



CPAs & BUSINESS ADVISORS

OREGON RHC FINANCIAL INDICATOR BENCHMARKING REPORT

July 2024

INTRODUCTION

“This project is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Rural Hospital Flexibility Program. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS, or the U.S. Government.”

PRESENTER



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PURPOSE OF THE REPORT AND ANALYSIS

- Obtain data from Oregon RHC cost reports (as released by Medicare)
 - 2024 Report : 7/1/2022 – 6/30/2023 submitted cost reports (or most recent in some cases)
- Identified State baseline for benchmarking for each financial indicator and operational indicator.
- Graphs created for each indicator indicating where each RHC ranks in comparison for the State

ABOUT THE DATA

- As noted, the data is gathered from the cost reports of Oregon RHCs
 - Freestanding RHC Cost Reports
 - Hospital Cost Reports for provider based RHCs
- Cost report rules do allow for combined reporting of multiple RHCs as one on the cost report. When applicable, the individual RHC reports were utilized. Combined reports were used when necessary.

ABOUT THE DATA

The accuracy of the financial and operational data is only as accurate as the information submitted on the cost reports. In some situations, it was necessary to omit calculations that were significant outliers and/or appeared to contain inaccurate information. We encourage providers to work with their cost report preparers to address potential areas of concern and to address any additional inaccuracies the provider identifies through this process.



ABOUT THE DATA

Due to a lack of accurate data or only one reporting entity, the following financial indicators were not reported in this reporting cycle:

- CNM Visits per FTE
- Visiting Nurse Visits per FTE
- Clinical Psychologist Visits per FTE (Freestanding)
- CNM Cost per Provider FTE
- Visiting Nurse Cost per Provider FTE
- Clinical Psychologist Cost per Provider FTE (Freestanding)

These financial indicators should continue to be reviewed in any subsequent reporting periods for consideration to be reported and have benchmarks established.



BASELINES AND BENCHMARKS

Initial baseline averages, medians, 25th and 75th percentiles were identified. Initial benchmarks are at the 75th percentiles in first year. We recommended aggregate improvement goals be established for the next three reporting periods. Overall improvements in a Year 2 of reporting period would be expected to be minimal in nature as some reporting periods would be completed prior to the reporting for Year 1 while others only had a small window of time to implement improvement strategies.

INDIVIDUAL FACILITY IDENTIFIERS

- Each RHC has been assigned a nondescript identifier.
 - H's are for hospital-based providers
 - F's are for freestanding providers
 - Providers reported in a combined format on the cost report were assigned a single identifier
- Each facility has been sent their identifier

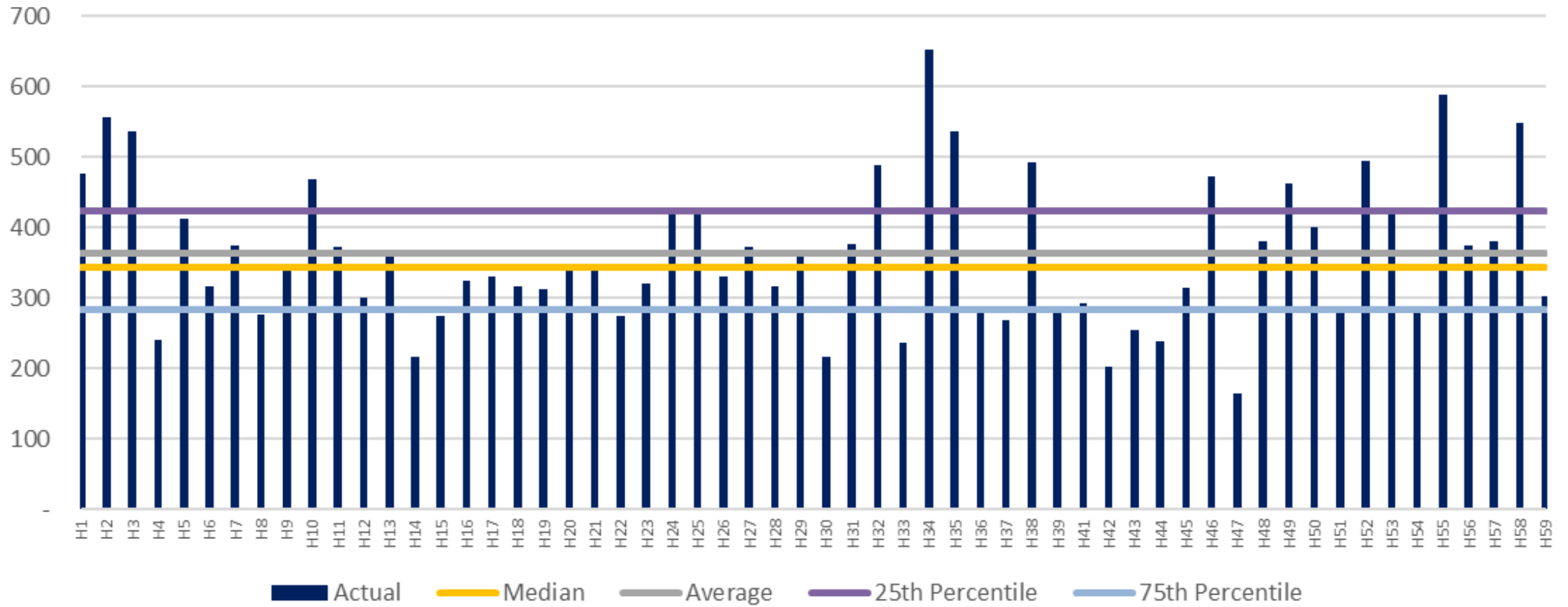


TOTAL COST PER VISIT

TOTAL COST PER VISIT

- Higher cost per visits lead to lower profitability for other payors
 - May also impact Medicaid
 - Remember the Medicare 80/20 calculation limitation
 - Costs over Medicare caps are not reimbursed by Medicare
- Lower cost is favorable over time
 - Initial impact on Medicaid

Total Cost per Visit: Hospital



Max = 654

Min = 165

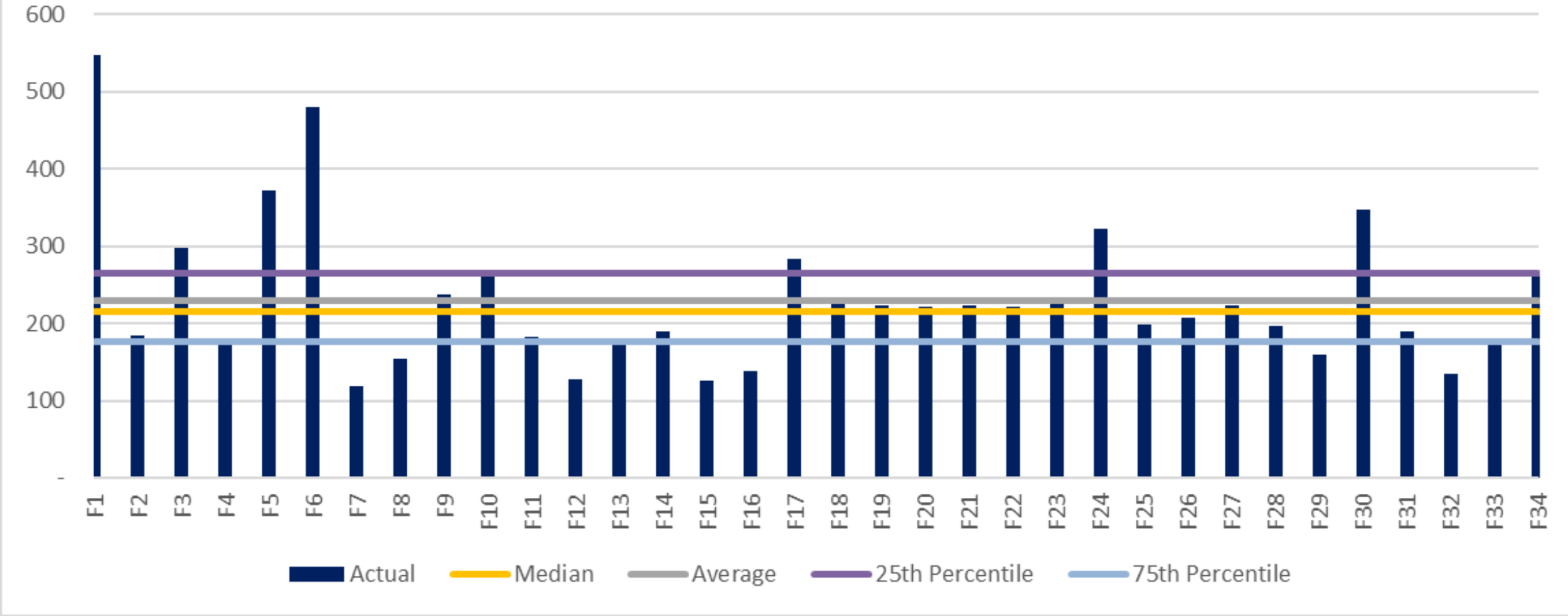
Average = 363

Median = 343

25th Percentile = 423

75th Percentile = 284

Total Cost per Visit: Freestanding



Max = 547
Min = 118
Average = 230
Median = 215
25th Percentile = 265
75th Percentile = 176

TOTAL COST PER VISIT – COMPARISON

	Hospital Based	Free Standing
Max	\$654	\$547
Min	\$165	\$118
Average	\$363	\$230
Median	\$343	\$215
25 th %	\$423	\$265
75 th %	\$284	\$176

COST PER VISIT STRATEGIES

- Employ strategies identified in
 - NP/PA FTEs to Total FTEs
 - Provider visits per FTE
 - Cost per FTE Provider
- Review other staffing levels for appropriateness
- Review overhead costs

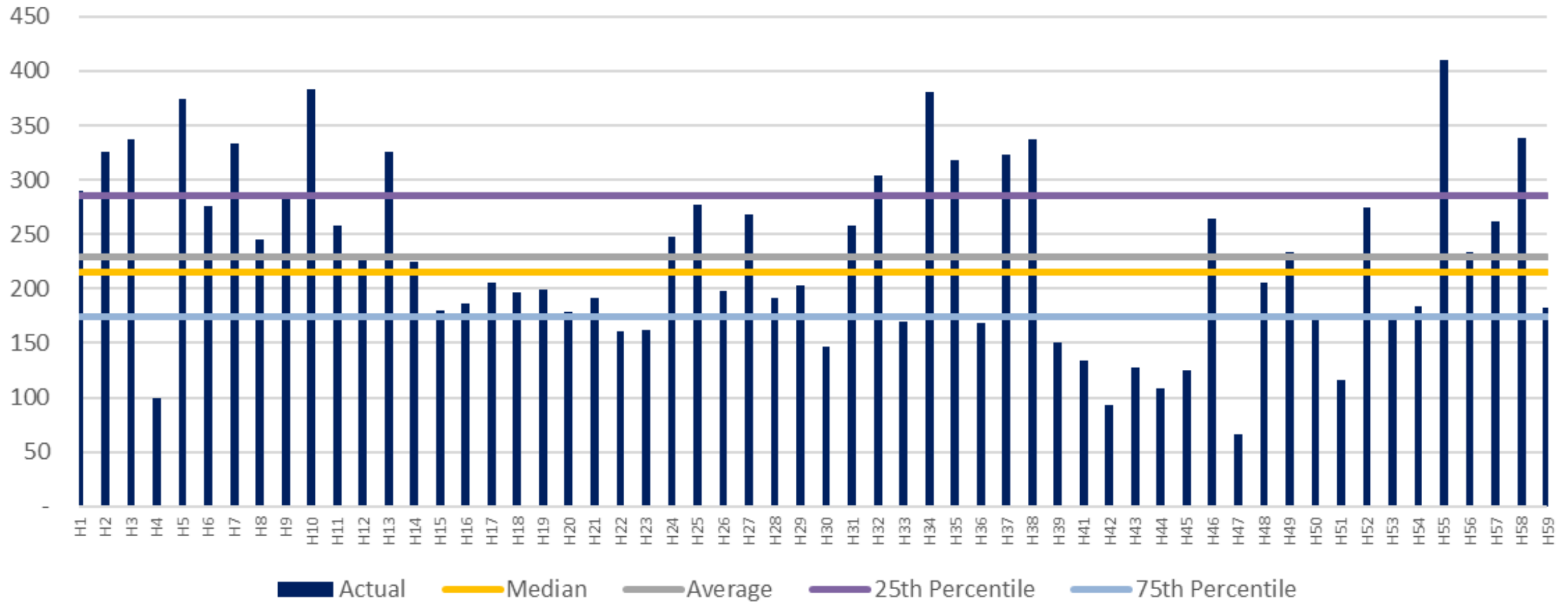


HEALTHCARE STAFF COST PER VISIT

HEALTHCARE STAFF COST PER VISIT

- **Includes**
 - Direct Staffing
 - Providers
 - Ancillary support
 - Supplies
 - Pharmacy
 - Medical Equipment
 - Professional Liability
- **Does not include**
 - Facility costs
 - Administration
- **Higher cost per visits lead to lower profitability for other payors**
 - May also impact Medicaid
 - Remember Medicare 80/20 calculation limitation and impact of caps
- **Lower cost is favorable over time**
 - Initial impact on Medicaid Higher cost per visits lead to lower profitability for other payors

Health Care Staff Costs per Visit (ignores productivity standard): Hospital



Max = 410

Min = 66

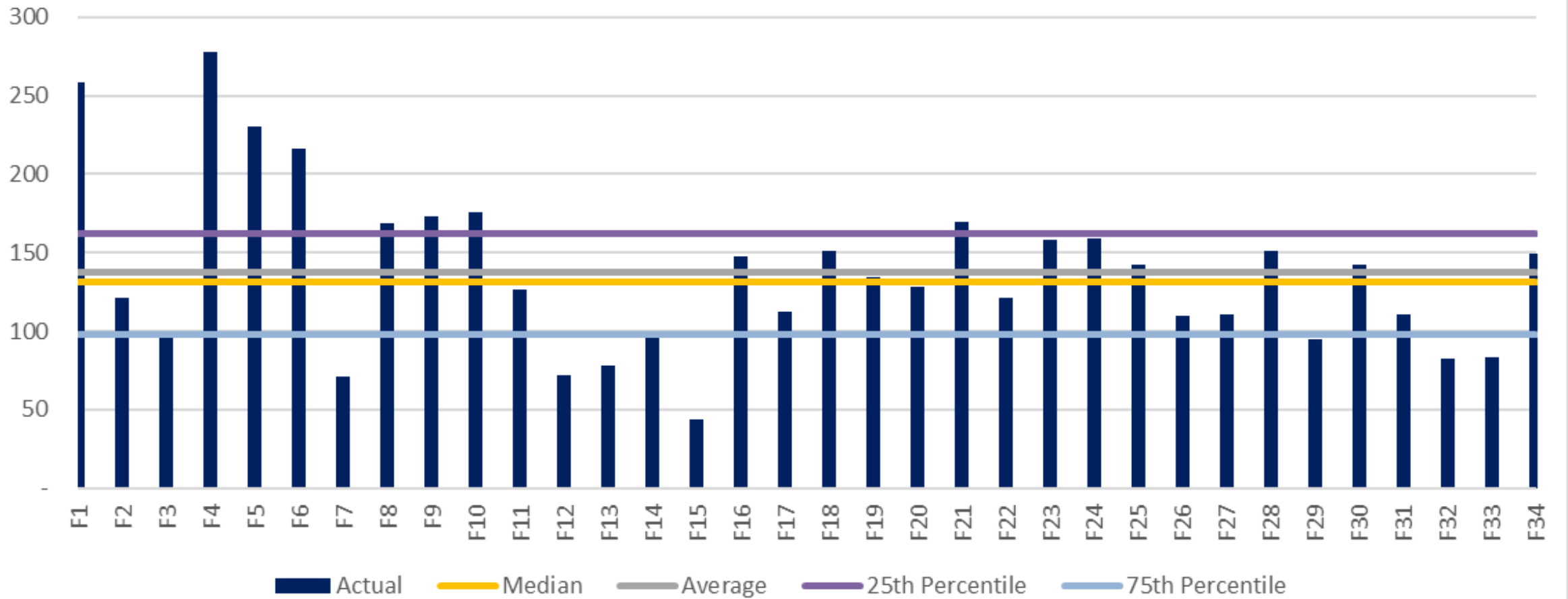
Average = 229

Median = 215

25th Percentile = 286

75th Percentile = 174

Health Care Staff Costs per Visit (ignores productivity standard): Freestanding



Max = 278

Min = 44

Average = 137

Median = 132

25th Percentile = 162

75th Percentile = 98

TOTAL HEALTHCARE COST PER VISIT – COMPARISON

	Hospital Based	Free Standing
Max	\$410	\$278
Min	\$66	\$44
Average	\$229	\$137
Median	\$215	\$132
25 th %	\$286	\$162
75 th %	\$174	\$98

HEALTHCARE STAFF COST PER VISIT STRATEGIES

- Employ strategies identified in
 - NP/PA FTEs to Total FTEs
 - Provider visits per FTE
 - Cost per FTE Provider
- Review other staffing levels for appropriateness
 - Nursing
 - Delicate balancing act
- Review department specific costs
 - Staff
 - Supplies
 - Pharmacy
 - Etc.

