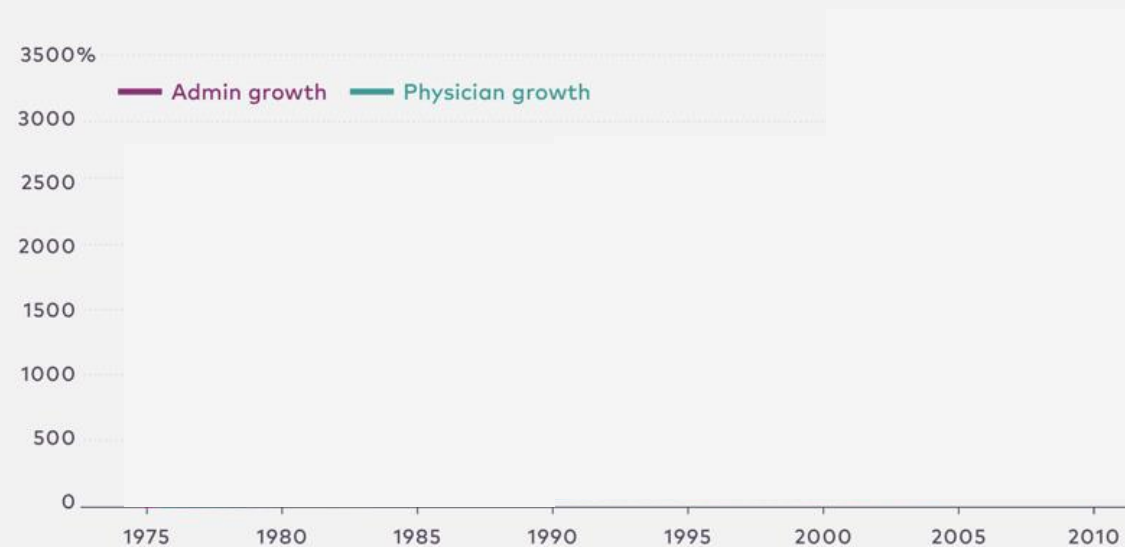


# Rev Cycle Trends for Orthopaedic Leaders

# Webinar Learning Objectives

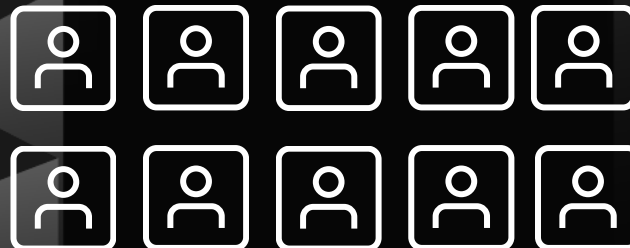
1. 2021 E&M  
Coding Changes
2. New Rev Cycle  
KPIs
3. Rev Cycle Org  
Chart of the  
Future

