

Performance Strategies



Accelerate and Improve Revenue Results Now

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Coding Solution Yields \$6.5M in Revenue Results Quickly



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Erratic Coding Put Us at Risk

Through innovation and sustained performance, [Southeast Alabama Medical Center \(SAMC\)](#) has achieved a reputation for providing the best diagnostic, clinical, surgical and patient care services to residents of southeast Alabama, southwest Georgia and the Florida Panhandle. As a not-for-profit community provider, we never turn a patient away.

But there was one critical area where we fell short: Emergency Department (ED) reimbursement. Our physicians and nurses assigned arbitrary evaluation and management (E&M) levels and failed to code all eligible procedures. Our revenue staff spent too much time searching for missing charges. And our compliance deficiencies were setting us up for disaster in the event of a CMS audit.

A 21st Century Solution

SAMC needed a modern management solution to optimize revenue, streamline documentation and reduce compliance risk. Specifically, we wanted to:

- Automate charge capture to increase revenue and reimbursement
- Reduce time spent searching for lost and missing charges
- Determine correct coding for every emergency procedure, service and diagnosis
- Consistently apply APC coding rules and procedures
- Apply objective and consistent E&M levels to reflect workload and resources
- Ensure CMS compliance
- Improve quality and performance

To achieve our goals, we engaged McKesson to audit our E&M levels, procedures, infusions, injections, documentation, and compliance practices. Then we looked to technology to automate our coding and ensure we weren't missing the correct capture of charges. In 2007, we deployed McKesson's [Horizon Intelligent Coding™](#) for facility charges and later for physician charges, and saw results right away.

Game-Changing Results

Although our use of the technology is less than two years old, we've already achieved dramatic results. The facility and physician charging solutions enabled us to appropriately capture charges and code to regulatory specifications, yielding:

- A \$5.6 million improvement in annual facility charges (implemented in 2007)
- An \$824,568 improvement in annual physician charges (implemented in early 2009)

The revenue was captured within the first year of implementation and continues to be maintained and protected as CMS makes changes to coding regulations. Clearly, it's changed the game for us.

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Coding Solution Yields \$6.5M in Revenue Results Quickly (Cont.)

Our coding is no longer guess-work. We now apply CPT/CMS codes consistently, even for the most complicated surgical, infusion and infections rules, and rely on a built-in weighted point system tool to calculate E&M levels.

We keep current with regulatory changes. The latest CMS coding requirements and CPT rules are updated automatically as soon as they take effect. McKesson's annual customer coding and compliance meeting enables us to learn about CMS coding changes and provide input on implementation in the software. We also collaborate with our peers on best practices and benchmarking our own performance.

We document correctly. All tasks and activities are counted appropriately. We avoid double-dipping and reduce compliance risk. We use the solution's extensive reports to help us manage our performance and quality.

We bill and collect more quickly. Our hospital charge master is incorporated into the database so charges can be sent automatically to the hospital billing system.

We sleep better at night. Knowing we adhere to CMS's Eleven Guiding Principles for E&M calculation, takes the fear out of a CMS audit. If necessary, we can provide evidence of consistent rule application, tracking reports and a compliance policy manual.

System-wide Improvements

Quality and performance have improved as well. Relationships throughout the hospital are stronger, especially among our financial and clinical departments. Nurses who used to spend time on paperwork now focus on patient care. They are happier, and so are our patients. The ED is running more smoothly, and our physicians feel better supported.

We Want to Keep What We've Earned

Now that our charge capture, documentation and compliance are in line, we can better fulfill our mission, vision and core values in the community. Improved compliance helps us carry out our promise to innovatively use resources to provide efficient and effective services. After all, revenue capture is great, but we want to keep what we've earned by being sure we're compliant with current CMS coding rules

Addie McKinzie is the director of Revenue Assurance for Southeast Alabama Medical Center. She has held various positions in the organization over the past 35 years, with 23 of those years spent in Revenue Assurance. She is a board member of the Wiregrass Foundation and is a member of the Alabama Hospital Association Revenue Integrity Steering Committee.

Coding Solution Yields \$6.5M in Revenue Results Quickly (Cont.)

Southeast Alabama Medical Center Sees Revenue Results from Improvements in Facility Coding

Category	Average Charge Capture Improvement per Patient Visit	Actual Facility Coding Improvements Annualized
E/M Levels	\$80.11	\$4,342,030
Drug Administration	\$8.74	\$473,638
Procedures	\$14.10	\$764,227
TOTAL	\$102.95	\$5,579,896

Southeast Alabama Medical Center used its new ED coding solution to assist in applying accurate coding for E&M levels, drug administration and procedures. As a result, facility coding compliance improved and coding charges increased by more than \$5.6 million. The organization also improved physician charges by nearly \$850,000.

Learn More

[American College of Emergency Physicians: Reimbursement](#)

[AHIMA: Coding Resources](#)

[CMS: Hospital Outpatient Prospective Payment System](#)

[McKesson Customer Portal: Recorded Webinars Available in ED Coding Library](#)