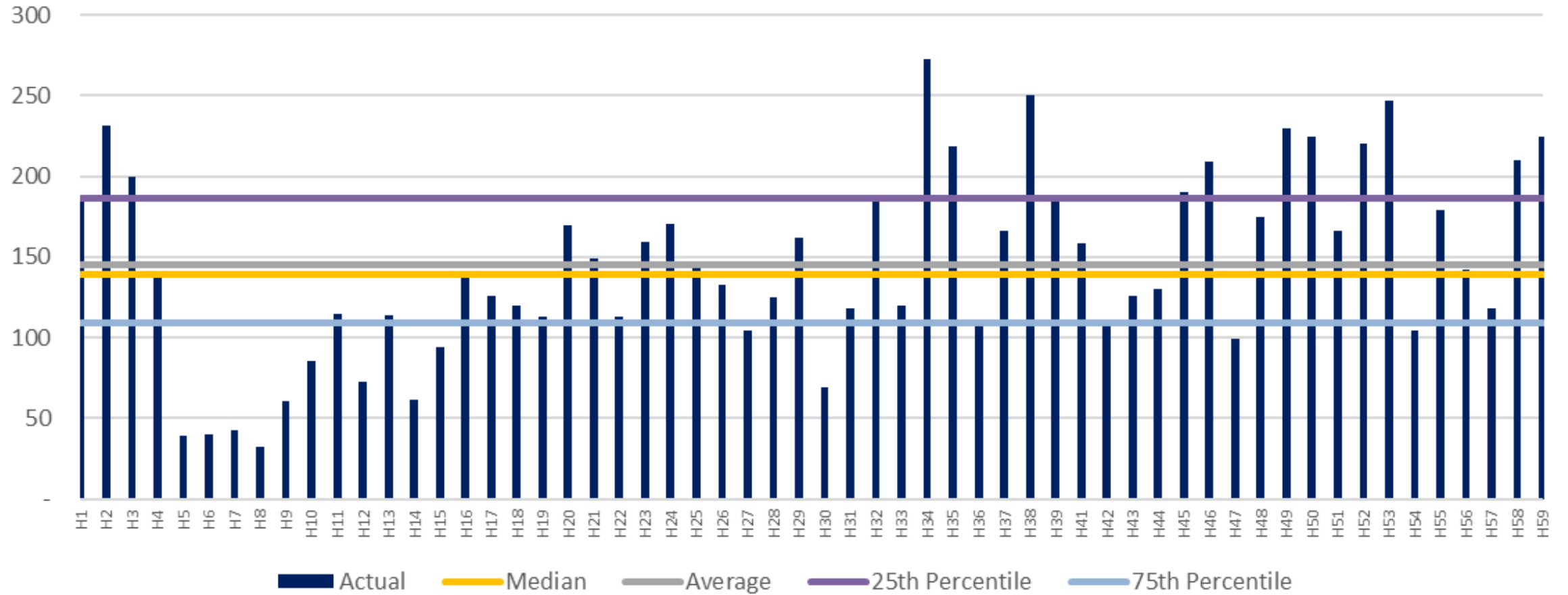


OTHER COST PER VISIT

OTHER COST PER VISIT

- Includes
 - Facility costs
 - Administration
- Does not include
 - Direct Staffing
 - Supplies
 - Pharmacy
 - Medical Equipment
 - Professional Liability
- Higher cost per visits lead to lower profitability for other payors
 - May also impact Medicaid
 - Remember Medicare 80/20 calculation limitation and impact of caps
- Lower cost is favorable over time
 - Initial impact on Medicaid

Other Costs per Visit (ignores productivity standard): Hospital



Max = 273

Min = 32

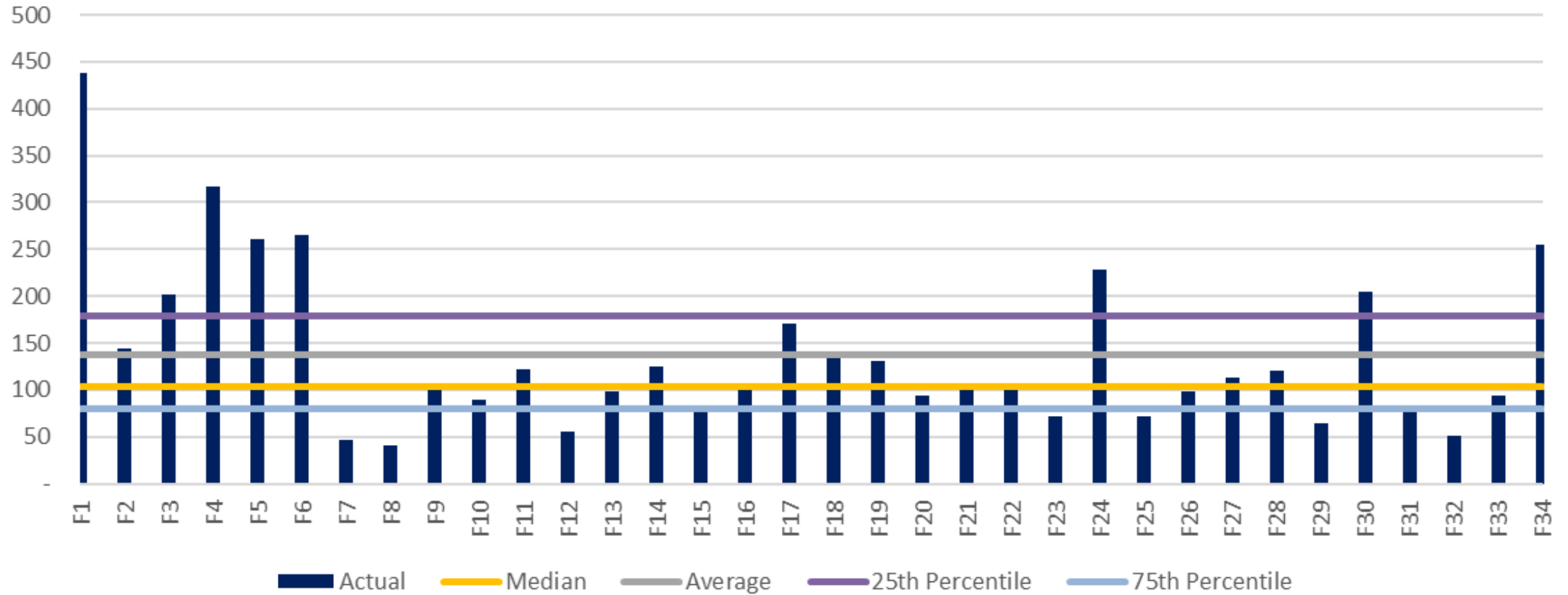
Average = 145

Median = 139

25th Percentile = 186

75th Percentile = 109

Other Costs per Visit (ignores productivity standard): Freestanding



Max = 438

Min = 41

Average = 138

Median = 103

25th Percentile = 179

75th Percentile = 80

TOTAL OTHER COST PER VISIT – COMPARISON

	Hospital Based	Free Standing
Max	\$273	\$438
Min	\$32	\$41
Average	\$145	\$138
Median	\$139	\$103
25 th %	\$186	\$179
75 th %	\$109	\$80

OTHER COST PER VISIT STRATEGIES

- Review overhead costs
 - Building cost
 - Utilities
 - Administrative and General
 - Often ignored
 - Housekeeping
 - Health Information Management

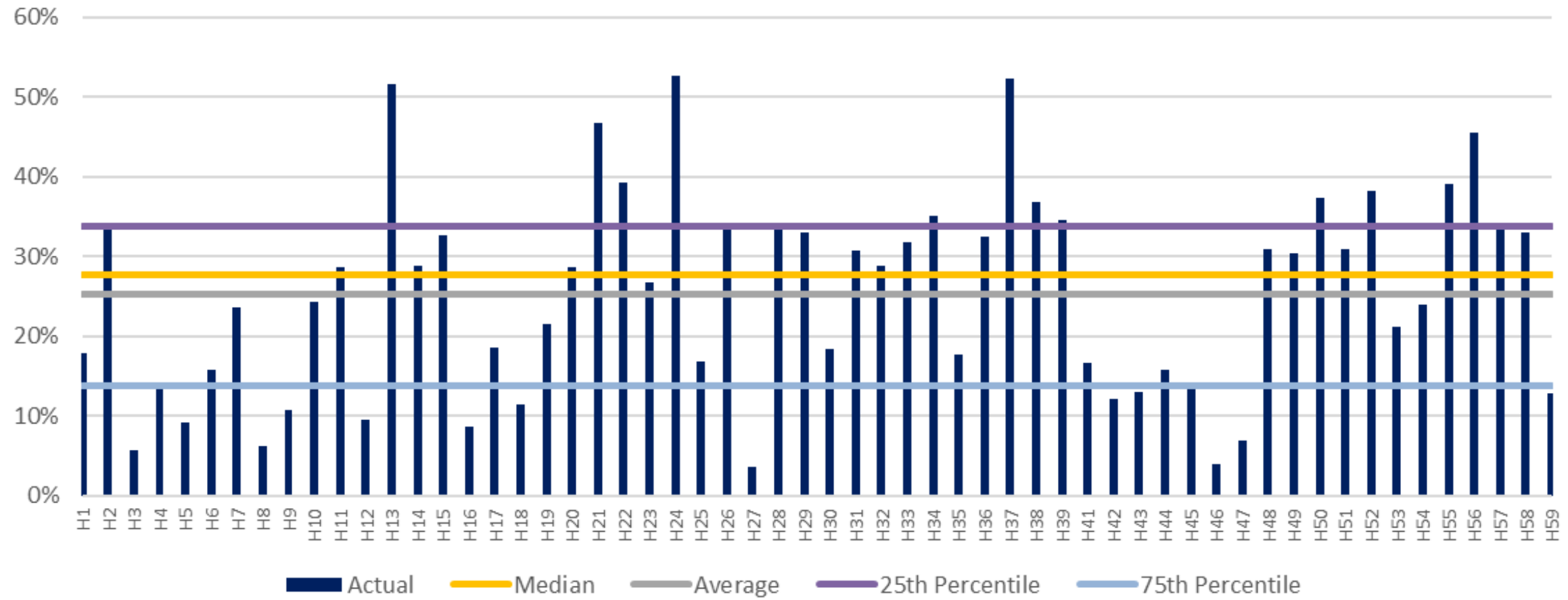


MEDICARE PAYER MIX

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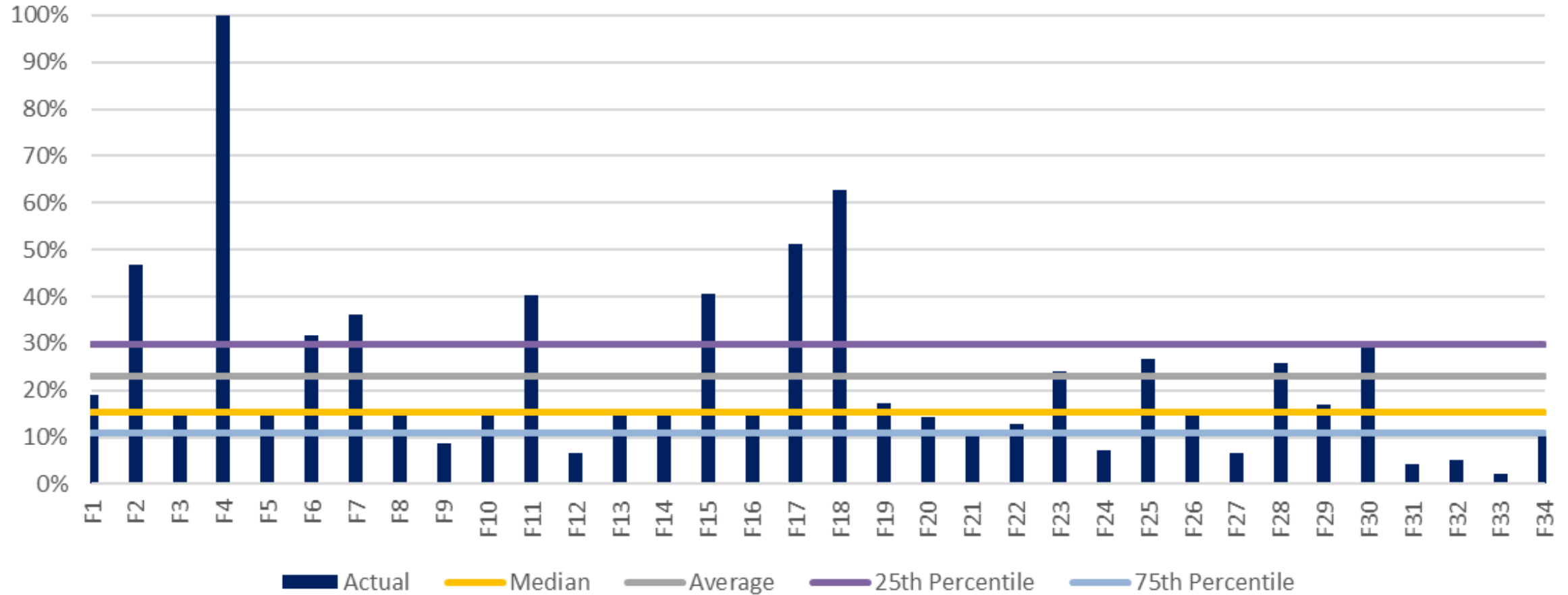
- May be an indication of profitability
- Lower Medicare payor mix may assist in improving financial performance
 - Impact will vary based on cost per visit versus commercial payment
 - Calculation can be impacted by high Medicare Advantage penetration
 - Higher Medicaid payor utilization may have bigger impact than higher Medicare

Medicare Payor Mix (actual): Hospital



Max = 53% Median = 28%
Min = 4% 25th Percentile = 34%
Average = 25% 75th Percentile = 14%

Medicare Payor Mix (actual): Freestanding



Max = 100%

Min = 2%

Average = 23%

Median = 15%

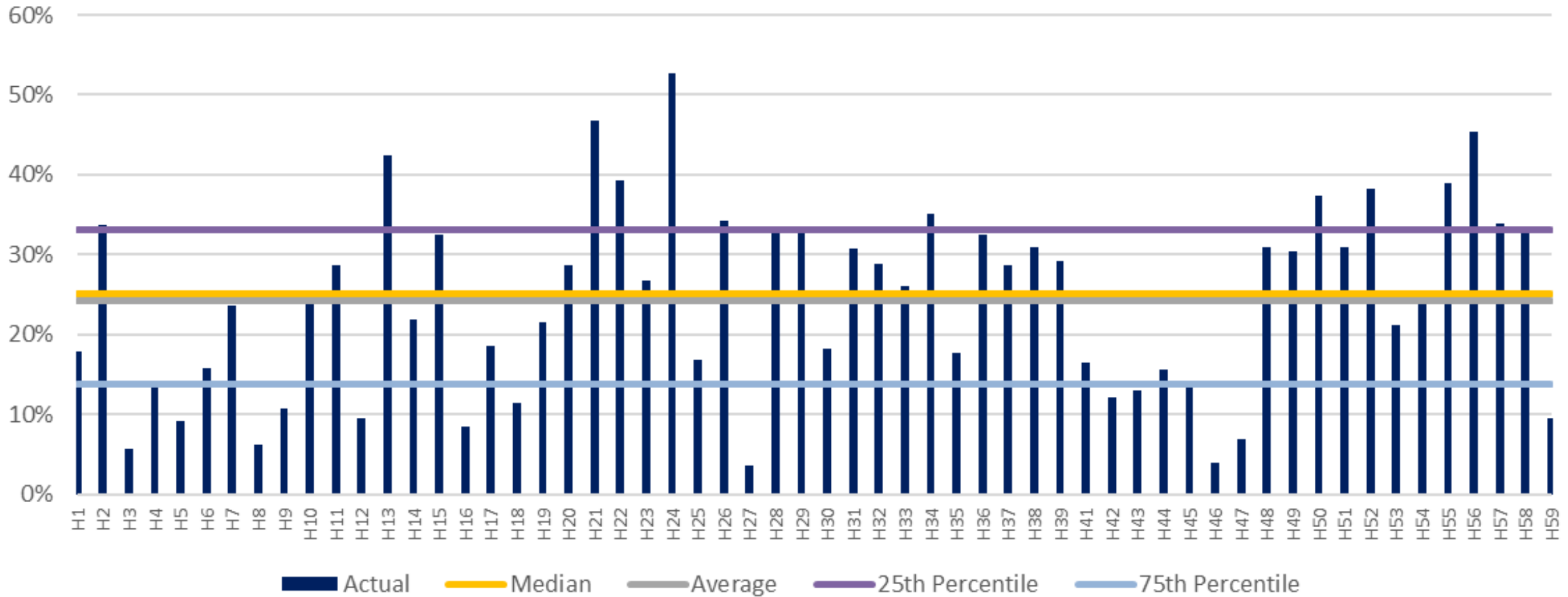
25th Percentile = 30%

75th Percentile = 11%

MEDICARE PAYER MIX - COMPARISON

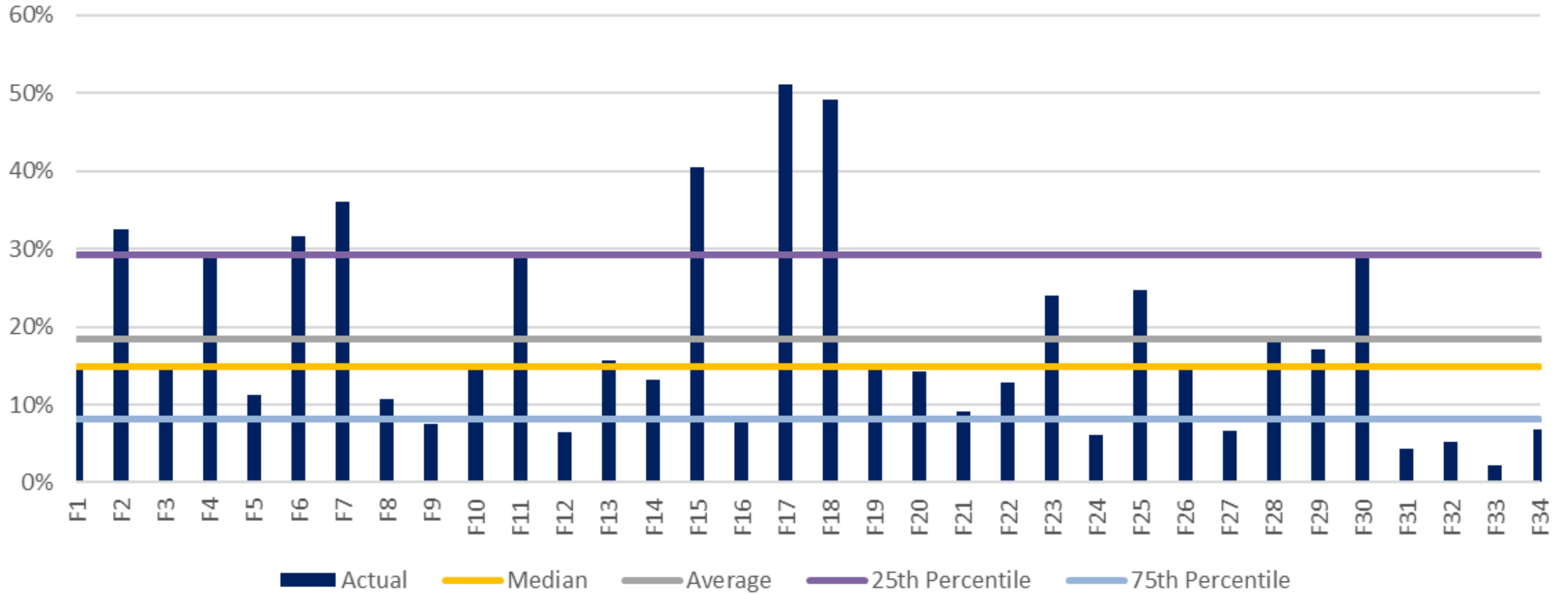
	Hospital Based	Free Standing
Max	53%	100%
Min	4%	2%
Average	25%	23%
Median	28%	15%
25 th %	34%	30%
75 th %	14%	11%

