

The Catalyst

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Trying Times for Hospital Bottom Lines



Not even health care is immune to current economic conditions. Hospitals are reducing staff to control their increasing loses. But is this the best strategy?

Sure it's a good time to reassess staffing levels but reducing staff costs money and hurts morale—critical to patient satisfaction scores. So what else can be done? Some ideas that can save at least a few FTEs:

1. Make sure Medicare is not unnecessarily penalizing you with transfer DRG payment reductions. For example CABG patients sent home too early and with

homecare will not earn full payment. Be mindful of Medicare's expected lengths of stay.

2. Take steps to ensure proper documentation of critical criteria for DRG assignment and avoid DRG downgrading. For example with PTCA patients, documenting the use of drug eluting stents or the presence of major cardiovascular diagnoses is imperative to the correct DRG assignment. Consider modifying the physician operative note to include reminders or create a new document that will trigger proper documentation.

3. Verify that Medicare's "3-day rule" is being implemented correctly by your automated billing rules. Ser-

vices unrelated to the inpatient admission do not apply and may be billed separately, thereby increasing revenue.

4. Reduce infections, complications and fall rates (see Falls article, this issue)

Don't like these tips? There are plenty of other options. You can find new ways to improve profitability by performing methodical and thorough data analyses. Start by assessing the profits and losses on each of your service lines, drilling down to the DRG, physician and even patient levels while looking for patterns. Need help? Go to enovasis.com/adhoc.html to see how we can support you for as little as \$100. **MHI**

Tips for Handling Patient Pay A/R

By Jeff Smolen, GreenFlag Profit Recovery by Transworld

Cash flow is the lifeblood of any practice. Here are five tips to maximize your patient pay efforts and increase your cash flow.

1. Collect Money Quickly. Have front desk staff become great at col-

lecting co-pays from every patient. \$20 or \$30 doesn't seem like a lot of money, but it adds up quickly. Patients know that most practices won't do anything to collect on those small balances. These balances end up



hanging out there until the patient comes in again or the balance is written off.

(Continued on page 2)

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Handling Patient Pay...(cont.)

2. Make Invoicing a Priority- Invoice as soon as the work is complete. The longer you wait, the longer you put your balance at risk.

3. Follow-Up! Be the Squeaky Wheel. As soon as a statement is past due, make a courtesy call. That means a bill due on day 30 should be contacted on day 31. Following-up early puts you near the top of their bills and most importantly, quickly identifies patients who need to be moved to the next phase of A/R management.

4. Know when to fold 'em... Know the true price of what it costs to send out each patient statement. Identify the point when continued billing by the practice starts to cost the practice money.

5. Use a third Party sooner- If you have asked for your money more than 3-4 times and have not been paid, you probably won't be paid if you continue to do the same things. Third party contact gets results. **MHI**

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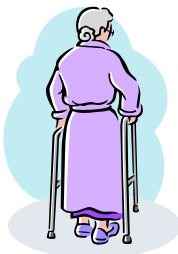
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Effective Fall Prevention Programs

By Dana Strong, Strong Consulting, LLC



Does your facility have an effective fall prevention program as required per JCAHO patient safety requirement 9B?

Is your program an effective one in view of the fact that Medicare no longer pays for "never incidents" such as patient falls in your facility?

If your facility has an existing fall prevention program that needs improvement, or is looking to start a new program, here are some important points to consider:

1. What is the true cost of

having your PTs do a fall risk-assessment on all new admissions? Why not use Admissions or ER staff to do a fall risk-assessment instead?

2. Have you implemented a program that measures patient progress and outcomes both objectively and scientifically, eliminating human error?

3. Can your existing assessment program increase O/P revenues? These are good points to consider when establishing a new or improved fall prevention program at your facility. **MHI**

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