

Adding **Dedicated Financial Specialists** to Your Team

Why reimbursement specialists make sense for community cancer centers

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ILLUSTRATION: NEIL BRENNAN

In the late 1990s, the Ambulatory Payment Classification (APC) groups concept of reimbursement was beginning to take shape. By the time Medicare implemented APCs in 2000, most hospital administrators were well aware that this new payment system would have significant implications for their responsibilities. Specifically, cancer programs would need to institute processes to:

- Accurately separate outpatient infusion drug expenses from the rest of the hospital's drug expenses
- Track the specific costs of chemotherapy and supportive care drugs
- Find an efficient way to calculate the write-offs directly associated with oncology pharmaceuticals
- Maximize the organization's ability to reduce unnecessary losses on oncology drugs.

To meet these objectives and help your bottom line, consider adding dedicated financial resources within the cancer service line. A full-time financial coordinator can pay his or her own way in drug replacement and appeals alone in just a few months.

Case in Point: Lehigh Valley Adds Financial Resources to its Cancer Care Team

As early as 1997, several Lehigh Valley Hospital and Health Network (LVHHN) administrators had begun to discuss the financial challenges specifically associated with pharmaceuticals in the outpatient chemotherapy infusion suite. This group consisted of an unusual cross section, including administrators from pharmacy, finance, and cancer services. In particular, these administrators were interested in assessing and addressing the cost of drugs provided to uninsured patients. Their goal was to devise a plan to minimize these write-offs.

As the group delved into the problem, they realized that they had no accurate way to separate outpatient infu-

sion drug expenses from the rest of the hospital's drug expenses. To solve this problem, a separate cost center was created just for the cancer center's infusion suite. The new cost center made it possible to track the specific costs of chemotherapy and supportive care drugs, and to more easily calculate the write-offs directly associated with oncology pharmaceuticals.

The group wanted to maximize the organization's ability to reduce unnecessary losses on oncology drugs. The administrators recommended to senior management that a new position of financial coordinator be created within the cancer service line. The administrators recognized that the patient accounts staff was already working at capacity handling denials for larger ticket items, and that taking advantage of oncology-specific recovery opportunities would require someone who could specialize in that area. Clearly, department directors and managers were not good candidates to assume these additional responsibilities. Applying for "free drug replacement" from pharmaceutical companies can be a complex and very time-consuming process, and, as with any complex process, practice increases efficiency.

The chief financial officer did not request a formal analysis of projected return on investment. Instead, the financial coordinator position was approved based on the justifications presented by the administrators' group. They argued that the financial coordinator position would help improve recovery of losses through drug replacement; improve collections on denials below the threshold for patient accounts pursuit; and reduce denials by improving accuracy of patient registration and insurance authorizations. To support its request, the group provided a few examples of significant losses from high-cost treatments, such as IVIG (intravenous immune globulin) and Rituxan®. These arguments were persuasive enough to win approval for two additional full-time employees (FTEs) for the cancer program.

In February 2001 the cancer center hired its first of

two dedicated financial coordinators. At the same time, the administrative group also established the multidisciplinary Revenue Cycle Team for cancer services. This team, composed of members from both the Cancer Service Line and the Patient Accounting Department, meets monthly (see box on page 24 for a list of team members). The Revenue Cycle Team discusses changes in payer policies and rules, reviews specific denials, coordinates re-submissions and appeals, devises processes to reduce denials by identifying patterns and causes, and proactively reviews new reimbursement issues as they emerge. No infusion-related charges are written off LVHHN's books until the Revenue Cycle Team has reviewed the case, lost a fair hearing, or determined that winning the appeal is not possible.

Structuring the New Position

The cancer program's financial coordinators are located in the cancer center. They report to the manager of the health system-owned physician practice whose job is split 50/50 between managing the private practice and overseeing the hospital's outpatient cancer center registration staff. All of the infusion for the practice is provided in the hospital's outpatient infusion center, and the practice accounts for roughly 70 percent of the infusion center's volume.