Medicare Payor Mix (with productivity standard applied): Hospital



Max = 53% Median = 25%
Min = 4% 25th Percentile = 33%
Average = 24% 75th Percentile = 14%

Medicare Payor Mix (with productivity standard applied): Freestanding



Max = 51% Median = 15%
Min = 2% 25th Percentile = 29%
Average = 18% 75th Percentile = 8%

MEDICARE PAYER MIX – COMPARISON ADJUSTED FOR PRODUCTIVITY STANDARD

	Hospital Based	Free Standing
Max	53%	51%
Min	4%	2%
Average	24%	18%
Median	25%	15%
25 th %	33%	29%
75 th %	14%	8%

MEDICARE PAYER MIX STRATEGIES

- **Maximize non-Medicare volumes**
 - Do not focus on minimizing Medicare volumes
 - Consider marketing efforts
 - Promote wellness activities for all age groups
 - Implement telehealth strategies
 - Explore alternative clinic hours
 - Think access
- **Important notes**
 - Higher Medicare percentage may appear to be beneficial if there is a high cost per visit
 - Need to think long term versus short term strategy



VISITS PER FTE

PHYSICIAN

NURSE PRACTITIONER

PHYSICIAN ASSISTANT

CLINICAL SOCIAL WORKER

CERTIFIED NURSE MIDWIFE

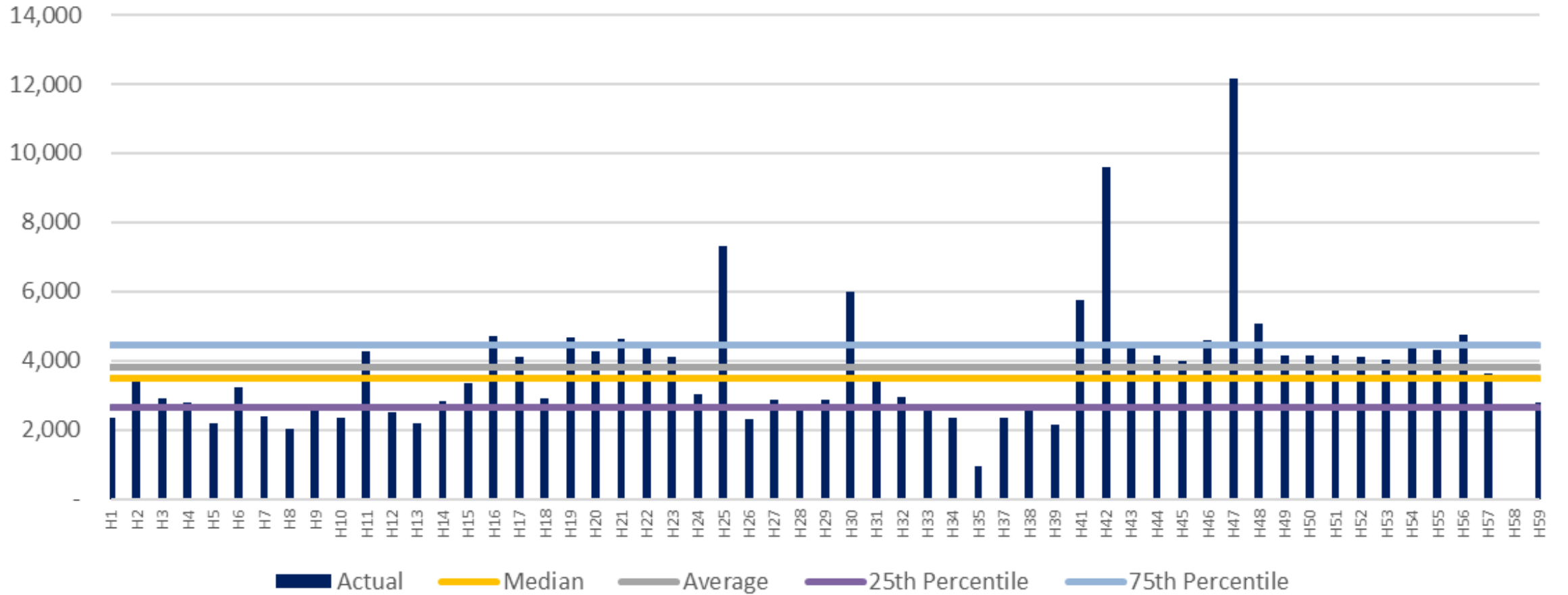
VISITING NURSE

CLINICAL PSYCHOLOGIST

VISITS PER PROVIDER FTE

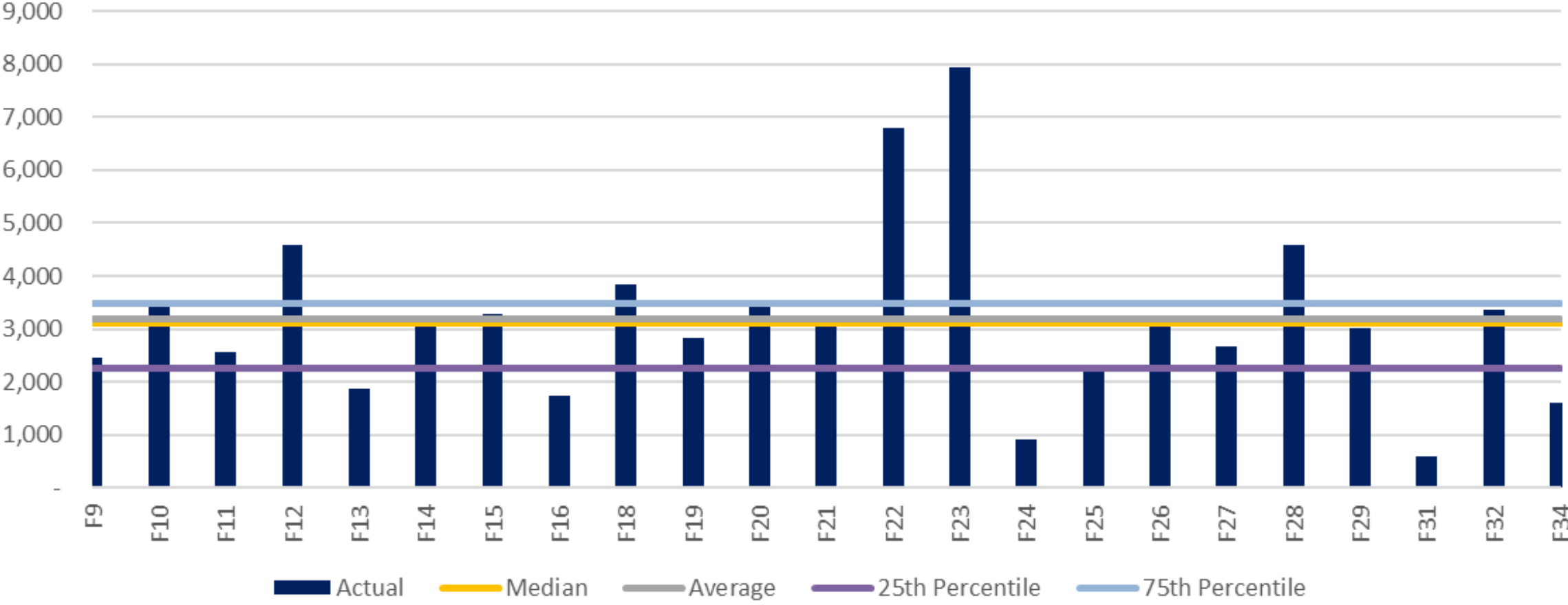
- Higher visit numbers are an indicator of greater productivity
 - Can lower cost per visit
 - Can improve profitability of services provided to other payors
- Cost per visit calculations are subject to productivity standard as applied by Medicare
 - 4,200 visits per Physician FTE
 - 2,100 visits per Nurse Practitioner/Physician Assistant
 - Applied in the aggregate
 - Productivity Standards do not apply to other providers
- Higher numbers are favorable

Physician Visits per FTE: Hospital



Max = 12,148 Median = 3,486
Min = 942 25th Percentile = 2,634
Average = 3,795 75th Percentile = 4,437

Physician Visits per FTE: Freestanding

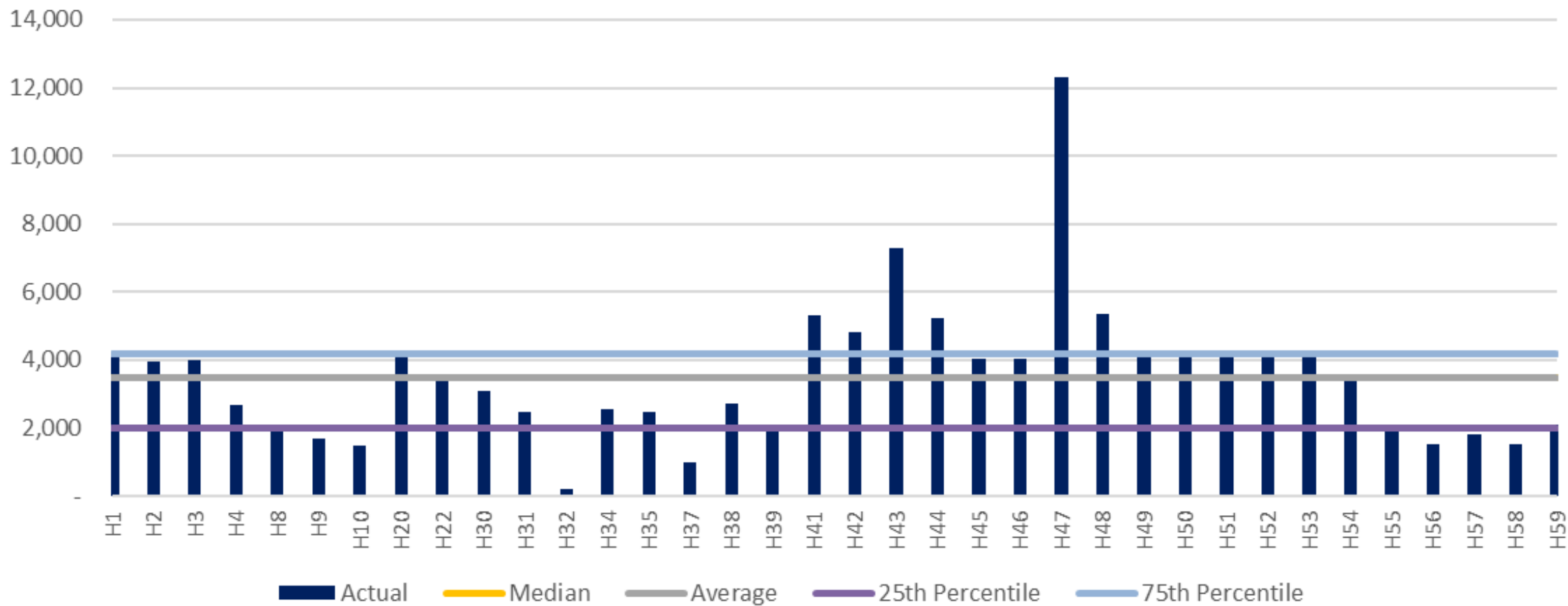


Max = 7,931 Median = 3,123
 Min = 600 25th Percentile = 2,267
 Average = 3,192 75th Percentile = 3,484

PHYSICIAN VISITS PER FTE – COMPARISON

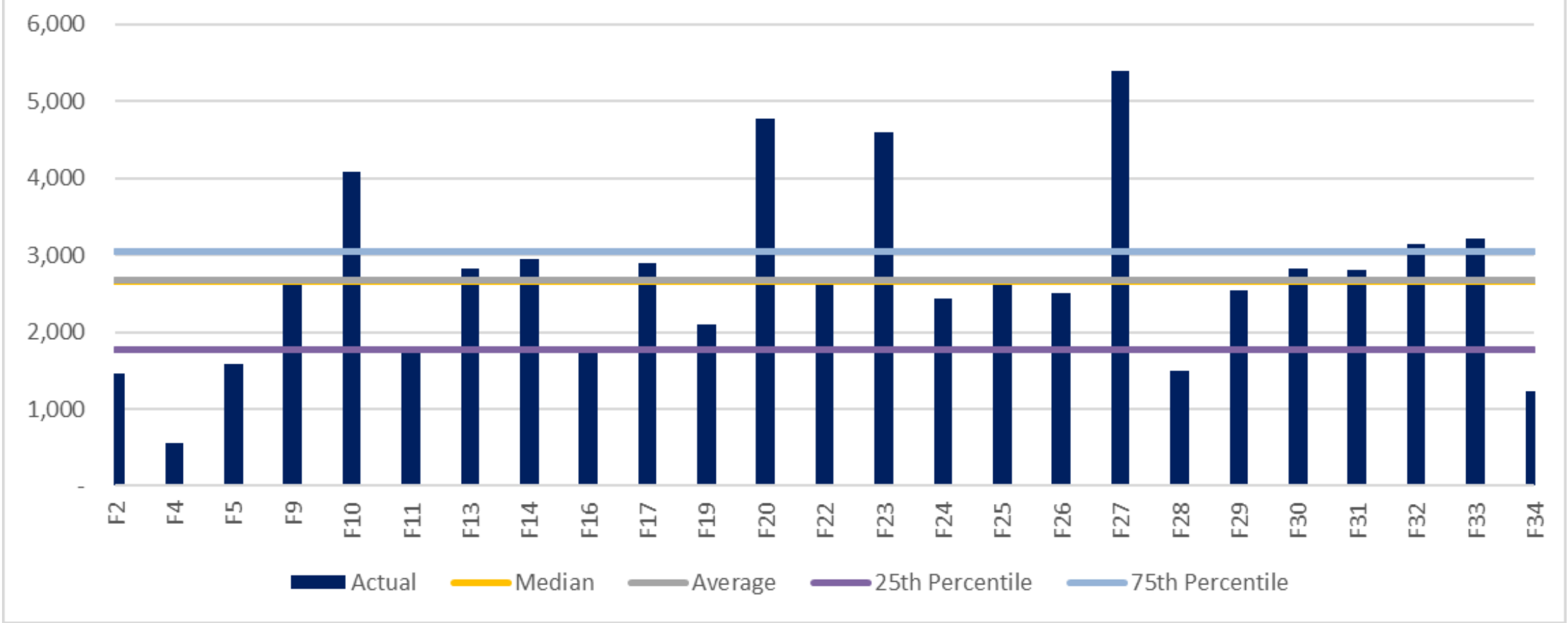
	Hospital Based	Free Standing
Max	12,148	7,931
Min	942	600
Average	3,795	3,192
Median	3,486	3,123
25 th %	2,634	2,267
75 th %	4,437	3,484

Physician Assistant Visits per FTE: Hospital



Max = 12,300 Median = 3,483
Min = 193 25th Percentile = 2,005
Average = 3,491 75th Percentile = 4,162

Physician Assistant Visits per FTE: Freestanding



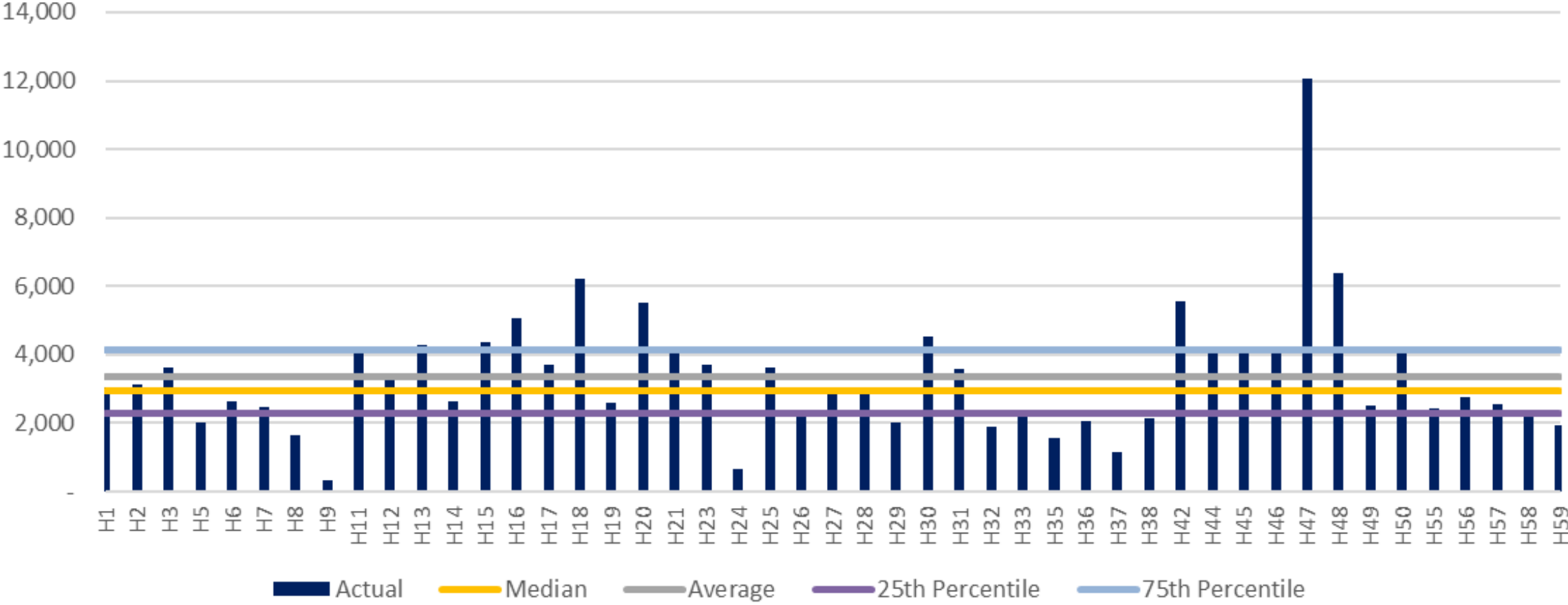
Max = 5,400 Median = 2,661
Min = 550 25th Percentile = 1,775
Average = 2,681 75th Percentile = 3,045