## Healthcare administrators far outpace physicians in growth

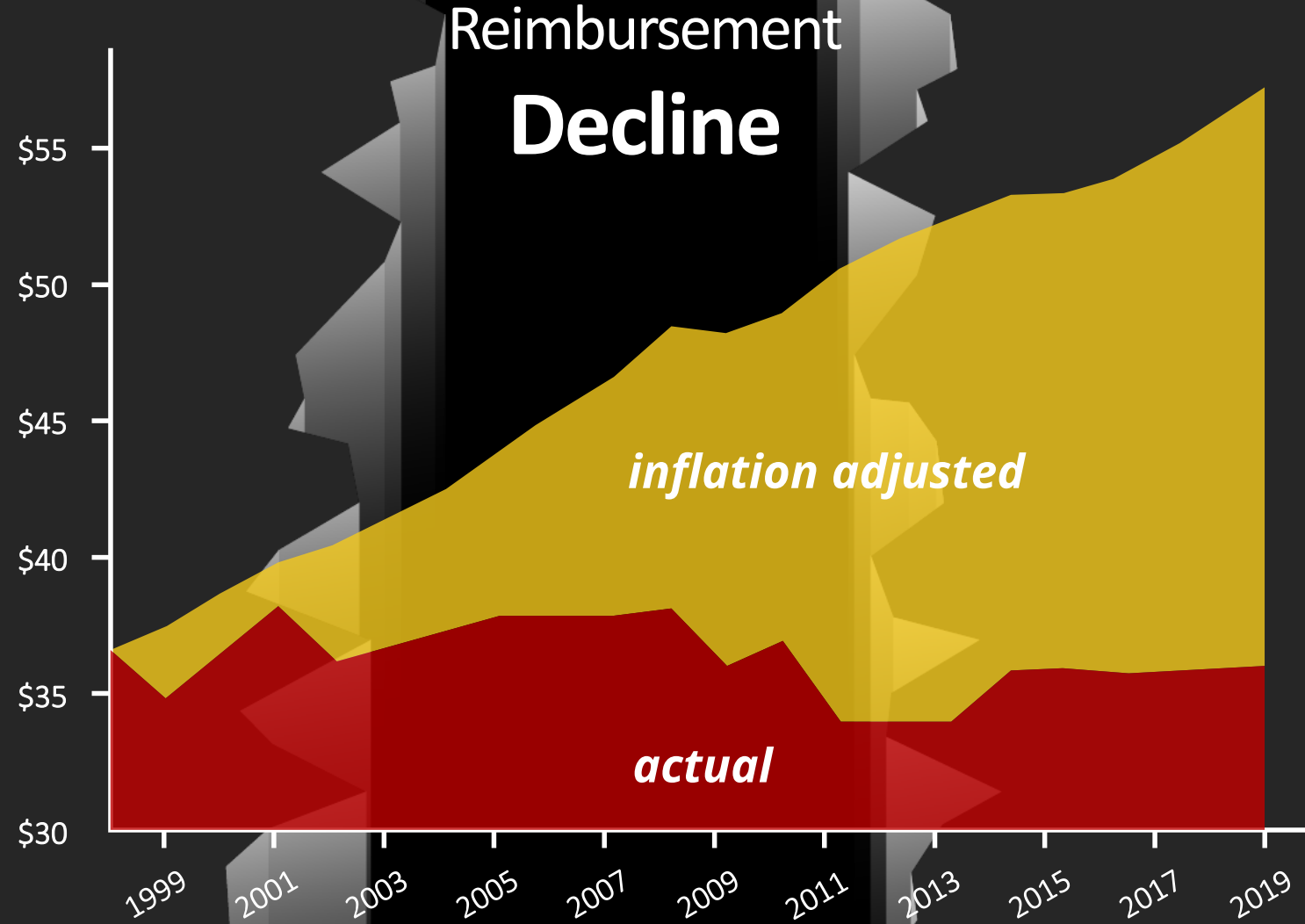


**Source:** athenahealth analysis of data from the Bureau of Labor Statistics, the National Center for Health Statistics, and the United States Census Bureau's Current Population Survey

**“For every **1** physician in the US there are **10** non-clinical workers that are purely related to administrative, revenue cycle, information or service tasks.”**