The cancer service line's financial coordinators do much more than apply for replacement drugs from pharmaceutical companies. They are responsible for all aspects of obtaining and monitoring patient financial information and authorizations to ensure collections of accounts for cancer and supportive care treatments in the infusion area, radiation therapy, the diagnostic breast center, and the multidisciplinary second opinion clinics. With some training, they are expected to understand oncology-specific treatments and related insurance coverage issues, including rules governing medical necessity. When obtaining pre-authorizations for care, the financial coordinators must communicate medical conditions and treatment plans to carriers and suppliers to determine coverage. They must also be able to communicate policy and regulations to ordering physicians.

For cases in which insurance may not completely cover the bills, the financial coordinators must estimate the cost of therapies and provide counseling to patients and their families about covered services and financial responsibility. The financial coordinators are responsible for helping patients obtain free or reduced-cost care based on financial need. This assistance can include helping patients complete any applications or forms needed to qualify for medical assistance programs. With the knowledge gleaned in the course of their work, the financial coordinators often serve as the "experts" in support of registration and general insurance verification/coverage functions for others throughout the health network. They also act as the liaison between patient accounting and clinical operations

to resolve claim denials and support re-submission.

Finally, the financial coordinators work with patients and their families to resolve account balance issues, including collection of patient due balances and establishing payment plans consistent with LVHHN's policies. (See pages 24-25 for a detailed description of job requirements and duties.)

Streamlining the Coverage Process

The Cancer Service Line's financial coordinators review the infusion and radiation schedules approximately 72 hours in advance to ensure that necessary insurance verifications and authorizations are obtained. Schedules are also re-checked for late additions 24 hours in advance or if Registration notifies the financial coordinators of additions. If the payer requires any specific information prior to authorizing treatment, the financial coordinators obtain and provide it as appropriate. Because they work with a very narrowly defined patient population, our financial coordinators quickly become resident experts in the nuances of coverage issues. To reduce the likelihood of denials, the financial coordinators often prepare a packet of information (e.g., compendium listings and peer-reviewed publications) to accompany bills that they flag

as pattern denials. Through frequent contact, they are also able to develop one-on-one relationships with individuals at insurance companies, drug replacement programs, and charitable organizations, making communication faster and more collegial.

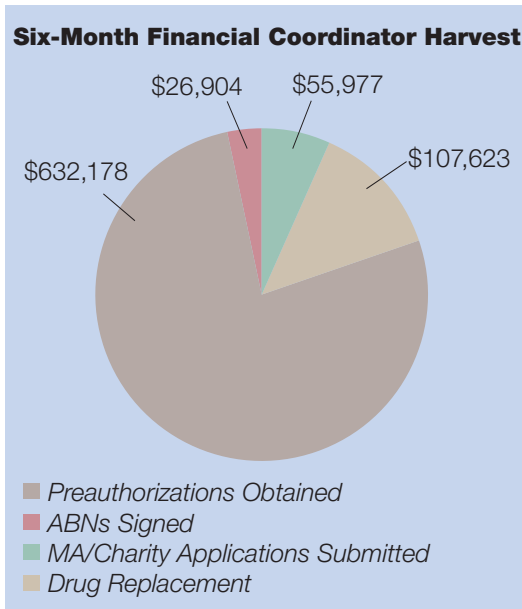
Our financial coordinators have become extremely proficient at completing complicated forms and applications to assist patients. They also work collaboratively with various cancer support services and often refer patients to the social work and counseling resources offered.

When working face-to-face with patients and families, the financial coordinators are excellent ambassadors of good will and customer service.

Dedicated Financial Resources Pay for Themselves

At LVHHN, two full-time, fully trained financial coordinators handle their responsibilities for approximately 1,400 infusion room procedures per month and more than 2,200 radiation treatments per month.

As the chart above shows, in the first six months of fiscal year 2003, the cancer service line's two dedicated financial coordinators obtained replacement drugs for qualified patients from pharmaceutical companies totaling \$107,623 in drug cost. Any institution looking to replicate these results should keep in mind that this figure will vary depending on the number of qualified patients. All other figures represent charges at-risk absent financial



coordinator intervention. Even using a moderately low cost-to-charge ratio of .40, these protected costs total \$286,024. In addition, prospective documentation accompanied claims totaling over \$2.9 million in charges. Finally, we have had significant success stemming from our appeals efforts. Successful appeal of denied charges will result in approximately \$394,500 in recovered reimbursements in fiscal year 2004.