PHYSICIAN ASSISTANT (PA) VISITS PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	12,300	5,400
Min	193	550
Average	3,491	2,681
Median	3,483	2,661
25 th %	2,005	1,775
75 th %	4,162	3,045

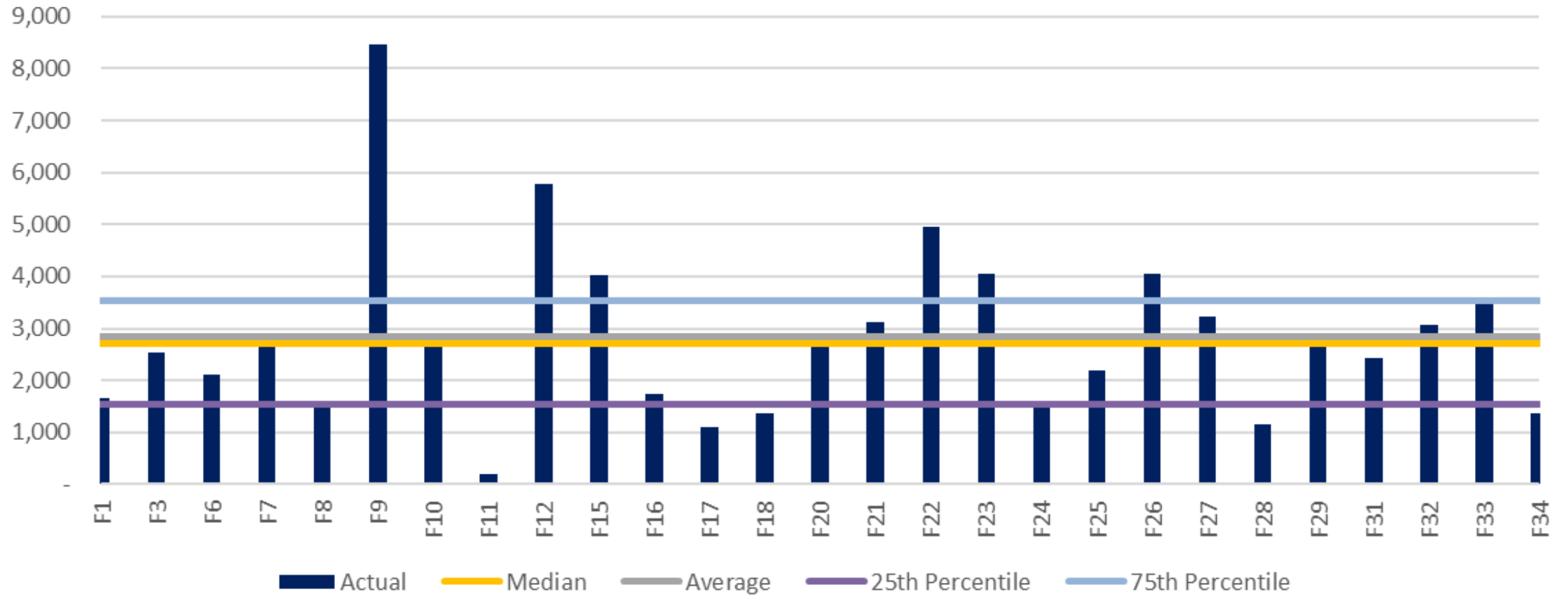


Nurse Practitioner Visits per FTE: Hospital



Max = 12,082 Median = 2,937
 Min = 340 25th Percentile = 2,307
 Average = 3,343 75th Percentile = 4,131

Nurse Practitioner Visits per FTE: Freestanding



Max = 8,473

Min = 200

Average = 2,829

Median = 2,709

25th Percentile = 1,533

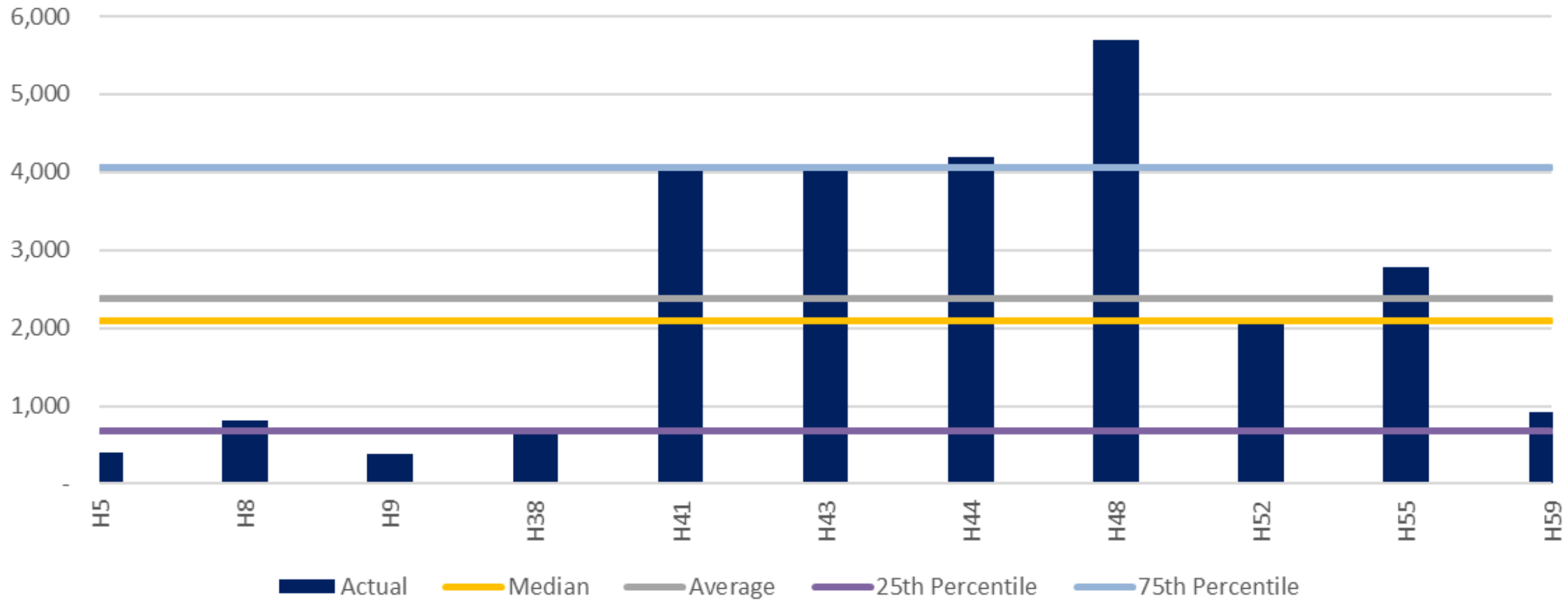
75th Percentile = 3,543

NURSE PRACTITIONER (NP) VISITS PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	12,082	8,473
Min	340	200
Average	3,343	2,829
Median	2,937	2,709
25 th %	2,307	1,533
75 th %	4,131	3,543



Clinical Psychologist Visits per FTE: Hospital

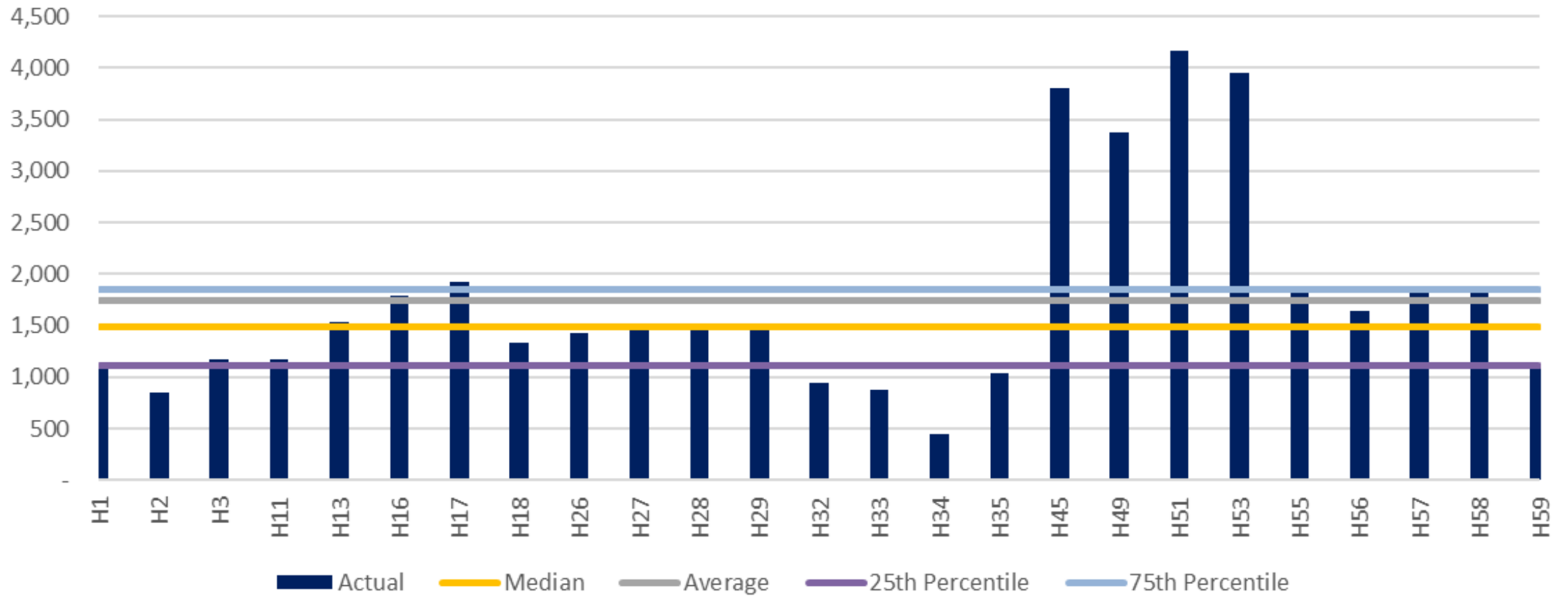


Max = 5,695 Median = 2,100
Min = 380 25th Percentile = 683
Average = 2,370 75th Percentile = 4,064

CLINICAL PSYCHOLOGIST (CP) VISITS PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	5,695	-
Min	380	-
Average	2,370	-
Median	2,100	-
25 th %	683	-
75 th %	4,064	-

Clinical Social Worker Visits per FTE: Hospital



Max = 4,162

Min = 450

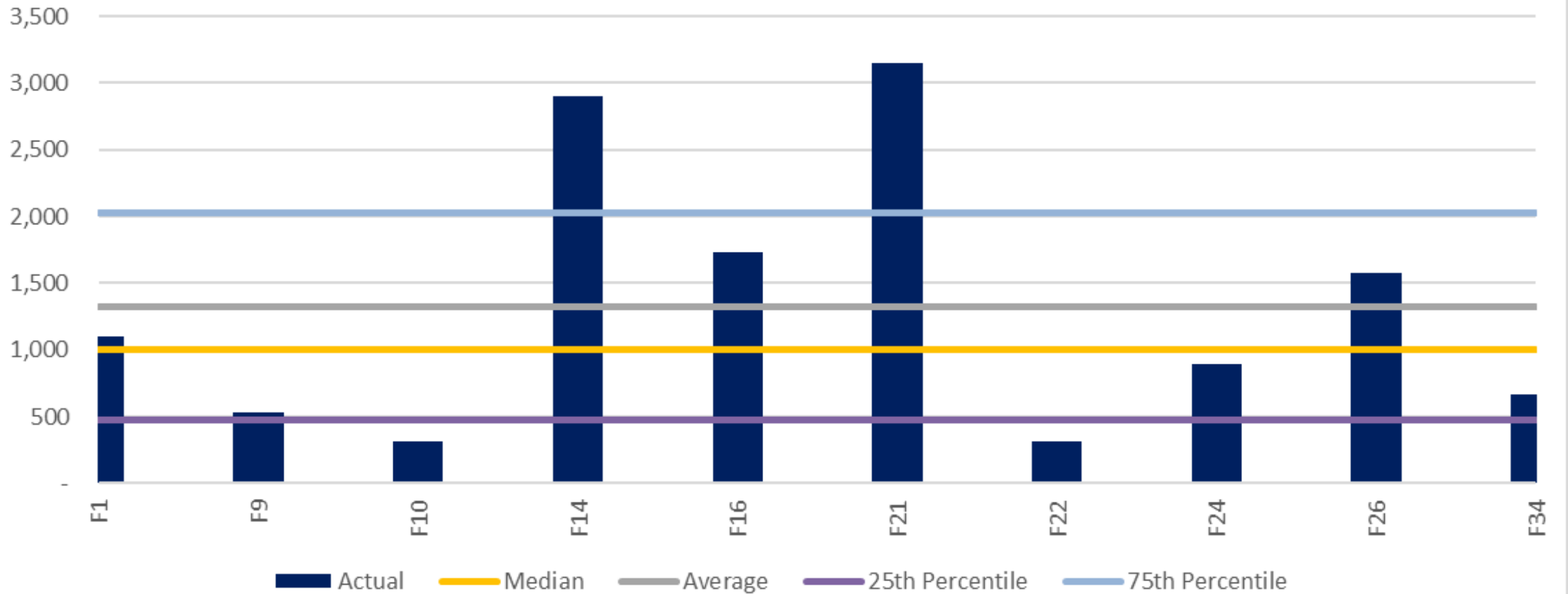
Average = 1,745

Median = 1,486

25th Percentile = 1,110

75th Percentile = 1,847

Clinical Social Worker Visits per FTE: Freestanding



Max = 3,144

Min = 314

Average = 1,318

Median = 999

25th Percentile = 476

75th Percentile = 2,026

CLINICAL SOCIAL WORKER (CSW) VISITS PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	4,162	3,144
Min	450	314
Average	1,745	1,318
Median	1,486	999
25 th %	1,110	476
75 th %	1,847	2,026

VISITS PER FTE STRATEGIES

- It is more about processes than working harder
 - Processes
 - Accountability
- Review scheduling strategies to ensure maximum number of visits available
 - Protocols vary significantly
 - Between practices
 - Between providers in same practices
 - Scheduled time per visit
 - Provider effort versus ancillary support effort
 - Be creative on hours of operation

VISITS PER FTE STRATEGIES

- Understand the FTE calculation and determine strategies
 - Supervision time
 - Paid Time Off/Continuing Medical Education
 - Emergency Room call
 - Medical directorships
- Determine appropriateness of support personnel
 - Adequacy of hours
 - Appropriate skillsets
- Review compensation strategy
 - Flat compensation
 - Base plus productivity
 - Productivity only
 - Focus on creating incentive to promote productivity
 - May lead to higher cost per FTE
 - Can drive down cost per visit

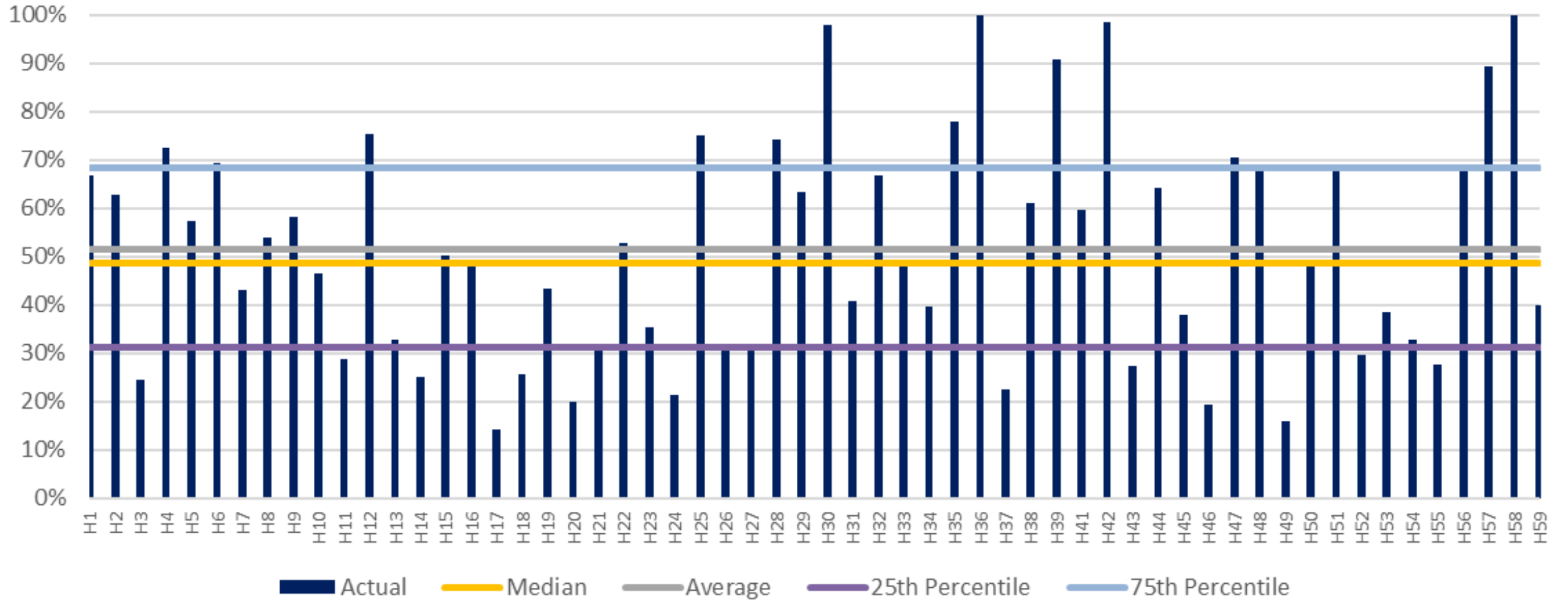


NP & PA FTE AS A PERCENTAGE OF TOTAL PROVIDER FTE

PERCENTAGE OF NP/PA FTES TO TOTAL PROVIDER FTES

- Requirement for minimum coverage by NP/PAs
- Compared to Physicians, NPs and PAs
- Percentage of total FTEs that are NP/PA varies significantly
 - Nationally
 - Statewide
- Potential benefits of higher percentage of NP/PA FTEs
 - Lower cost per FTE
 - Lower productivity standards for NP/PA
 - Control of cost to improve profitability of clinic services to other payors