Medicare  
Physician  
Payment  
Conversion  
Factor



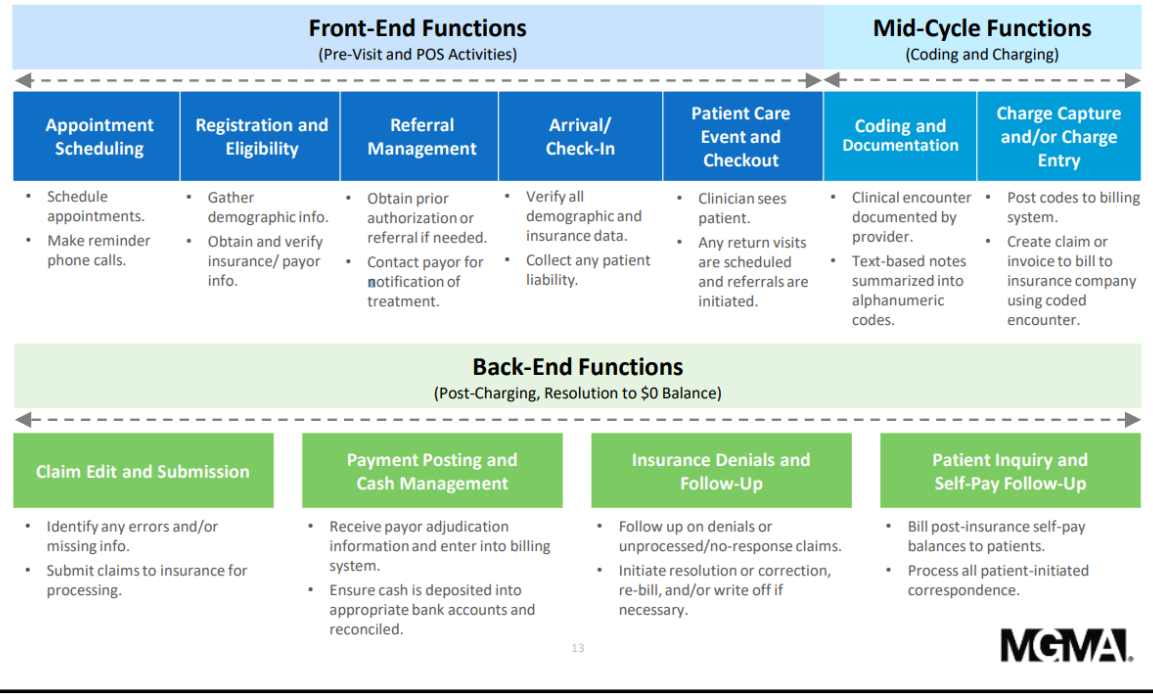
**What you  
should be  
getting**

**What you  
are getting**



# Revenue Cycle Overview

## Process Flow and Functional Area Summary



Front  
End

Mid  
Cycle

Back  
End



Prior Authorizations <sup>1</sup>

+ Value Based Reimbursement

+ High Deductible Health Plans <sup>2</sup>

More Rev Cycle Work Ahead  
(8% per BLS) <sup>3</sup>

<sup>1</sup><https://www.ama-assn.org/system/files/2020-06/prior-authorization-survey-2019.pdf>

<sup>2</sup><https://www.cdc.gov/nchs/products/databriefs/db317.htm#:~:text=From%202007%20throu,gh%202017%2C%20enrollment,enrollment%20in%20traditional%20plans%20decreased>

<sup>3</sup><https://www.bls.gov/ooh/healthcare/medical-records-and-health-information-technicians.htm>

# 2021 E&M Changes

1. Bye Bye 99201
2. New Leveling Options
3. New Leveling Guidelines

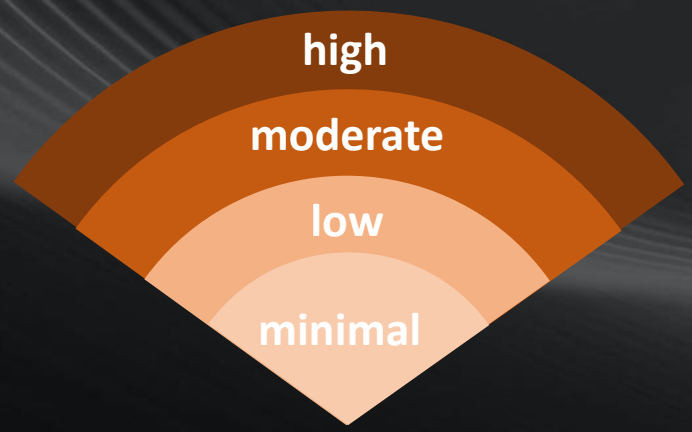


# 2021 E&M MDM or Time

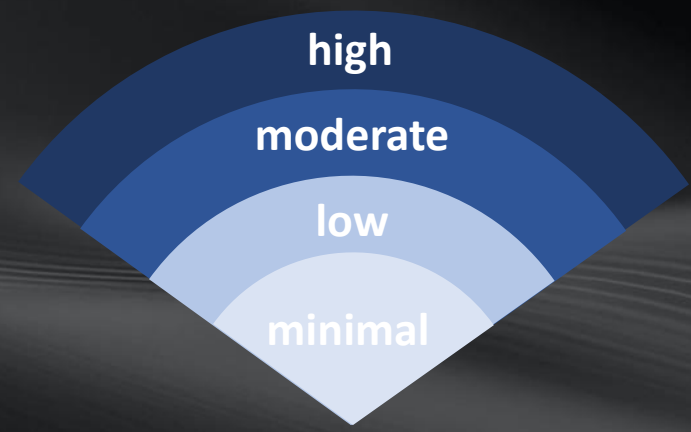
1. How will you determine your leveling?
2. Do you have to choose 1 method for the practice?
3. Can you use both?

