

# COVID-19: Financial Recovery and Cash Flow Stabilization - Revenue Cycle Perspective





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# Current Environment - Liquidity Challenges

The impact of COVID-19 is having ongoing and lasting material impacts on provider revenue and liquidity. **Cash on hand and working capital continue to be severely challenged.**

Average Patient Volume Declined 56% between March 1- June 1	
Admissions 30% ↓	Outpatient Ancillary 62% ↓
ER Visits 30% ↓	Self Pay Payor Mix 8% ↑

Source: CROWE RCA Benchmarking Analysis May 2020

*The CEO of the Iroquois Health Alliance announced that a survey of their Upstate New York hospitals last week showed some had as little as 8 days of cash on hand. - Cranes New York Business*

*Our preliminary analysis during the early phase of the COVID pandemic shows an estimated 38% reduction in US cardiac catheterization laboratory STEMI activations, similar to the 40% reduction noticed in Spain - Journal of the American College of Cardiology*

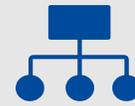
*"In Pennsylvania alone, there will be \$9 billion worth of losses, and maybe 30 percent of that will come back," Jefferson Health CEO Dr. Stephen Klasko - NBC News*

# Tactical Activities

**Increase Cash Reserves and Drive Cash Flow**



**Supplemental Support**



**Resource Deployment**



**Payor Reimbursement**



**The Coverage Dilemma**



**The Next Normal  
Revenue Cycle**



**Test The Pipeline**

**Tracking COVID-19 Revenue / Costs**

# Supplemental Support

## Manage Bridge Financing



Organizing a competent set of requests from Government and Payor to patient care related to the COVID-19 environment.

### COVID Dx

Medicare DRG Payments increased by 20% when billed with ICD-10 COVID diagnosis code.



Providers must ensure COVID-19 DX coding accuracy

### The Now Closed CMS Advanced Payment Program

(Note: It's a Loan)

The CMS advance is a draw against future claims – CMS will be recovering these monies via the normal remittance process after a 120 day lag.



Providers must plan for the recoupment in the financial forecasting

### FEMA Public Assistance

\$45B made available for FEMA Category B Emergency Work.

- Covers Eligible Emergency Medical Care for uninsured Patients but NOT admitted patients
- Changes to Buildings, temporary structures (e.g.: Drive through testing)
- FEMA reimbursement of expense DOES NOT include lost revenue as a component



Providers must prepare for possible audits, reconciliation, recoupment

### CARES Act

\$100B made available to providers.

- Funding claims must not be for anything you are getting paid for though other sources (i.e. No Double Dipping)



Providers must be accurately tracking costs and expenses for future audits and reconciliation

# Payor Reimbursement

Watching the  
Cash Flow  
Continuum



Monitor payor requirements to quickly apply new rules to accelerate cash.

**RULES ARE CONSTANTLY EVOLVING:** Complete the COVID-19 Payor Communication Checklist



Daily review of payor websites for updates should be the norm.



If claims adjudication is impacted due to insurance staffing interruption, **negotiate** a flat monthly stipend with the payors, based on historical or current claims to be trued up after pandemic is over.



Physicians are being rotated across facilities and across health systems! Discuss with major payors the relaxation of provider credentialing requirements!



It a minimum you should **strongly pressure** them to relax overall denial procedures especially timely filing limits.



In preparation for re-opening, force the payor conversations around **surgical authorizations**. Get them to commit to extended / open / evergreen authorization periods due to the delays in services.



Work with your internal employee self funded plan on their claim processing requirements.

# The Next Normal

Adequate AR Coverage



Creating new long term tactics will be key to cash flow stabilization. Prepare for the waves.

## SIZE, LOCATION AND FOOTPRINT OF REVENUE CYCLE SERVICES WILL BE ALTERED IN THE NEXT NORMAL ENVIRONMENT

Establish **safety net** procedures/agreements (Overtime, Offshore, etc) to quickly respond to fluctuations in performance of remote workers.

Pre-select & negotiate overflow/safety net vendors in regions with low or limited presence of COVID 19.

Develop trigger events linked to exceeding a thresholds related to key metrics (e.g. DNFB, reduced productivity, outstanding failed claimed edits).

Create a mechanism that “auto” starts - leverage the ability to perform shift / remote work.

Cash flow is correlated with claim submission.

Create a team to review **ALL bill holds and aggressively** look to eliminate as many as you can and reduce the hold period.

New intensity on backlog management across the enterprise.

Create urgency related to removing automation barriers.

Identify and prioritize billings for **high-automated** payors and claims with a low history of audits/ review risks.

Know your revenue trends in more detail.

The utilization shift to telehealth will have significant impacts to revenue, scheduling, and the treatment of AR.

# Resource Deployment

## New Revenue Cycle Management Approach



Prepare for extended period of remote billing and follow-up. Align internal staff to the greatest needs and values.

### NEXT NORMAL FOR REVENUE CYCLE INVOLVES RETHINKING STAFFING, AR MANAGEMENT AND TECHNOLOGY

Operating with a **robust productivity and quality program** to control the billing and follow-up function is critical to performance.

