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BUNDLED PAYMENTS

Author: Dr. Todd Husty

Many hospitals are already participating in the BPCI-A program. They have been transitioning since 2018, and will continue transitioning through 2024, when bundled payments become mandatory.

But why are we writing about a reimbursement model in what is largely considered to be a coding/auditing newsletter? Because bundled payments are risk-adjusted using the hierarchical condition categories model.

IT IS ABOUT CODING!

... And documentation and excellent case management, including 90 day post discharge follow-up. Let us explain.

Hospitals have signed up for certain CMS bundled payments not only in procedure driven outpatient and inpatient conditions, but also for inpatient medical conditions. To keep it somewhat simple, let's focus on inpatient procedures and conditions.

A bundled payment is one payment for a patient that includes the inpatient admission, follow-up, and readmission (for 90 days). Obviously, the goal is to offer an incentive for hospitals to provide high quality care at the lowest possible price, by paying them one lump sum for the admission, follow-up and lack of readmissions during the ninety-day period.

The hospital is originally paid on a fee-for-service basis, however, a "target price" is established that includes the procedures, as well as the risk score from the previous 180 days. This means that the final payment may be more, or less, than what has already been paid. The target price determines if there is more to be paid, or if a refund is due, and it is heavily dependent on ICD 10 diagnoses that the patient had for the previous 180 days. There is revenue to be won and lost here.

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There is incentive to have up-to-date thorough documentation and coding from PCPs because you never know who may, or may not, be admitted to the hospital or not. It is also going to be important for CDI and HIM specialists to try to ensure that all ICD 10's are being captured, because they can affect the readmission inclusion or exclusion. Some readmissions during the ninety-day period are allowed. So many rules!



In order to make bundled payments work there needs to be an improvement in utilization management and follow-up for most hospitals. The follow-up care is extremely important and may include more home visits through home health and community paramedics, but, for HIM, it is important to know that this change has already been happening voluntarily, and that it is becoming mandatory in 2024. There will be an increased focus on HCC documentation and coding.

So what's the point of doing this? It is just another way in which we are being transitioned to value-based reimbursement. Whether people like it or not, we are going to be dragged there, perhaps kicking and screaming, but it is happening, and it will continue to happen. Of course, always remember that value-based reimbursement is based on diagnostic documentation and coding.

We are going to get busier!

OBSERVATION VERSUS INPATIENT STATUS STATUS SHORT STAY AUDITS

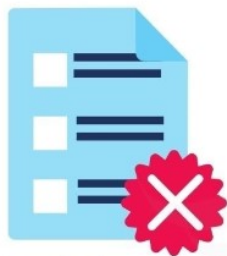
Author: Dr. Todd Husty

The appropriate designation of observation or inpatient status has never been more important. After a long pause for a few years, Livanta, the quality improvement organization, and sole auditor for CMS, has resumed audits of short stay, inpatient admissions for appropriate assignment. Obviously, this renewed effort toward compliance will need to be addressed by all hospitals.

But that is not the only reason why hospitals need to be looking closely at documentation that supports inpatient admissions. We at MARSI have seen an increase in commercial insurance denials of inpatient stays due to lack of medical necessity documentation.



OBSERVATION
(OUTPATIENT)



vs

ADMISSION
(INPATIENT)



If those two reasons are not enough, we still see inappropriate assignment to observation when the patient's condition clearly meets inpatient criteria. It should be noted that adverse auditors never look for how a hospital was underpaid, and unfortunately, the solutions are not easy. While part of the solution is to ensure that utilization management is well supported and thoroughly involved, this is more successful when it includes real-time support at the time of admission. Most hospitals do not have the ability to provide that level of support, but a good case can be made for changes that prove to be cost-effective, and even more so when considering bundled payments. (see the bundled payment article).

Even still, increased UM staffing and support is just throwing money away without solving the most difficult part which is, most often physician engagement or, to be more precise, physician documentation and interest in improvement. "What do you want me to do, write on charts or take care of patients?" The answer is "both!" The solution is not easy as we all know. It takes physician education about the importance and then buy-in on improved physician documentation.

OBSERVATION VERSUS INPATIENT STATUS STATUS SHORT STAY AUDITS - CONT.

Author: Dr. Todd Husty

Although we are capable of learning new concepts and do so all of the time, us physicians do not accept change that easily, especially since our overall interest in documentation is not usually great. Therefore, it takes hospital and physician leadership to support an ongoing process of education, which includes chart audit queries. This real time chart auditing should be happening anyway, but the queries about admission status is new for most hospitals.

Emergency physicians should be involved in this as much as admitting physicians. They are frequently the eyes and ears of the admitting physician, and they should have an opinion about the patient's condition at the time of admission as they have a good idea about the possibility of staying more than two midnights. They can also take cues from utilization management personnel, and help assist the admitting physician in appropriate assignment during a thorough, and well documented, handoff.



Then, the hard parts are being persistent with the process, and following up with what happens if a physician does not help improve compliance.

It is clear that the correct assignment of observation or inpatient status, as well as documentation to support that assignment is an important issue that has gained even more importance. It is a revenue issue and a compliance issue.

The compliance side is a bullet that we cannot dodge. Hospitals need to take stock of their current process and realistically determine the changes necessary. Then, the change needs to be implemented as quickly as possible because it can take a significantly long time to achieve successful change.