# 2021 E&M MDM Table

## Problems



## Data to be Reviewed

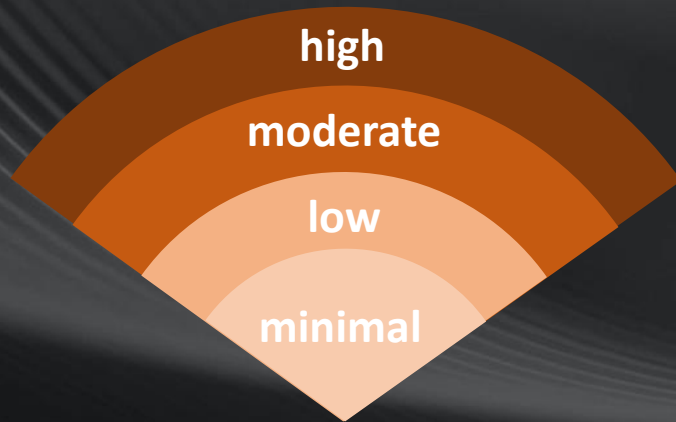


## Risk



# 2021 E&M MDM Table

## Problems



## Minimal

- 1 self limited or minor problem

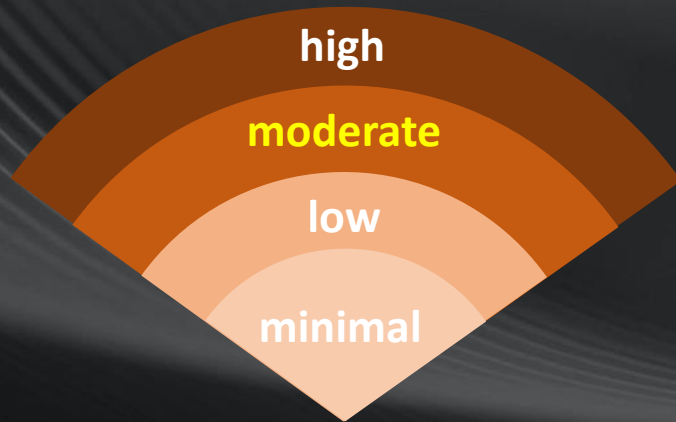
## Low

- 2 self limited or minor problems
- 1 stable chronic problem
- 1 acute, uncomplicated illness or injury

*Acute, uncomplicated illness or injury example: simple sprain*

# 2021 E&M MDM Table

## Problems



*Acute, complicated injury*

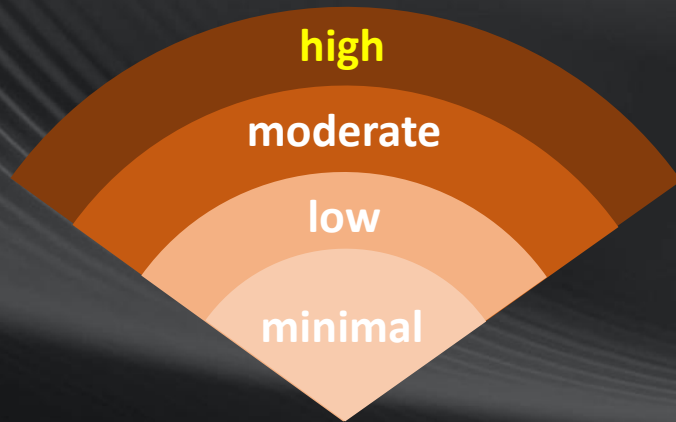
*example: distal radius fx*

## Moderate

- 1+ Chronic illnesses with exacerbation, progression or side effects of treatment
- 2+ Chronic illnesses
- 1+ undiagnosed new problem with uncertain prognosis
- 1+ acute illness with systemic symptoms
- 1+ acute complicated injury