Remote working will require energizing the role of the **managers and supervisors**.

Task your senior team to create more frequent interactions to drive performance, socialize lessons learned and communicate remote work learning ideas.

Continue to work with IT to identify options for staff to work remotely ensure staff **adhere to guardrails** setup for compliance regulations (HIPAA, PCI, etc).

**Example:** The Zoom base product is not HIPAA compliant. Using it will expose your organization.

**Develop / maintain** a checklist of all required resources and tools needed for remote employees to perform successfully.

Prepare to fill urgent gaps in AR inventory coverage.

Complete a “skills” matrix of all staff to identify those who have experience or knowledge **outside** of their typical functional area.

# The Coverage Dilemma

The Loss  
of Coverage  
Wave



As of this writing, The WSJ estimates 30M Americans have lost their jobs due to the COVID-19 pandemic.

**THE UNINSURED POPULATION WILL CONTINUE TO EXPAND DRAMATICALLY, IDENTIFYING AND SECURING COVERAGE WILL BE A CRITICAL COMPETENCIES**

Prepare and re-train your access staff on verification processes caused by the unprecedented employment changes (i.e. need for COBRA, Charity and FPG etc).

The Leverage virtual capabilities / approaches for access duties (e.g. phones in patient rooms, increase automated / overall scheduling coverage).

Plan for continued adjustments (reductions) in point of service collections and associated Bad Debts related to COVID-19 and non-COVID-19 patients (NOTE: **LOTS** of new POS regulations in this space).

Access should look for and document all COVID **considered** cases.

- Update scheduling procedures and asking if patient has 'flu systems,' is pending results for a COVID-19 test, or has received a positive result from a COVID-19 test.
- Ensure worklists for self pay patients needing to be screened for financial sponsorship are flagged appropriately if patient is being treated for COVID-19 ( Key supplemental coverage trigger).

# Test The Pipeline

## Revenue Pipeline



Actively monitor the health of the revenue producing and cash collection enabling local employers.

## COVID-19 IS HAVING A MATERIAL IMPACT ON EMPLOYMENT AND REVENUE CYCLE SUPPORTING BUSINESSES



### Address COVID-19's impact on vendors' performance

(e.g., geographical location of staff and state-mandated stay-at-home orders, remote workforce capabilities)

**Reinforce performance expectations** and monitor through reports, identifying appropriate contingency plans.



### Monitor Local Coverage Trends

Contact top employers to understand how COVID-19 will impact healthcare coverage, and monitor if these employers have issued a Worker Adjustment and Retraining Notification (WARN) notice for any lay-offs.



### Setup controls to measure fluctuations with payor claims processing and query responses to prioritize claims resolution

(e.g., days-to-payment, customer service hold times)

Specifically develop a rigorous tracking process for all new services (telemedicine claims) by type of claim by payor to note any issues related to reimbursement.

# Tracking the Impacts

**Accurate  
Capture**



Ensure staff has the appropriate tools, codes and invoice cost containment mechanisms to capture COVID-19 impacts.

**THE REVENUE CYCLE TEAM WILL PLAY A CRITICAL ROLE IN CODING AND ORGANIZING PATIENT ACCOUNTS FOR FUTURE RECONCILIATIONS, AUDITS, RECOUPMENTS.**



Track and tag **anything** that is COVID-19 **considered!**



You will be audited for all costs and lost revenue considered in these emergency funding sources.

- Create a robust costs and revenue baseline project.
- Baseline and trend IP, OP , ED and Elective revenue, collection costs, and remote working expenses and outsourcing requirements.
  - Example of a trap! FEMA covers emergency medical care for uninsured Patients but NOT admitted patients.



Get good at **all new billing codes** created to bill and track COVID-19 – ICD, CPT, DRG, Status Codes are being created almost weekly.



**Registration is NOT coding...** Documenting “COVID-19 rule out / suspicion” in access notes at the time of registration is OK!

# Care For Your Staff

You Need  
to Stay Healthy



Your health and the health of your team must remain a top priority.

COMMUNICATION AND PRESENCE ARE MOST IMPORTANT THEN EVER TO THE HEALTH OF YOUR CULTURE

Establish an emergency communications plan. Identify key contacts (with back-ups), chain of communications and processes for tracking employee status.

Have **conversations** with employees about their concerns. Remember some employees may be at higher risk for severe illness.

Actively encourage sick **employees to stay home**. Develop policies that encourage sick employees to stay at home **without fear of reprisals**, and ensure employees are aware of these policies.

**Get creative** on leave policies for staff with young children, childcare closures or need to care for sick family members.

Perform enhanced environmental cleaning. Clean and disinfect all frequently touched surfaces, such as workstations, countertops, handrails, and doorknobs. Discourage sharing of tools and equipment, if feasible.

# Thank You

For All Your Extraordinary Efforts  
During the COVID-19 Pandemic

# Please Submit Any Questions

A recording will be sent following the webinar.

Contact Nelson [nlowman@thinkbrg.com](mailto:nlowman@thinkbrg.com)