Lessons Learned

As with most hospitals, prior to the addition of the financial coordinator positions, LVHNN's Patient Accounting handled all the work associated with billing and collections. In creating a new model, frequent communication is necessary to prevent confusion and to ease the natural tensions resulting from changes in long-established work patterns and responsibilities. Regularly scheduled meetings and sharing results via e-mails sent to cancer team members and administrative staff are both helpful. Empathizing with the position of your team members and looking at issues from their point of view help build trust more rapidly. Sharing the burden of work process changes also creates a positive environment for change. In an institution with a less transparent culture than LVHNN, territoriality could easily have scuttled the entire effort very quickly. Even three years after implementation, it is occasionally necessary to revisit the issues to ensure continued success and collaboration. For example, a recently promoted staff member was unaware of the "new" process for handling write-offs. Fortunately, a brief conversation explaining how and why the process was different for oncology was all that was needed to resolve the situation.

Value-Added Benefits

The non-financial benefits of adding dedicated financial resources may be harder to measure. For our program, they include a palpable sense of relief and appreciation among the clinical staff because they know that questions about insurance and reimbursement can be handed off to a qualified team member. Most clinicians have not been trained to handle these questions and are unaware of the resources that are available. In addition, while patients usually don't like to speak with their doctors about payment issues, many surveys find that financial fears are no less common and no less distressing than natural fears about the disease and the side effects of treatment. Patients often express gratitude for having someone available who can help them read and understand their bills.

In financial terms, the financial coordinators more than earn their keep. Assuming annual salary and benefits costs of approximately \$35,000, two financial coordinators pay their own way in drug replacement alone in the first four or five months of the year.

In 2004, as the APC system moves into its fourth year and the changes under the Medicare Prescription Drug, Improvement, and Modernization Act begin to take effect, the role of a dedicated financial coordinator may be a prudent addition for many cancer programs. ■

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Revenue Cycle Team Members

From the Cancer Service Line:

- Manager of Financial Affairs for Cancer Services
- Financial Coordinators
- Oncology Pharmacist
- Director of Infusion
- Director of Radiation Oncology
- Director of Breast Health Services

From Patient Accounting:

- Manager of Billing
- Appeals Manager
- Manager of Accounts Receivable

What Can a Financial Coordinator Do for Your Cancer Center?

At LVHNN, the cancer program's dedicated financial coordinators have a wide variety of responsibilities aimed at protecting against revenue loss and helping patients navigate insurance and payment issues. Here's a brief look at the duties and responsibilities of our financial coordinators.

The first part of the coordinator's day usually revolves around the infusion and radiation department schedules. The financial coordinators identify any patients who have medical assistance or are registered self-pay. Then, the coordinators reach out to those patients to assist them with either obtaining insurance and/or determining if they qualify for a discount/charity care program. The financial coordinators also identify every managed care patient and ensure that there is a valid referral or authorization number for the date of service and the scheduled procedure recorded in the billing system. If not, they contact the ordering physician's office to obtain the referral prior to treatment.

The financial coordinators compare each drug given in the infusion center against the given diagnoses to ensure that the service is clinically appropriate and reimbursable based on compendia listings and local medical review policies under Medicare. It is very unusual to find a physician ordering a drug for an unapproved diagnosis. More often, the case is that additional documentation must be requested. Typically, the financial coordinators need to obtain all of the metastatic sites and additional supportive diagnoses (e.g., anemia in neoplastic disease, dehydration, among others) that were not identified at the point of registration. Additional documentation must be received from the physician's office prior to treatment.

On the rare occasion that a provider orders a treatment for a non-compendia listed indication, which would not be reimbursed, the financial coordinators will

Educational and Professional Requirements of a Financial Coordinator

Any cancer program looking to hire a similar financial coordinator should first ensure that the individual(s) have the necessary educational and professional requirements.