# 2021 E&M MDM Table

## Problems

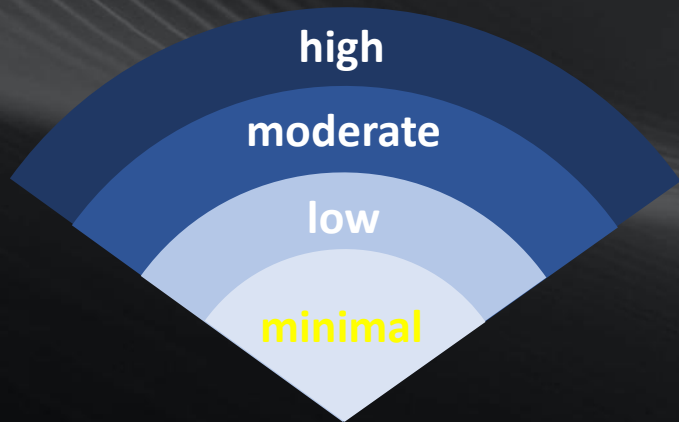


## High

- 1+ Chronic illnesses with severe exacerbation, progression or side effects of treatment
- 1+ acute or chronic illness or injury that poses a threat to life or bodily function

# 2021 E&M MDM Table

Data to be  
Reviewed



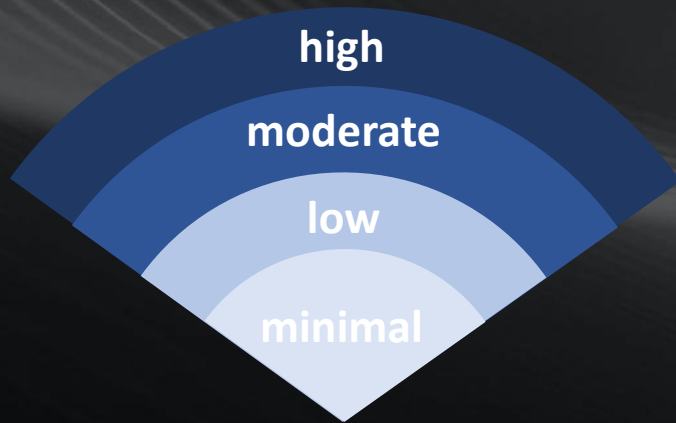
## Minimal

- Minimal or none

# 2021 E&M MDM Table

## Low

Data to be  
Reviewed



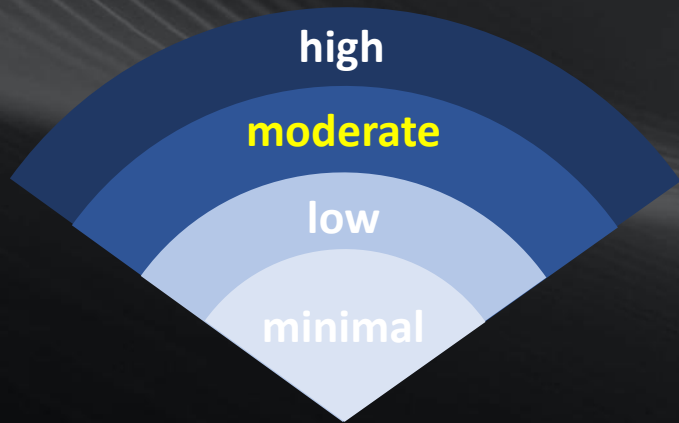
## Category 1 (2+)

- Review of prior external notes from each unique source
- Review of the result(s) of each unique test
- Ordering of each unique test

## Category 2

- Assessment requiring an independent historian

## Data to be Reviewed



## Moderate

### Category 1 (3+)

- Review of prior external notes from each unique source
- Review of the result(s) of each unique test
- Ordering of each unique test
- Assessment requiring an independent historian

### Category 2

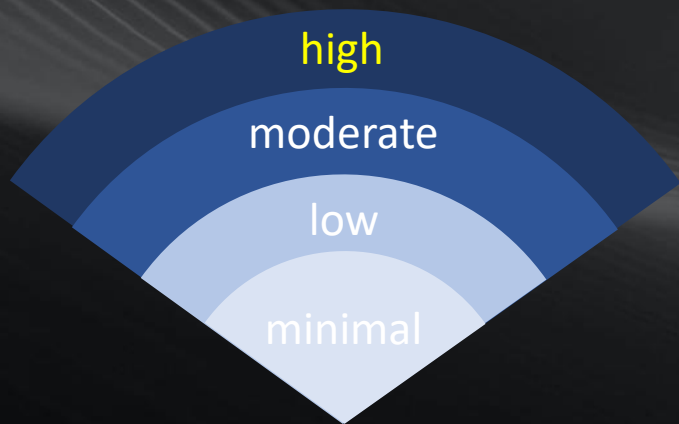
- Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported)