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ASKING GOOD QUESTIONS

Author: Heather Ernest

No matter what your profession is, without realizing it, there is quite a bit of work we do that requires us to ask questions. Questions may be asked to colleagues, clients, research, etc. The act of asking questions is something that we as humans enjoy.

While it is enjoyable for us to ask questions, most of us have never been taught how to properly ask a “good” question. Asking a good question is an extremely powerful tool that allows us to perform our work most effectively.

Simply by asking a question, we improve our intelligence, especially emotional intelligence, which leads us to become better questioners. While there are no rules or specific guidelines to teach us how to ask good questions, there are a few tips that can lead us to become better questioners.

*“The ability to ask the right question is more than half the battle of finding the answer.” -
Thomas J. Watson*

Know your purpose. It is important to remember that every question you ask should have an answer that involves gathering facts or opinions based on your question. Distractions are all around us. Try your best not to get distracted by asking empty questions.

Listen. Try to ask a question that the other person will enjoy answering. Always listen to the response of the person to whom you are delivering your question to. You cannot ask good questions if you do not listen to the other person’s response.

Wisely Interrupt. It is ok to interrupt at times, but it should be asking additional questions, and not to make statements. There is no wrong question, so ask away, just make sure that you are using your words properly.

Wording. It is important to use the correct wording when forming your question. In order to get an honest answer and/or opinion, make sure that you do not lead towards your opinion or the answer you want with your question. Open ended questions allow for answers that may be unexpected. There are some situations where open ended questions are not optimal. Closed questions may work better when you are conversing with a person who keeps things close to their chest, leading them to evade the question, or lie by exclusion.

Follow up. Once your general question has been answered, follow up with more specific questions. If you are asking questions about one thing at a time, you would then use something within that answer to form your next question. This will also allow the other person to know that you are indeed are listening to them. When asking multiple follow up questions, the other person may feel more respected and heard.



ASKING GOOD QUESTIONS - *CONT.*

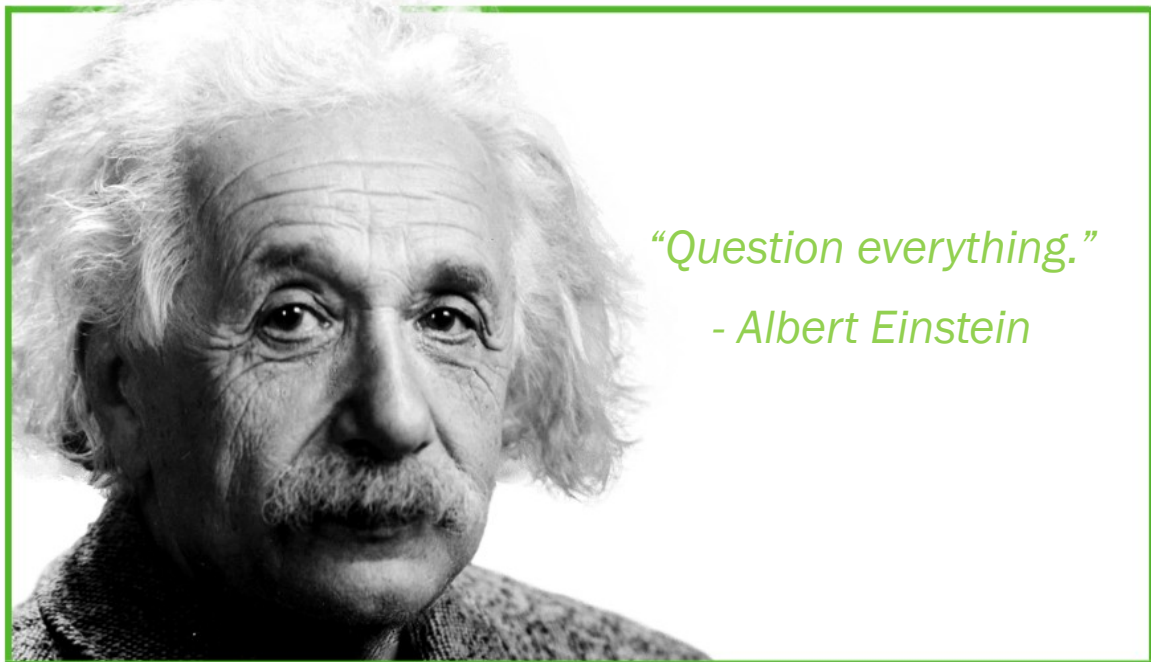
Author: Heather Ernest

In addition to you asking well-formed questions, remember your tone and inflection. The tone and the inflection in your voice can lead toward either a friendly environment, or uncomfortable setting.

Good questions lead to more productive and enjoyable conversations. Your questions ultimately lead you to better ideas, improvement in your emotional intelligence, and an increase your overall curiosity.

With the world working more remotely asking good questions is essential!

In the words of Albert Einstein,



Sources:

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A NOTE FROM DR. HUSTY



Just a short note since I have taken up a lot of space, and your time, with two other articles this month.

I love the holidays! They can be busy and hectic, but all the way through the New Year, it is a time of joy and of reflection. Personally, I like to take all the joy and love of the season, and the reflection of this past year (or two) to look forward and contemplate what I can do even better this coming year, and I'm not just talking about just dieting or exercising more, I'm talking about things like listening more and talking less (that's hard for me), being more open to others' opinions, and being in constant awe of this beautiful life... and maybe dieting and exercising more.

Happy Holidays however you celebrate them. For me and my family it's Merry Christmas and a Happy New Year! And get some rest...2022 is going to be BUSY!