Percentage of Nurse Practitioner/Physician Assistant FTEs to Total Provider FTEs: Hospital



Max = 100%

Min = 14%

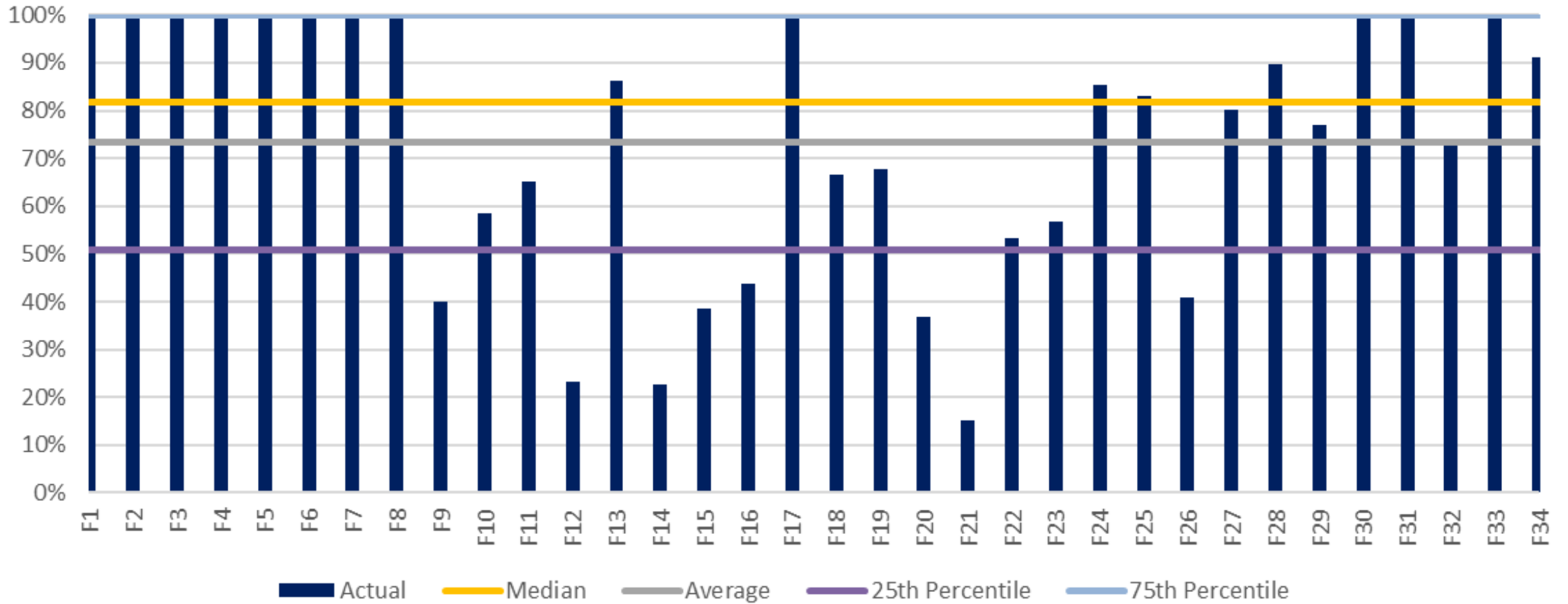
Average = 51%

Median = 49%

25th Percentile = 31%

75th Percentile = 68%

Percentage of Nurse Practitioner/Physician Assistant FTEs to Total Provider FTEs: Freestanding



Max = 100%

Min = 15%

Average = 73%

Median = 82%

25th Percentile = 51%

75th Percentile = 100%

NP & PA FTE AS A PERCENTAGE OF TOTAL PROVIDER FTE - COMPARISON

	Hospital Based	Free Standing
Max	100%	100%
Min	14%	15%
Average	51%	73%
Median	49%	82%
25 th %	31%	51%
75 th %	68%	100%

PERCENTAGE OF NP/PA FTES TO TOTAL PROVIDER FTES

- Changes in percentages may take a significant amount of time
- May require a change in mindset
 - Board
 - Physicians
 - Emergency Room Coverage
 - Community
- Requires internal discussion and marketing
- Need high level of engagement by NP/PA's

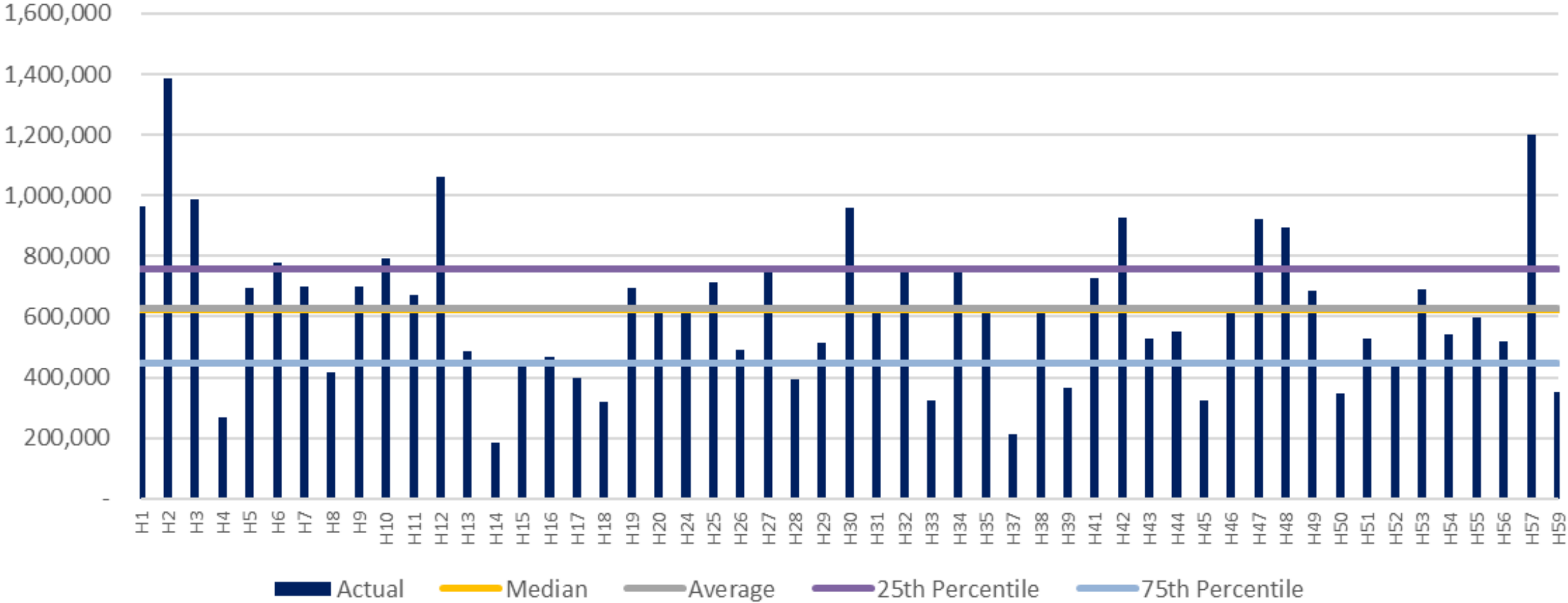


PROVIDER COST PER FTE

PROVIDER COST PER FTE

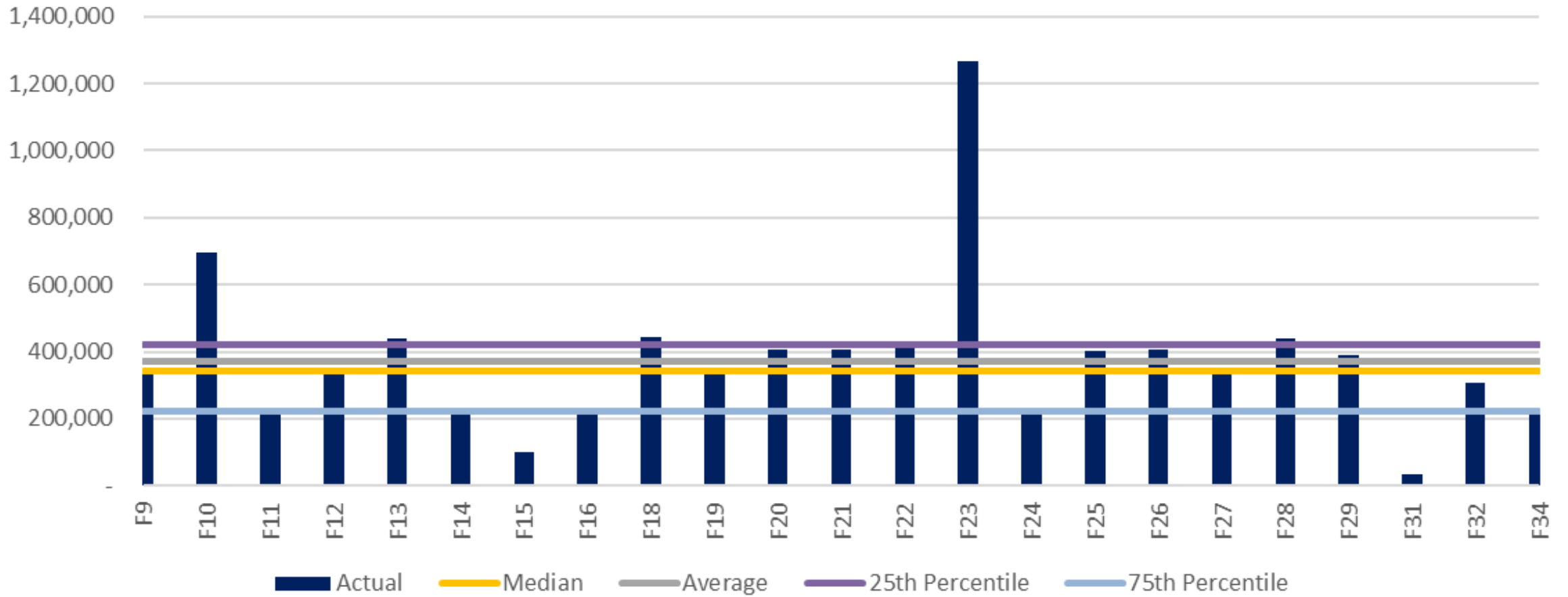
- Compensation levels vary significantly between RHCs
 - Market driven differences
 - Unknown.....
- Lower calculations may:
 - Demonstrate ability to control costs
 - Improve profitability of services to other payors

Physician Staff Cost per Provider FTE: Hospital



Max = 1,387,115 Median = 621,592
 Min = 182,661 25th Percentile = 757,086
 Average = 625,511 75th Percentile = 444,711

Physician Staff Cost per Provider FTE: Freestanding

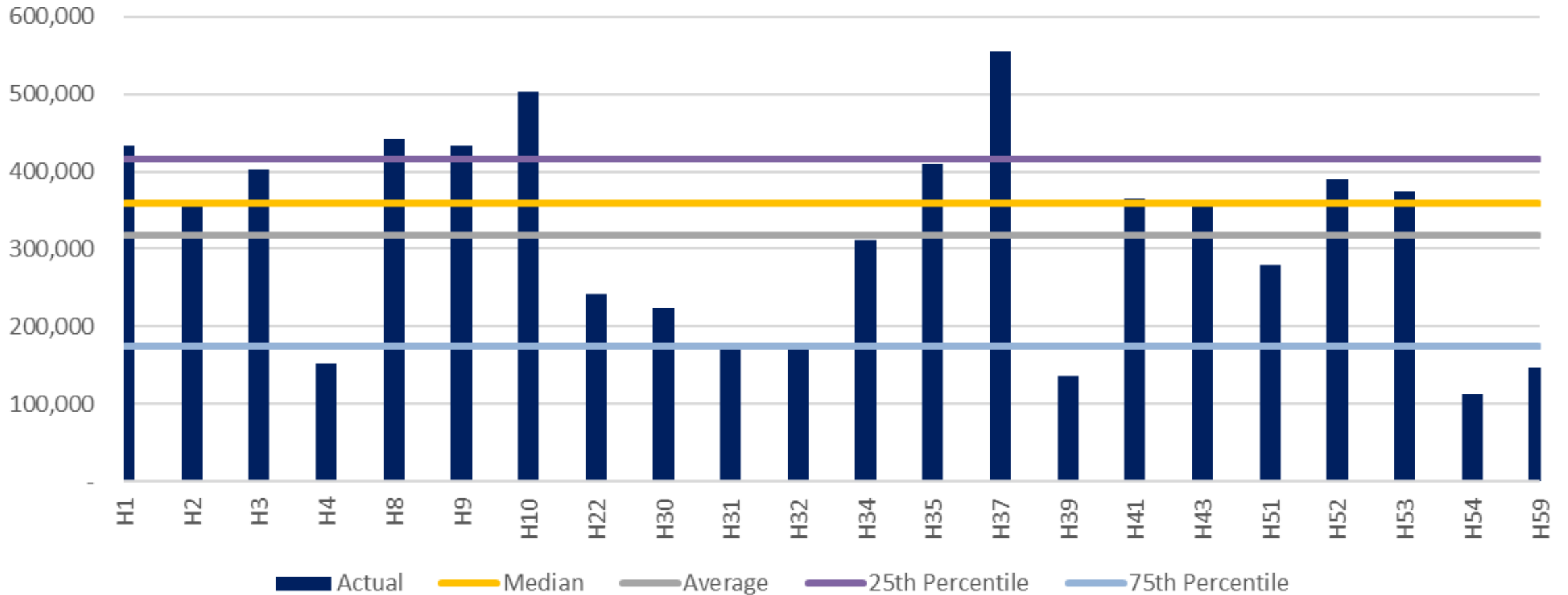


Max = 1,267,314 Median = 343,869
Min = 32,800 25th Percentile = 420,950
Average = 373,335 75th Percentile = 221,617

PHYSICIAN COST PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	\$1,387,115	\$1,267,314
Min	\$182,661	\$32,800
Average	\$625,511	\$373,335
Median	\$621,592	\$343,869
25 th %	\$757,086	\$420,950
75 th %	\$444,711	\$221,617

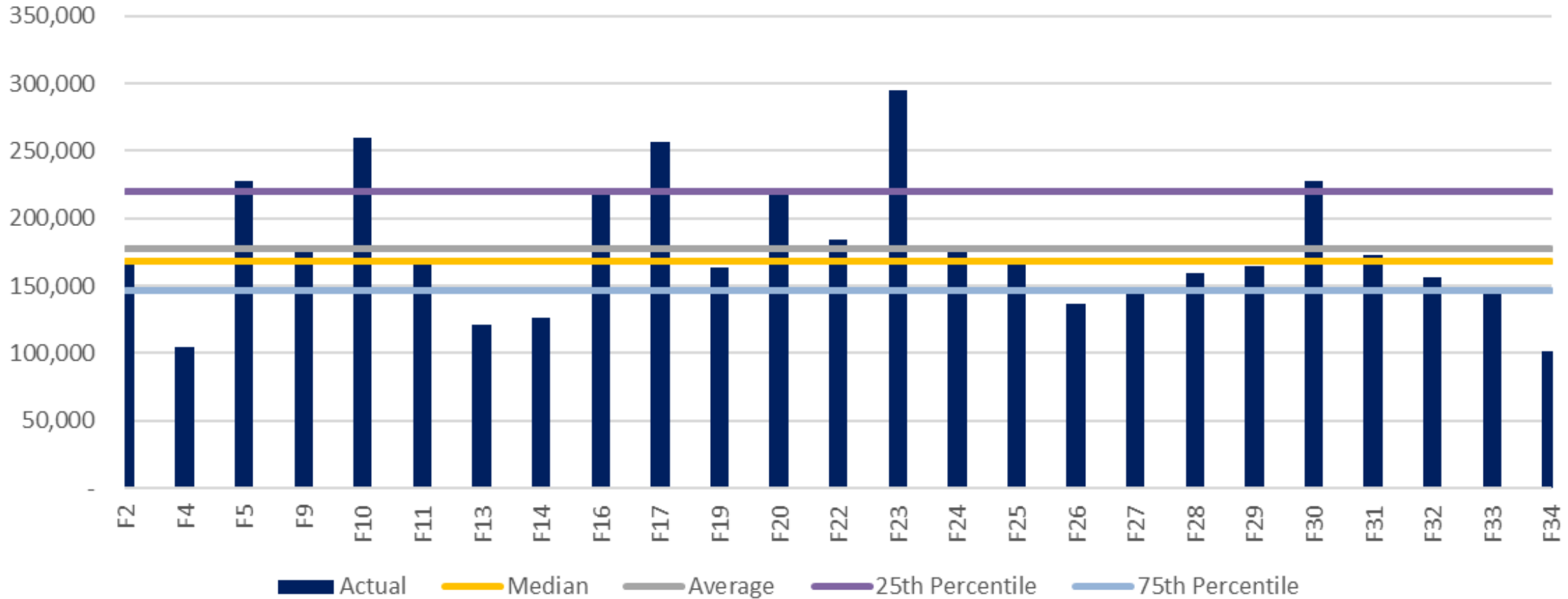
Physician Assistant Staff Cost per Provider FTE: Hospital