### Category 3

- Discussion of management or test interpretation with external physician/other qualified health care professional (not separately reported)



## Data to be Reviewed



## High – Requires 2 out 3 Categories Below

### Category 1 (3+)

- Review of prior external notes from each unique source
- Review of the result(s) of each unique test
- Ordering of each unique test
- Assessment requiring an independent historian

### Category 2

- Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported)

### Category 3

- Discussion of management or test interpretation with external physician/other qualified health care professional (not separately reported)

# 2021 E&M MDM Table

Risk

high

moderate

low

minimal

Minimal risk of complication, morbidity or mortality from additional diagnostic testing or treatment.

Low risk...

Moderate risk...

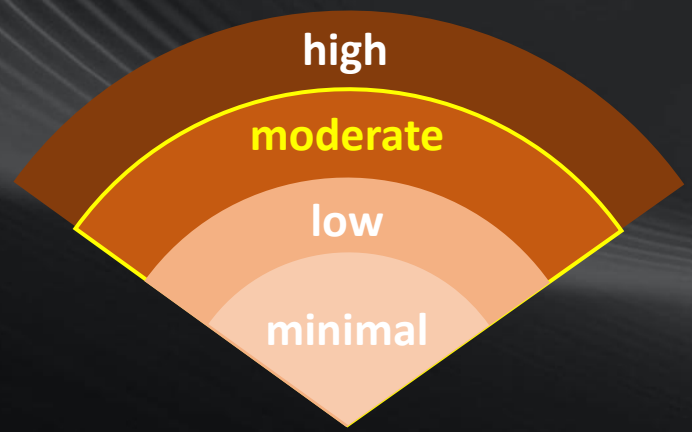
High risk...

Moderate Risk Example: decision regarding elective **minor** surgery with identified patient or procedure risk factors

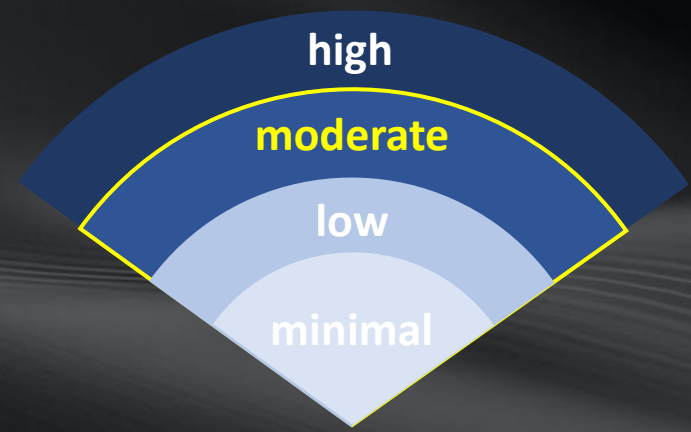
High Risk Example: decision regarding elective **major** surgery with identified patient or procedure risk factors

