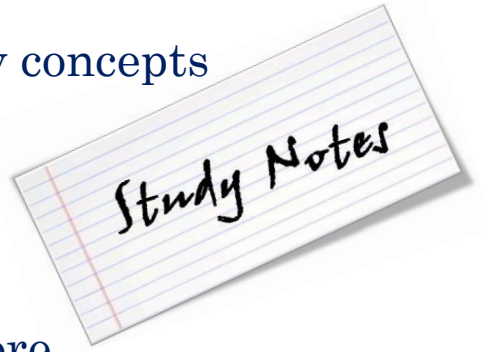
Formula:

Accounts Receivable at a specific time = 18,755,600 = 64.4
Average Daily Revenue 291,304

Study Tips / Exam Preparation

Tips for Successful Studying

- Make daily study a priority (block time on your calendar for each section)
- Stick to the study schedule
- Pick a time to study when you are most alert (research shows that the morning and early evening are best)
- Keep your study area quiet and interruption-free
- Use the Study Guide – Highlight/underline/tag key concepts
- Spend more time on your weak areas
- Avoid cramming
- Keep breaks short (3-5 minutes is adequate)
- Study one topic at a time
- The next day review what you learned the day before
- Make outlines and map out what you have learned and develop questions from your outline
- Reading out loud helps reinforce the material
- Tape record important items you want to remember (or have difficulty remembering) and listen to them to and from work
- Join a Study Group
- Take Notes/Make Flash Cards



Exam Day Preparation

- Get a good nights sleep
- Eat a light, healthy breakfast
- During the test, take the time to read each question carefully (especially true/false and multiple choice)
- Take a deep breath, relax and do your best!

Contact information

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THANK YOU