Max = 555,662
Min = 113,851
Average = 317,194

Median = 358,971
25th Percentile = 415,590
75th Percentile = 173,936

Physician Assistant Staff Cost per Provider FTE: Freestanding



Max = 294,336
Min = 101,563
Average = 177,926

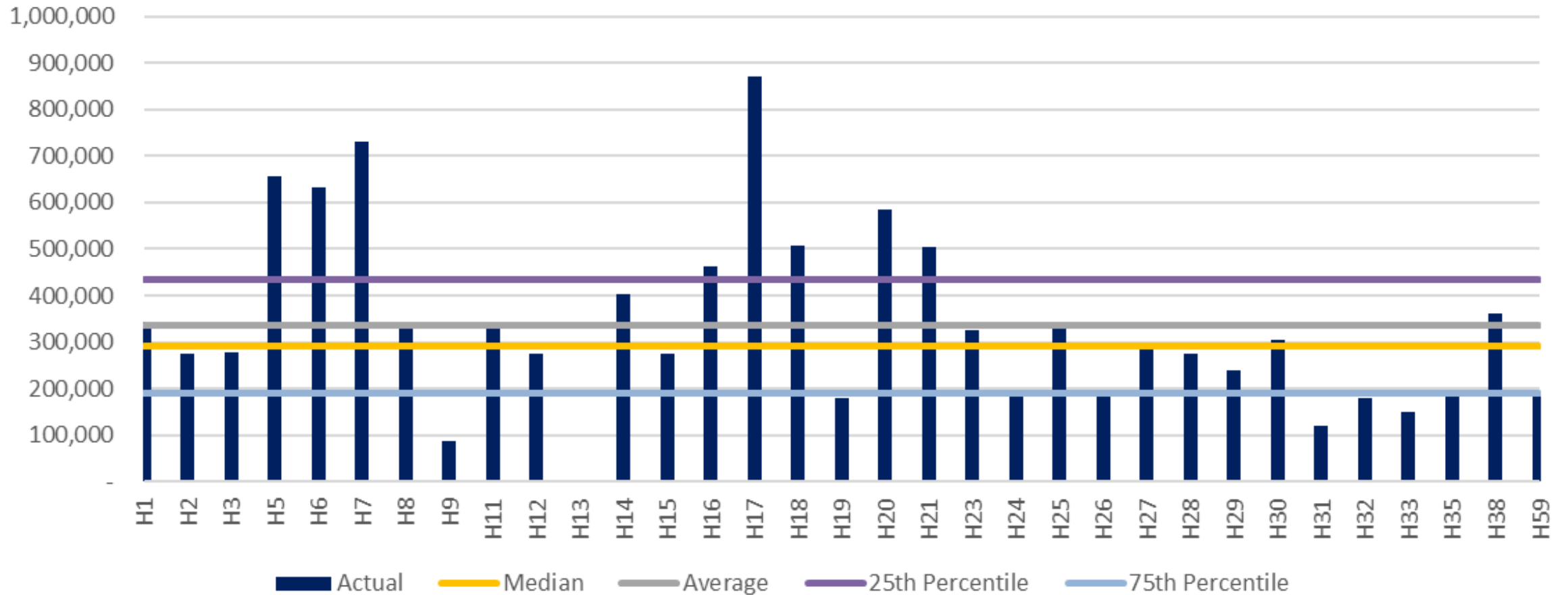
Median = 167,673
25th Percentile = 219,872
75th Percentile = 146,613

PHYSICIAN ASSISTANT COST PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	\$555,662	\$294,336
Min	\$113,851	\$101,563
Average	\$317,194	\$177,926
Median	\$358,971	\$167,673
25 th %	\$415,590	\$219,872
75 th %	\$173,936	\$146,613



Nurse Practitioner Staff Cost per Provider FTE: Hospital



Max = 870,450

Min = 3,478

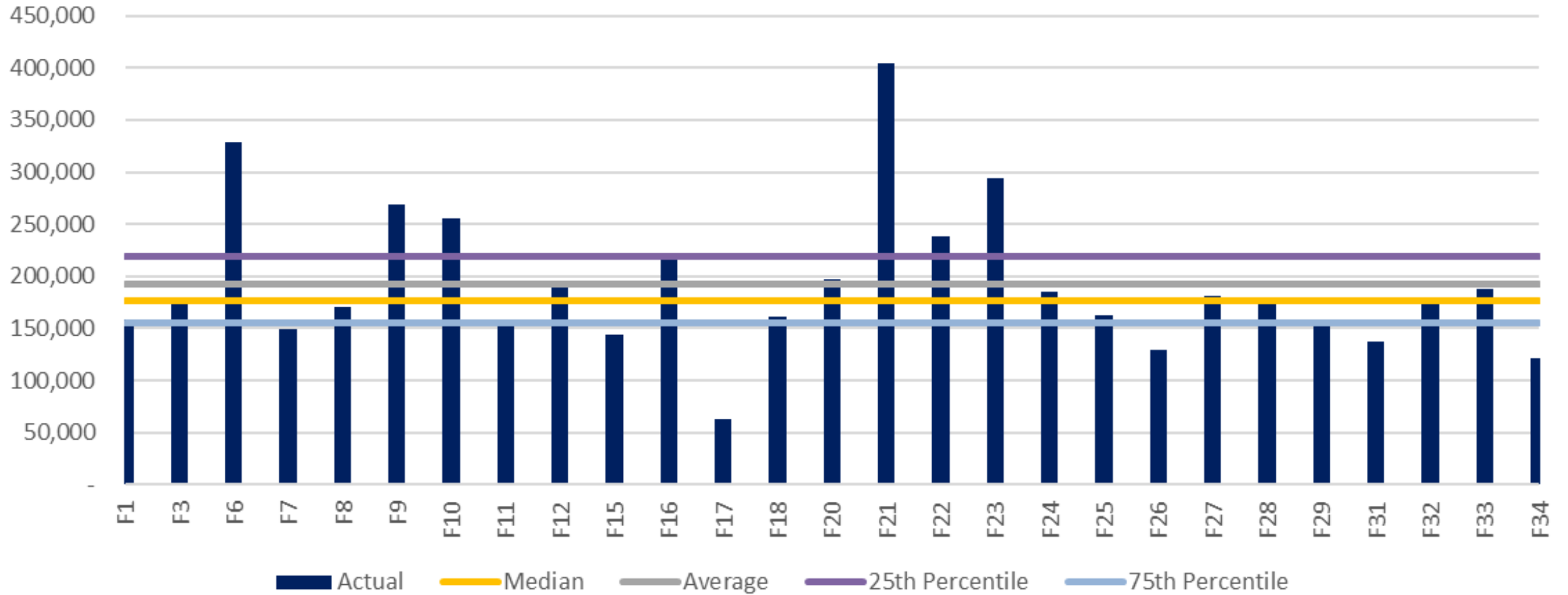
Average = 336,256

Median = 292,001

25th Percentile = 433,278

75th Percentile = 189,260

Nurse Practitioner Staff Cost per Provider FTE: Freestanding



Max = 404,422

Median = 176,609

Min = 63,000

25th Percentile = 218,475

Average = 192,373

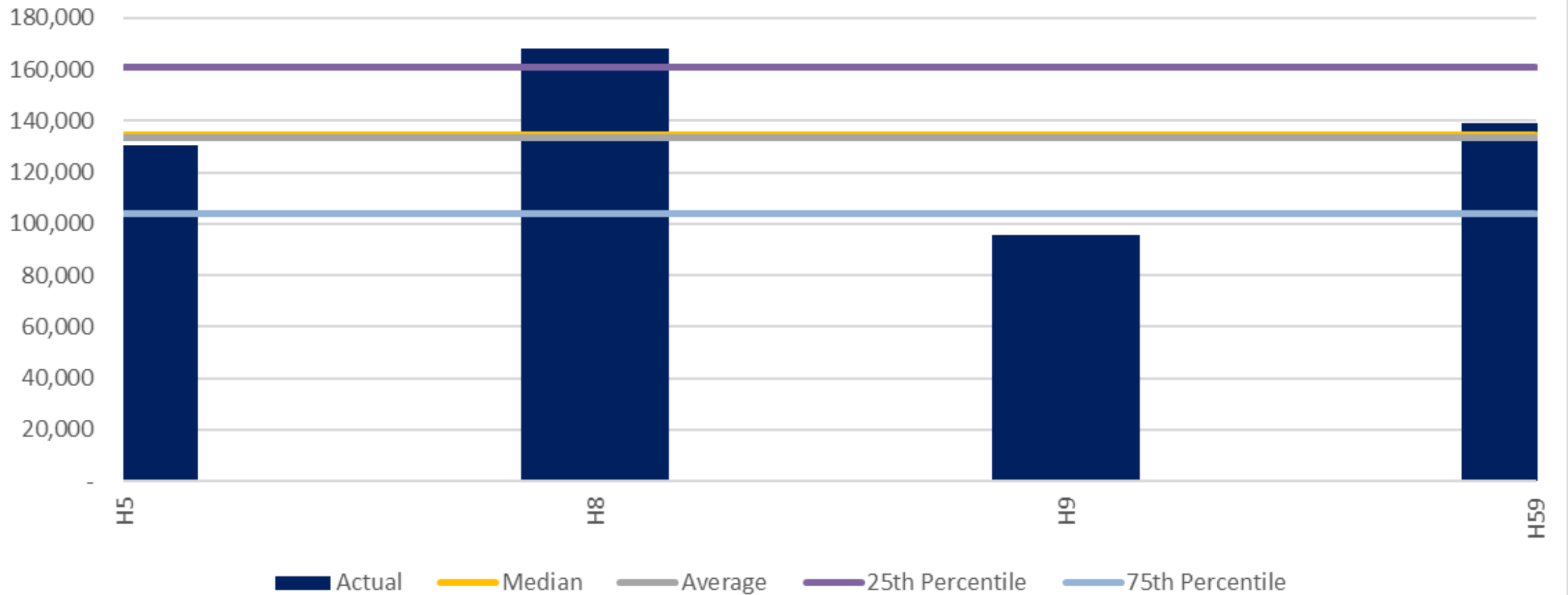
75th Percentile = 155,800

NURSE PRACTITIONER COST PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	\$870,450	\$404,422
Min	\$3,478	\$63,000
Average	\$336,256	\$192,373
Median	\$292,001	\$176,609
25 th %	\$433,278	\$218,475
75 th %	\$189,260	\$155,800



Clinical Psychologist Staff Cost per Provider FTE: Hospital



Max = 168,347

Min = 95,405

Average = 133,320

Median = 134,765

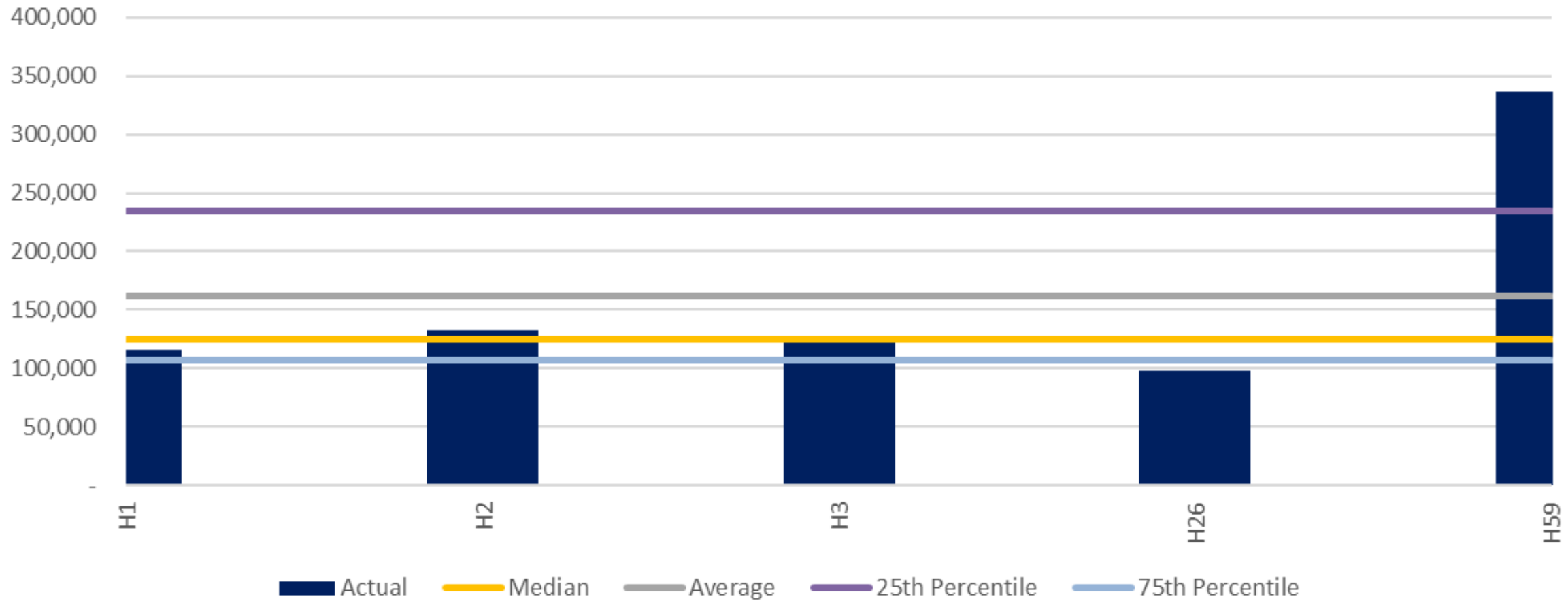
25th Percentile = 161,043

75th Percentile = 104,153

CLINICAL PSYCHOLOGIST (CP) COST PER FTE – COMPARISON

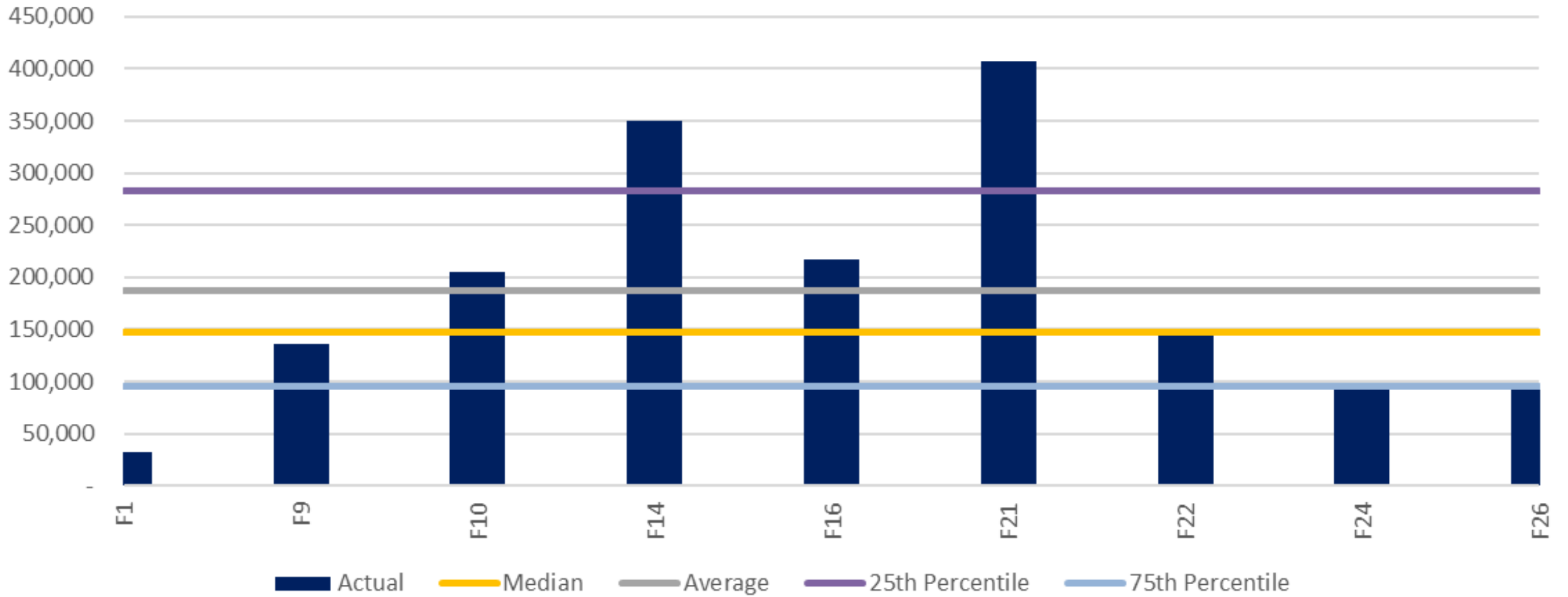
	Hospital Based	Free Standing
Max	\$163,347	-
Min	\$95,405	-
Average	\$133,320	-
Median	\$134,765	-
25 th %	\$161,043	-
75 th %	\$104,153	-

Clinical Social Worker Staff Cost per Provider FTE: Hospital



Max = 337,018 Median = 124,548
Min = 97,730 25th Percentile = 234,967
Average = 161,603 75th Percentile = 106,767

Clinical Social Worker Staff Cost per Provider FTE: Freestanding



Max = 407,156

Min = 32,600

Average = 187,187

Median = 147,168

25th Percentile = 283,484

75th Percentile = 95,063

CLINICAL SOCIAL WORKER (CSW) COST PER FTE – COMPARISON

	Hospital Based	Free Standing
Max	\$337,072	\$407,156
Min	\$97,730	\$32,600
Average	\$161,603	\$187,187
Median	\$124,548	\$147,168
25 th %	\$234,967	\$283,484
75 th %	\$106,767	\$95,063



PROVIDER COST PER FTE STRATEGY

- Review compensation methodologies
 - Work to ensure compensation is based on fair market value
 - Access survey data
 - Can be a balancing act between cost per FTE, incentives to enhance productivity, and retention
 - May not be able to maximize performance in all indicators
 - Explore other reasons why your compensation may be higher