We suggest the following criteria:

- High school diploma, but bachelor's degree is preferred
- Minimum two years' experience in a customer-oriented environment
- Two-to-four years experience in

hospital and/or physician registration, insurance verification, and/or a medical billing office, and proficiency with medical terminology

- Excellent communication skills, both oral and written
- Excellent customer relations skills.

Additional desirable skills and training may include experience with anatomy and physiology; a fundamental knowledge of medical science and microbiology; and coding and computer training with emphasis on Internet search skills.

Tools of the Trade

Once you've made the decision to hire a financial coordinator, the final step is to ensure that the individual has the tools to do the job. The following resources provide assistance to our financial coordinators:

- ICD-9-CM, CPT, HCPCS information
- Medical dictionary
- Medical abbreviations book
- *HCPCS Brand Name Directory*
- *The Compendia-Based Drug Bulletin*.

bring the case to their manager for a second review. The manager then makes a recommendation to the Director of Pharmacy and/or the Director of the Infusion Center. Those directors in turn evaluate clinical appropriateness and make a final determination. If treatment is deemed appropriate, the financial coordinators obtain an Advance Beneficiary Notification (ABN) from the patient while simultaneously researching drug replacement programs from the pharmaceutical companies. They also determine if submitting a request for medical exception directly to Medicare would be appropriate.

The financial coordinators actively follow the pharmaceutical industry, paying particular attention to any new drug issues. Even with the changes in the hospital outpatient prospective payment system (HOPPS) rules that allow for payment to hospitals for drugs newly approved by the Food and Drug Administration, the mechanism for billing, which was unclear as this article went to press, will surely be a challenge for hospital billing systems to implement. Additionally, physicians sometimes learn of successes with drugs that are not available outside the context of a clinical trial, and wish to prescribe those drugs. The financial coordinators will alert the physicians that they may need to investigate available clinical trials. They are also instrumental in obtaining information in situations where a physician orders treatment that will clearly not be reimbursed.

When patients who are able to pay still do not meet their financial responsibility, the financial coordinators are responsible for counseling the patient on those responsibilities and creating a written agreement to resolve the outstanding debt. Financial coordinators establish payment plans and follow up directly with patients to ensure they meet their obligations. The financial coordinators can accept payment directly from the patient.

The financial coordinators work very closely with the Patient Accounting Department. The billing staff notifies the financial coordinators when there is an Additional Documentation Request (ADR) from a payer. They then review the applicable payment policy, gather the required information, and supply timely documentation to the specific billing representative to meet the 30-day deadline.

To optimize their ability to respond to ADRs, the financial coordinators maintain a small library of information for some selected drugs and/or payers for easy access. Because the financial coordinators interact with the Appeals Coordinator, they learn which documentation has successfully supported approval of previously appealed patient accounts and can ensure that those specific pieces of information accompany all claims prospectively.

Recently, the financial coordinators at LVHHN have begun participating in the telephone fair hearing process. By collecting additional information from the physician offices and observing how fair hearings are conducted, they are learning how to review cases independently. The goal is to prepare the financial coordinators to be able to take the lead in arguing these cases themselves.

The financial coordinators may take on additional tasks such as:

- Review and completion of financial screening to ensure all necessary data elements are present (e.g., guarantor, ID number)
- Ensure that authorization numbers match the type of service
- Ensure that visit limits have not been exceeded on referrals
- Verify benefits eligibility on medical assistance patients via on-line validation system
- Estimate treatment costs for non-covered services
- Screen the schedule for insurance plans in which LVHHN does not participate
- Respond to research questions from internal departments
- Answer patient inquiries
- Coordinate resolution of billing issues with other service providers (e.g., lab, radiology, other treating physicians)
- Track all tasks for monthly reporting
- Refer personal needs issues to the social workers (e.g., food, clothing, rent, utilities, transportation)
- Maintain invoices from drug replacement
- Coordinate with pharmacy and treating physician offices to ensure that medication is delivered to the patient and appropriately accounted for. 📄