# 2021 E&M MDM Table

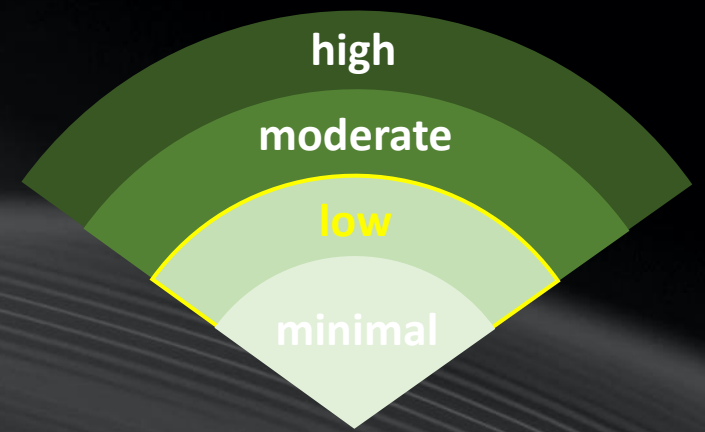
## Problems



## Data to be Reviewed



## Risk



# 2021 E&M Time Based Criteria

<b>NEW</b>	<b>Time</b>		<b>Time</b>	<b>EST</b>
<del>99201</del>			0 – 9 Minutes	99211
99202	15 – 29 Minutes		10 – 19 Minutes	99212
99203	30 – 44 Minutes		20 – 29 Minutes	99213
99204	45 – 59 Minutes		30 – 39 Minutes	99214
99205	60 – 74 Minutes		40 – 54 Minutes	99215

# 2021 E&M Time Based Criteria

1. Preparing to see the patient (e.g., review of tests)
2. Obtaining and/or reviewing separately obtained history
3. Performing a medically appropriate examination and/or evaluation
4. Counseling and educating the patient/family/caregiver
5. Ordering medications, tests or procedures
6. Communicating with other health care professionals (not separately reported)
7. Documenting clinical information in the electronic or other health record
8. Independently interpreting results (not separately reported) and communicating results to the patient/family/caregiver
9. Care coordination (not separately reported)

# 2021 E&M FAQ

Do my doctors  
*have to* sign  
their notes the  
same day?

# 2021 E&M FAQ

Do we have to  
document time  
on every visit?

# 2021 E&M FAQ

What if a visit  
doesn't meet  
the time  
threshold but  
qualifies by  
MDM?



# 2021 E&M FAQ

If both time and  
MDM are  
documented,  
which should I  
use?

**Chief Complaint:** Patient presents today with a new concern of left wrist pain.

**HPI:** Patient is well known to me. Today he states he fell and landed on his outstretched left wrist. He immediately experienced severe pain and deformity. He presented to the ED had X-rays which revealed an extra-articular displaced wrist fracture and was immobilized. Attempted reduction was not successful and he comes here to seek definitive treatment. (total time 4 minutes)

**Exam:** Appears stated age healthy and well-developed young man. Upper extremities show left wrist is swollen, tender and exam is consistent with an extra-articular fracture of the left distal radius. Confirmed diagnosis based on review of the x-rays and discussed with the patient. (total time 7 minutes)  
Review of x-rays and confirmation of diagnosis (total time 2 minutes)

**Assessment and Discussion:** Extra-articular fracture of the left distal radius. Discussed surgery for open reduction, internal fixation of the left wrist fracture with the patient. Patient agrees. (total time 9 minutes)