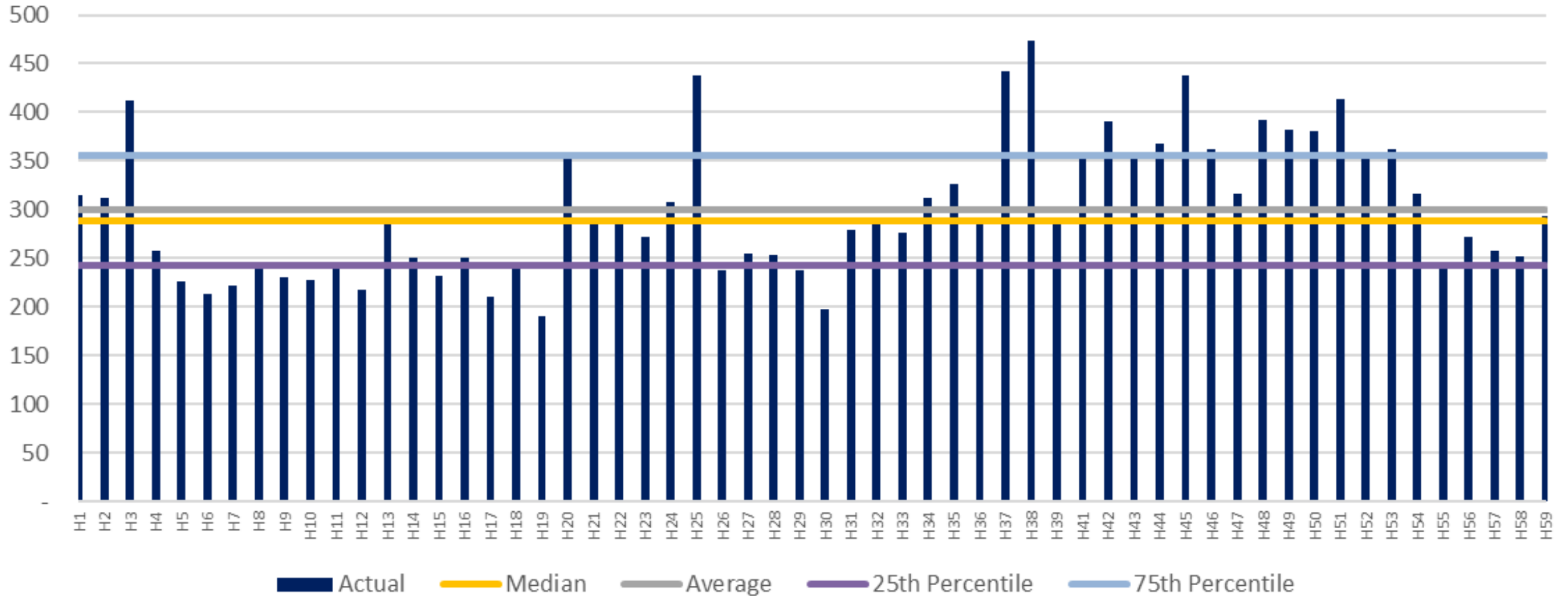


AVERAGE CHARGE PER MEDICARE VISIT

AVERAGE CHARGE PER MEDICARE VISIT

- **Charges matter!**
 - Medicare reimbursement is based on 80% cost and 20% charge
 - Other payors frequently reimburse on lower of charge or fee schedule
 - Higher values tend to be favorable
- **Higher values may indicate:**
 - Provider has appropriately priced services
 - There is adequate documentation, coding and charge capture
- **Lower values may indicate:**
 - Pricing is below average
 - Think about other payors!
 - Opportunities to improve documentation, coding and charge capture
 - Less complex patients

Average Charge per Medicare Billable Visit: Hospital



Max = 474

Min = 191

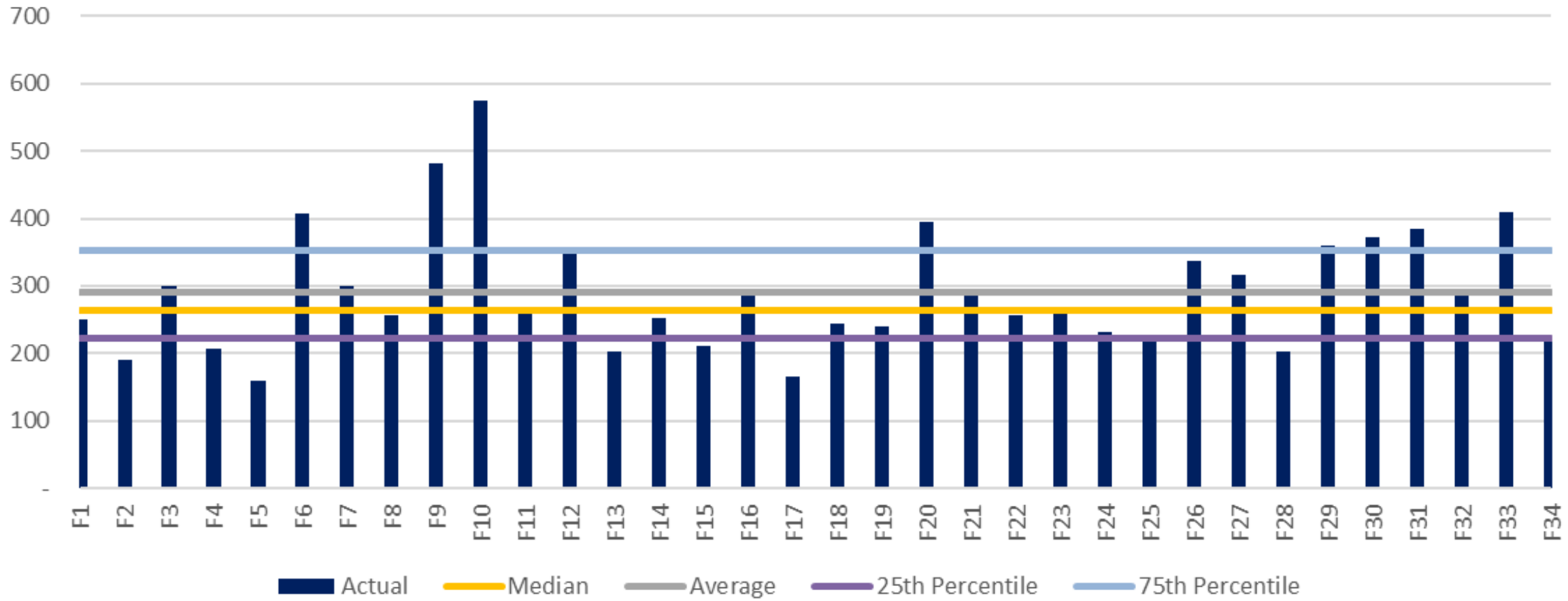
Average = 300

Median = 289

25th Percentile = 243

75th Percentile = 356

Average Charge per Medicare Billable Visit: Freestanding



Max = 575

Min = 160

Average = 291

Median = 264

25th Percentile = 222

75th Percentile = 352

AVERAGE CHARGE PER MEDICARE VISIT – COMPARISON

	Hospital Based	Free Standing
Max	\$474	\$575
Min	\$191	\$160
Average	\$300	\$291
Median	\$289	\$264
25 th %	\$243	\$222
75 th %	\$356	\$352

AVERAGE CHARGE PER MEDICARE VISIT STRATEGIES

- Review and verify all services are being documented charges captured
- Review E/M documentation and coding guidelines
- Complete review of pricing against survey data
 - National
 - State
 - Focus is on developing market-based pricing

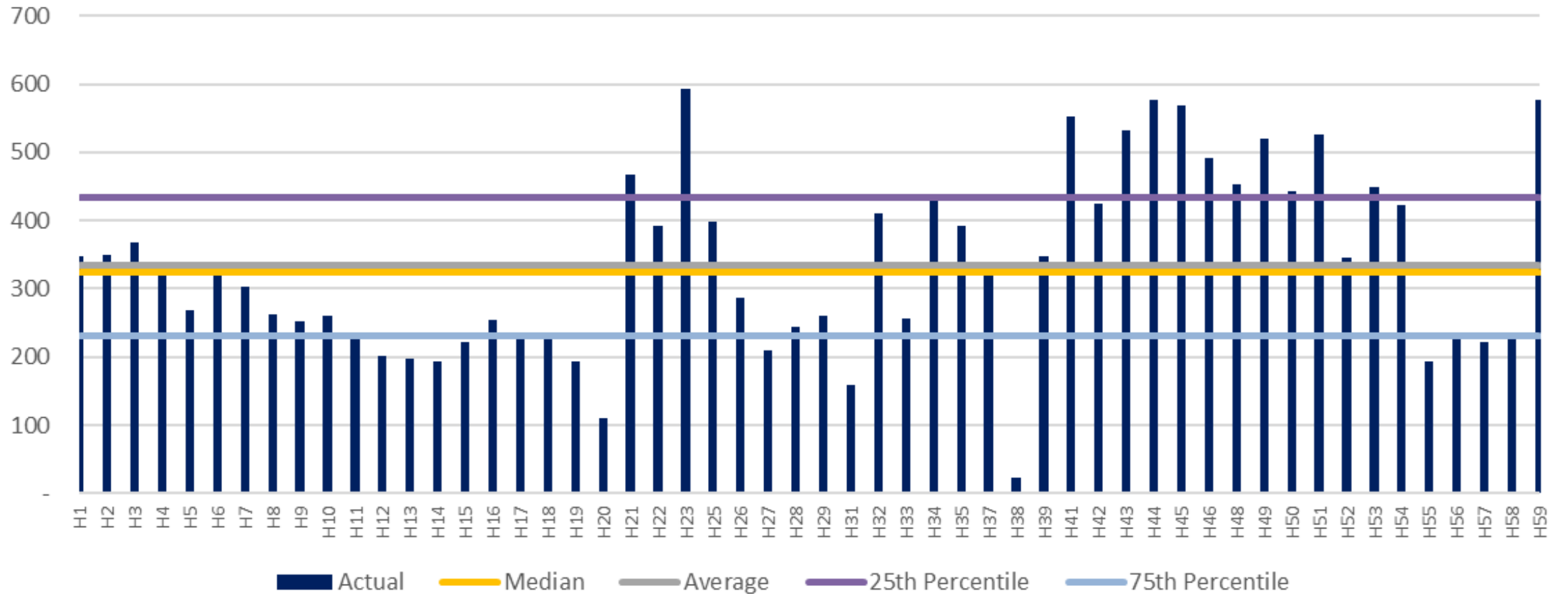


COST PER VACCINATION

COST PER VACCINATION

- Lower cost per vaccination is favorable as it allows the provider to be more profitable for vaccinations provided to non-Medicare and non-Medicaid patients

Pneumococcal Cost per Immunization: Hospital



Max = 594

Min = 23

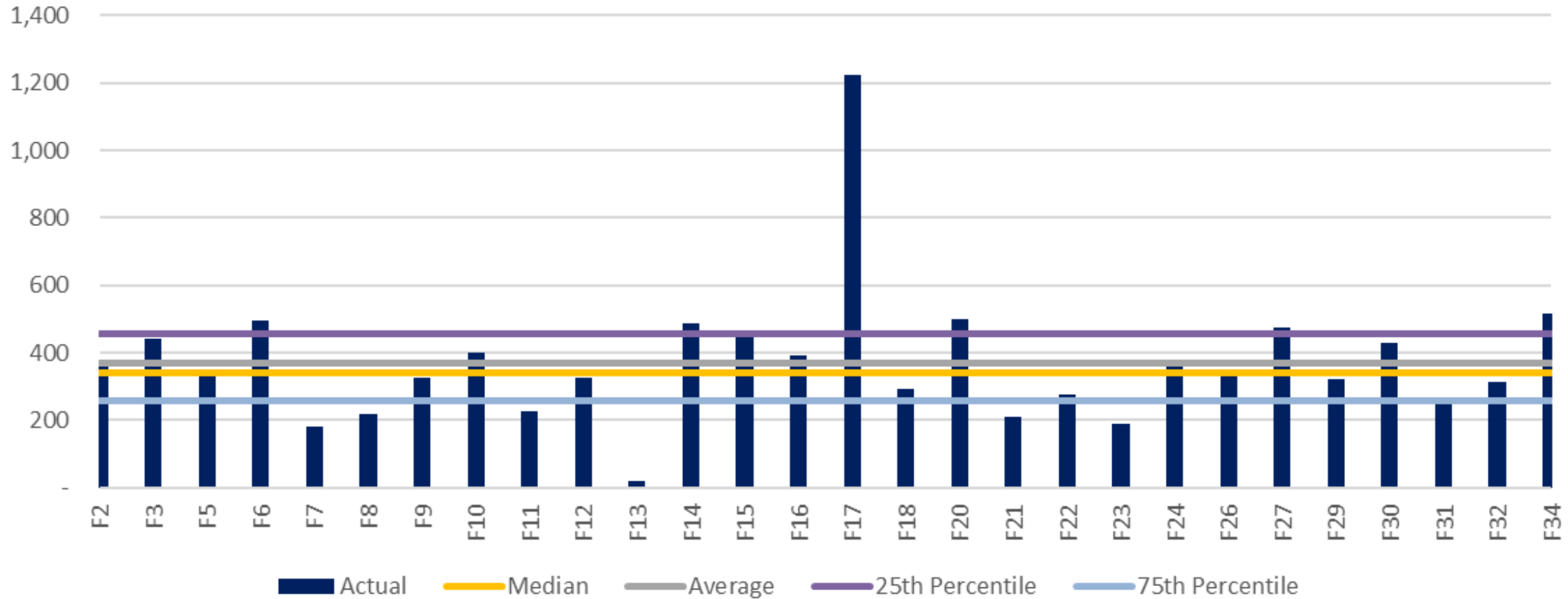
Average = 335

Median = 325

25th Percentile = 433

75th Percentile = 230

Pneumococcal Cost per Immunization: Freestanding



Max = 1,223

Min = 21

Average = 371

Median = 341

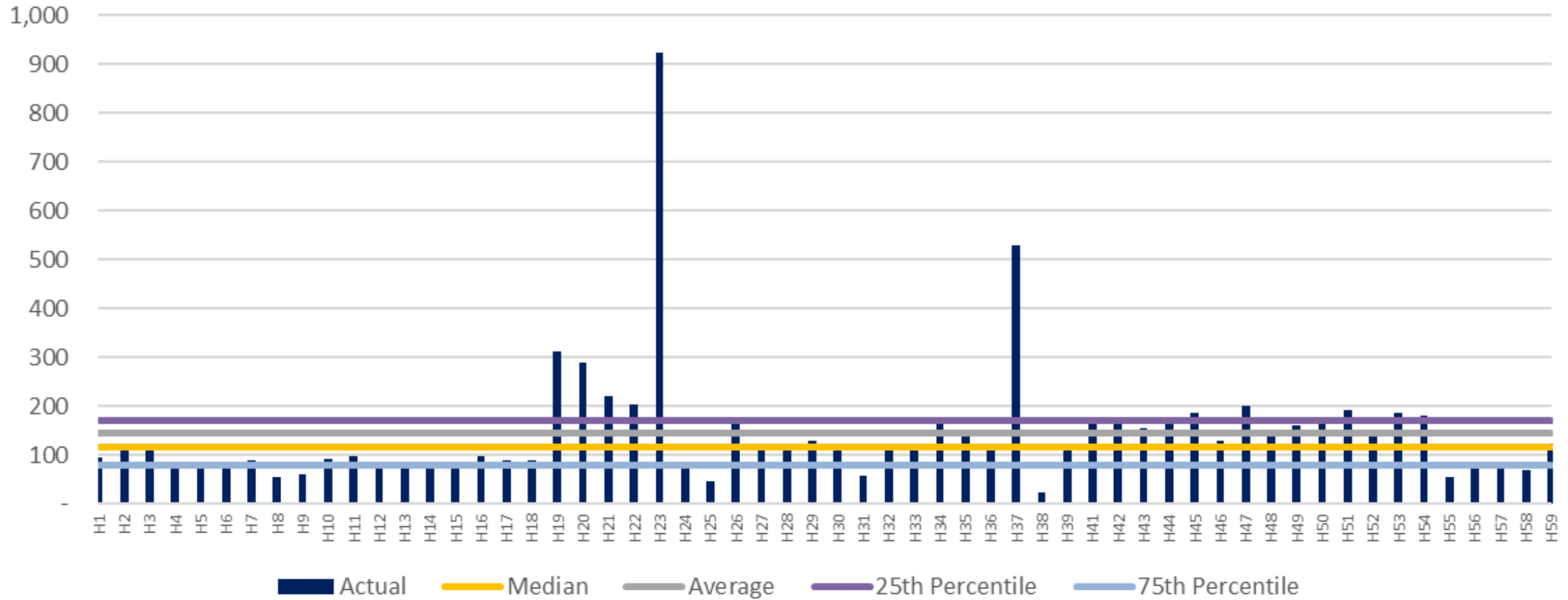
25th Percentile = 457

75th Percentile = 257

PNEUMOCOCCAL COST PER IMMUNIZATION – COMPARISON

	Hospital Based	Free Standing
Max	\$594	\$1,223
Min	\$23	\$21
Average	\$335	\$371
Median	\$325	\$341
25 th %	\$433	\$457
75 th %	\$230	\$257

Influenza Cost per Immunization: Hospital



Max = 922

Min = 23

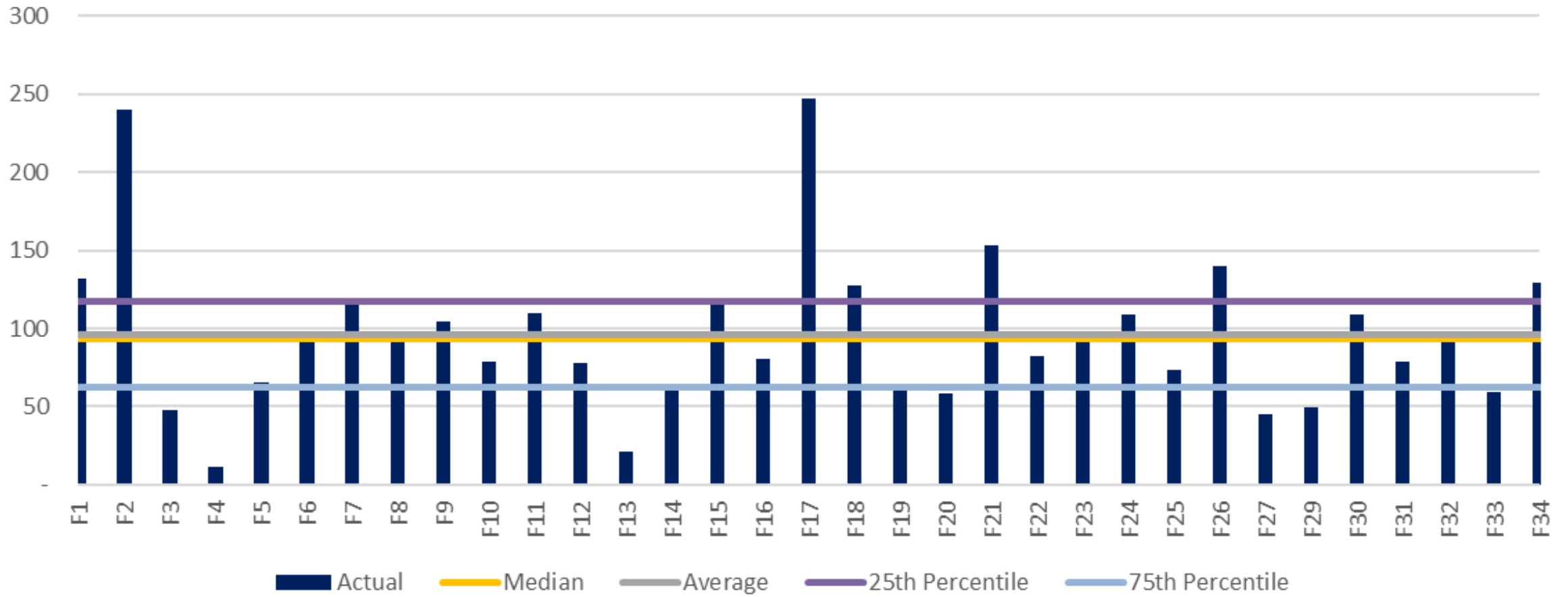
Average = 144

Median = 114

25th Percentile = 169

75th Percentile = 78

Influenza Cost per Immunization: Freestanding



Max = 247

Min = 11

Average = 96

Median = 93

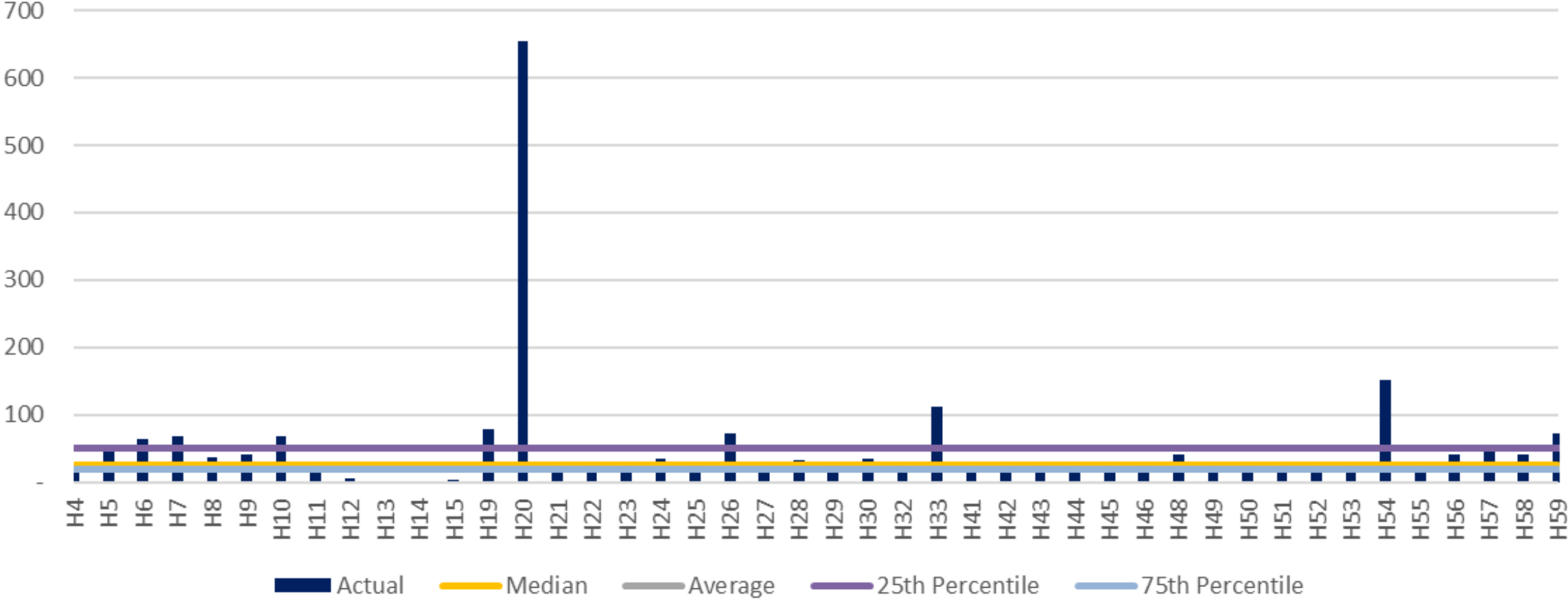
25th Percentile = 117

75th Percentile = 62

INFLUENZA COST PER IMMUNIZATION – COMPARISON

	Hospital Based	Free Standing
Max	\$922	\$247
Min	\$23	\$11
Average	\$144	\$96
Median	\$114	\$93
25 th %	\$169	\$117
75 th %	\$78	\$62

COVID Cost per Immunization: Hospital



Max = 654

Min = 2

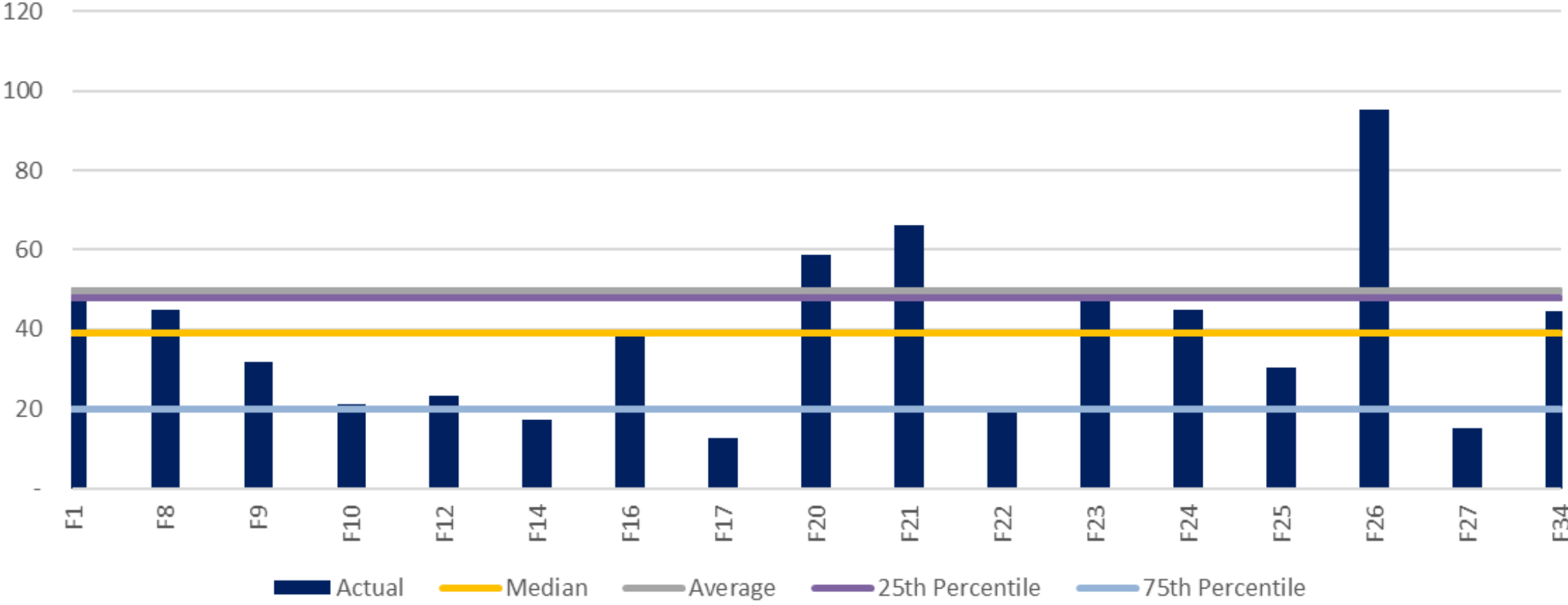
Average = 50

Median = 26

25th Percentile = 49

75th Percentile = 18

COVID Cost per Immunization: Freestanding



Max = 95
Min = 13
Average = 39
Median = 39
25th Percentile = 48
75th Percentile = 20

COVID COST PER IMMUNIZATION – COMPARISON

	Year 1	Year 2
Max	\$654	\$95
Min	\$2	\$13
Average	\$50	\$39
Median	\$26	\$39
25 th %	\$49	\$48
75 th %	\$18	\$20

COST PER VACCINATION

- Focus on lowering costs associated with vaccinations
 - Vaccination cost
 - Supply cost
 - Staff cost
 - Overhead costs

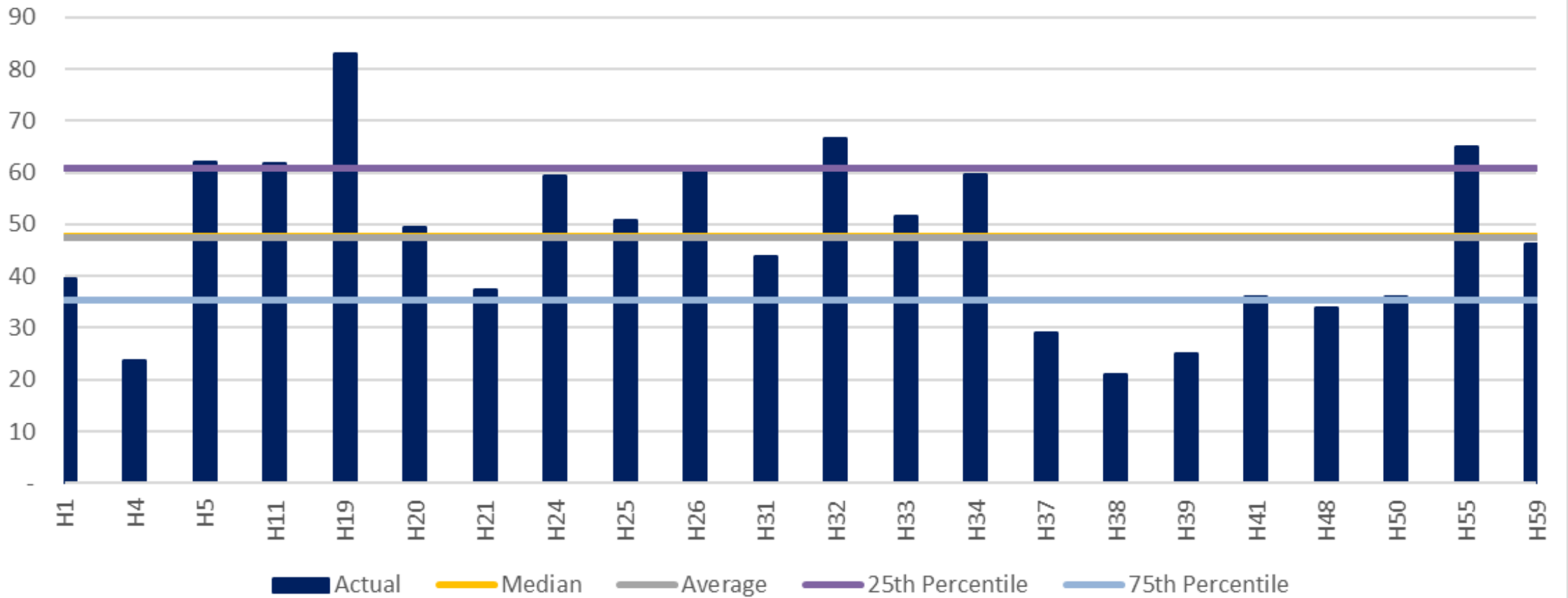


DAYS IN ACCOUNTS RECEIVABLE

DAYS IN ACCOUNTS RECEIVABLE (GROSS AND NET)

- For this review, was based on cost report data only.
 - Freestanding cost reports do not contain this data
 - Provider-based cost reports include this data at the facility level only
 - Hospital, RHC, nursing home, etc. combined
- Higher days in accounts receivable can be an indication of issues in
 - Chargemaster
 - Coding
 - Charge capture
 - Communications
 - Processes
- Lower values are favorable

Gross Days in Accounts Receivable: Hospital



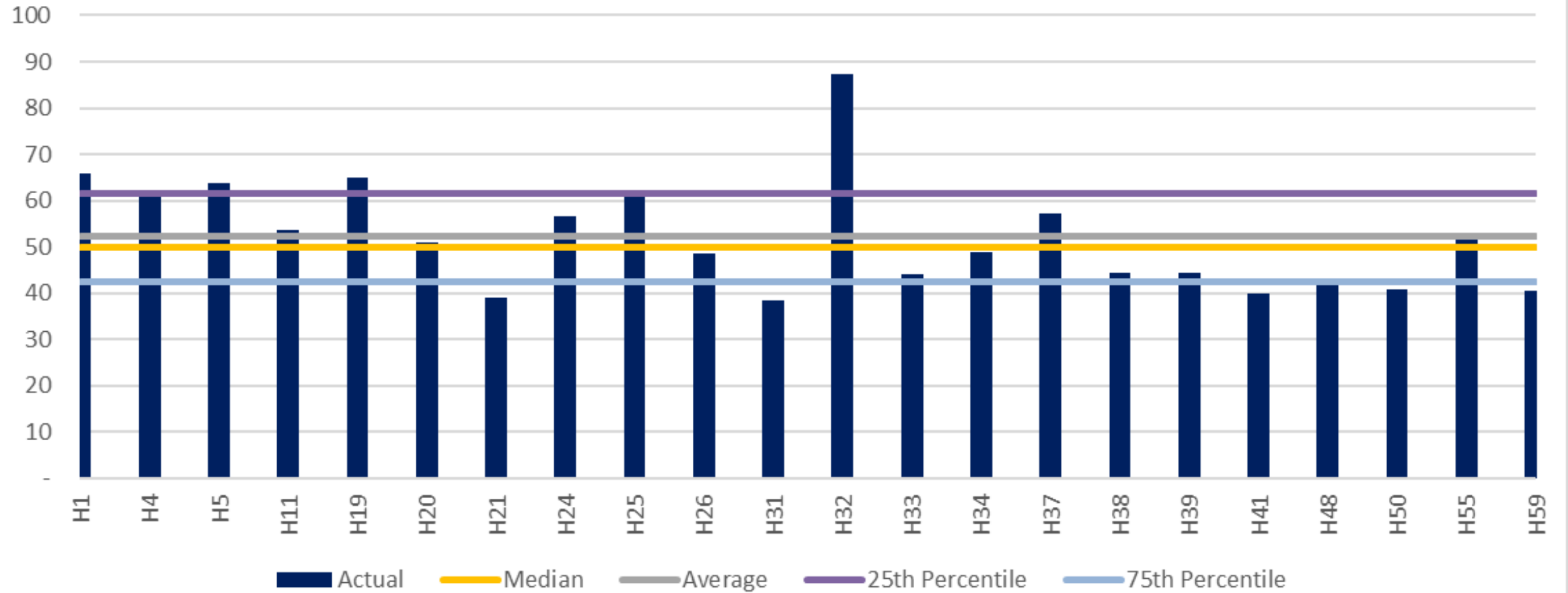
Max = 83
Min = 21
Average = 47

Median = 48
25th Percentile = 61
75th Percentile = 35

GROSS DAYS IN ACCOUNTS RECEIVABLE – COMPARISON

	Hospital Based	Free Standing
Max	83	-
Min	21	-
Average	47	-
Median	48	-
25 th %	61	-
75 th %	35	-

Net Days in Accounts Receivable: Hospital



Max = 87
Min = 38
Average = 52

Median = 50
25th Percentile = 61
75th Percentile = 42

NET DAYS IN ACCOUNTS RECEIVABLE – COMPARISON

	Hospital Based	Free Standing
Max	87	-
Min	38	-
Average	52	-
Median	50	-
25 th %	61	-
75 th %	42	-

DAYS IN ACCOUNTS RECEIVABLE

- To manage Days in Accounts Receivable, the RHC must either decrease the accounts receivable balance and/or increase revenues

DAYS IN ACCOUNTS RECEIVABLE STRATEGIES

- Focus on the processes
 - Rework
 - Denials
 - Coding
 - Demographics
- Ongoing communication
 - Clinical
 - Non-clinical

DAYS IN ACCOUNTS RECEIVABLE STRATEGIES

- Regular meetings
 - Trending of accounts receivable reports
 - Denial issues
 - Dig into details and monitor trends
- Utilization of EHR processes
 - Work queues
 - Claim edit builds
 - Error identification
 - Timely resolution
 - Working with EHR vendor on automated solutions

DAYS IN ACCOUNTS RECEIVABLE STRATEGIES

- **Self pay management**
 - Early detection (60-90 days)
 - Establishment of payment plans
 - Identification of need for other financial services
 - Watch for frequent flyers

- **Regular CDM reviews**
 - Confirm accuracy of CPT/HCPCS
 - Monitor appropriateness of pricing

DAYS IN ACCOUNTS RECEIVABLE STRATEGIES

- Understand the capabilities of the billing system
 - Manual versus automated processes
 - Functionality varies by system
 - Understand the system – invest in training
 - Hold vendor accountable to address and fix issues
 - Have seen success and failure on all systems
- Understand and manage your payor contracts
 - Payment methodology
 - Coverage issues
 - Timely filing limitations
 - Collection of copays



DAYS IN ACCOUNTS RECEIVABLE STRATEGIES

- Turnover of Staff
 - Strategies to reduce level of turnover
 - Cross training for absences and eventual turnover
 - Exercise care in outsourcing



COST REPORTING

COST REPORT DATA

The accuracy of the financial and operational data is only as accurate as the information submitted on the cost reports.

Inaccurate information input = Inaccurate calculations reported

Work with your cost report preparers to address potential areas of concern and to address any additional inaccuracies the provider identifies through this process.

COST REPORT STRATEGIES

- Incorrect cost report completion can have a significant negative impact
 - Know your cost report
 - Ask questions
- Areas of specific concern/opportunity
 - Calculation of FTEs – Make sure to carve out hours for time not to be included
 - Non-RHC
 - Paid Time Off/Continuing Medical Education
 - Supervision
 - Medical Directors
 - Counting of visits
 - Remember the definition of a billable visit
 - Don't include non-RHC visits
 - Watch for classification of costs in the cost report
 - Pharmacy costs

COST REPORT STRATEGIES

- Areas of specific concern/opportunity
 - Understand Non-RHC services
 - Telehealth
 - Chronic Care Management
 - Hospital services



SUMMARY

SUMMARY

Significant variance in financial and operational indicators have been reported

Financial and Operational improvements can occur when organizations can:

- Identify best practice facilities
- Share best practices in an open environment
- Adopt best practices
- Minimize variation



QUESTIONS?

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THANK YOU!

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CPAs & BUSINESS ADVISORS