**Additional work:** updated patient's Medical Record (total time 2 minutes)

**MDM: 99214**

Problem – Moderate

Data to Review – Moderate

Risk – High

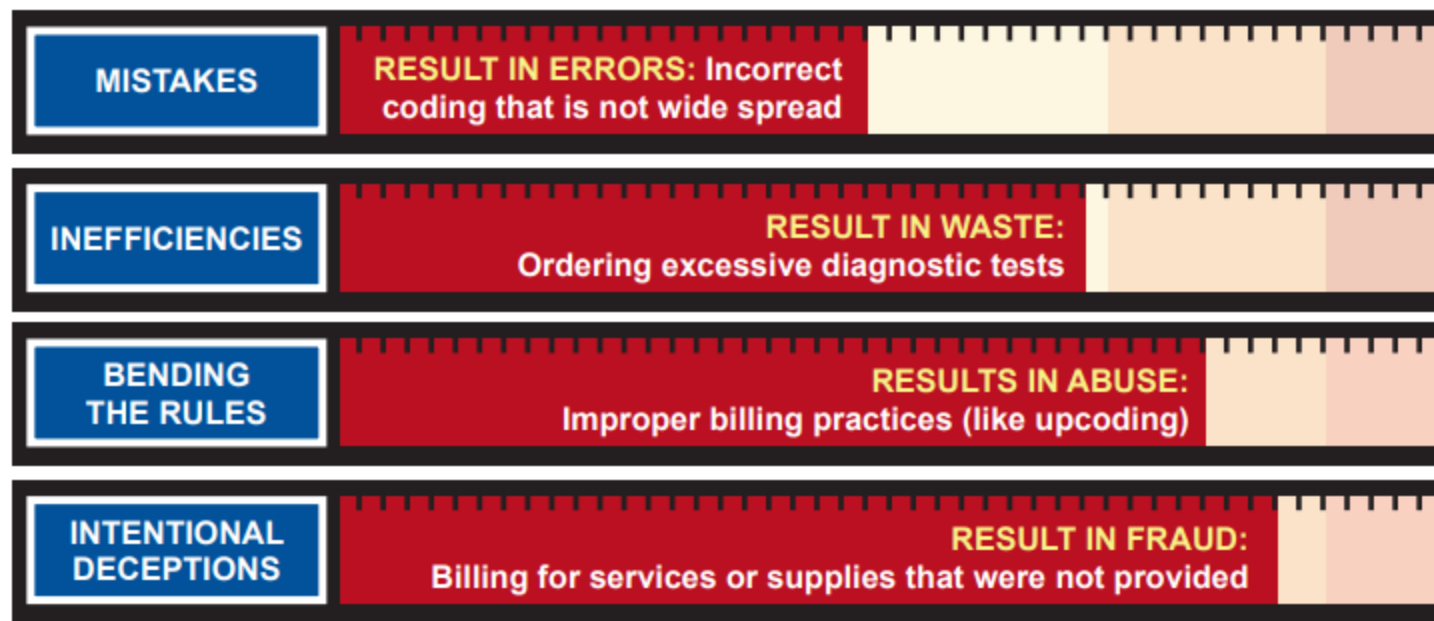
**Time: 99213**

Total Time = 26 minutes

# E&M Audit Fear



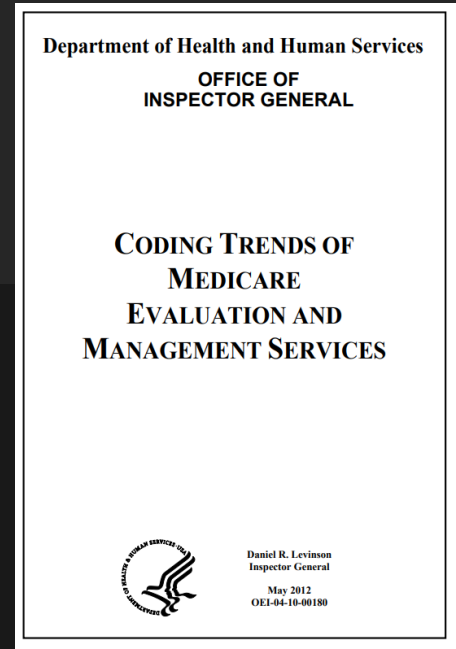
Figure 1. Types of Improper Payments\*



\*The types of improper payments in Figure 1 are strictly examples for educational purposes, and the precise characterization of any type of improper payment depends on a full analysis of specific facts and circumstances. Providers who engage in incorrect coding, ordering excessive diagnostic tests, upcoding, or billing for services or supplies not provided may be subject to administrative, civil, or criminal liability.



“Medicare payment per E&M increased 31%...vulnerable to fraud and abuse...two healthcare entities paid over \$10million to settle fraud allegations .”



“Coding Trends of Medicare Evaluation and Management Services”  
*Office of Inspector General*



“Another important aspect to keep in mind is that under coding establishes false utilization patterns, which in turn may flag a physician as an outlier, making him or her a target for payer investigation and/or audits.”

“Undercoding is No Better than Overcoding”  
AAPC

Department of Health and Human Services  
OFFICE OF  
INSPECTOR GENERAL

CODING TRENDS OF  
MEDICARE  
EVALUATION AND  
MANAGEMENT SERVICES



Daniel R. Levinson  
Inspector General

May 2012  
OEI-04-10-00180



# “Top Billing: Meet the Docs who charge Medicare Top Dollar for Office Visits.”

“Examining Medicare Report”  
*ProPublica*

Department of Health and Human Services  
OFFICE OF  
INSPECTOR GENERAL

## CODING TRENDS OF MEDICARE EVALUATION AND MANAGEMENT SERVICES



Daniel R. Levinson  
Inspector General

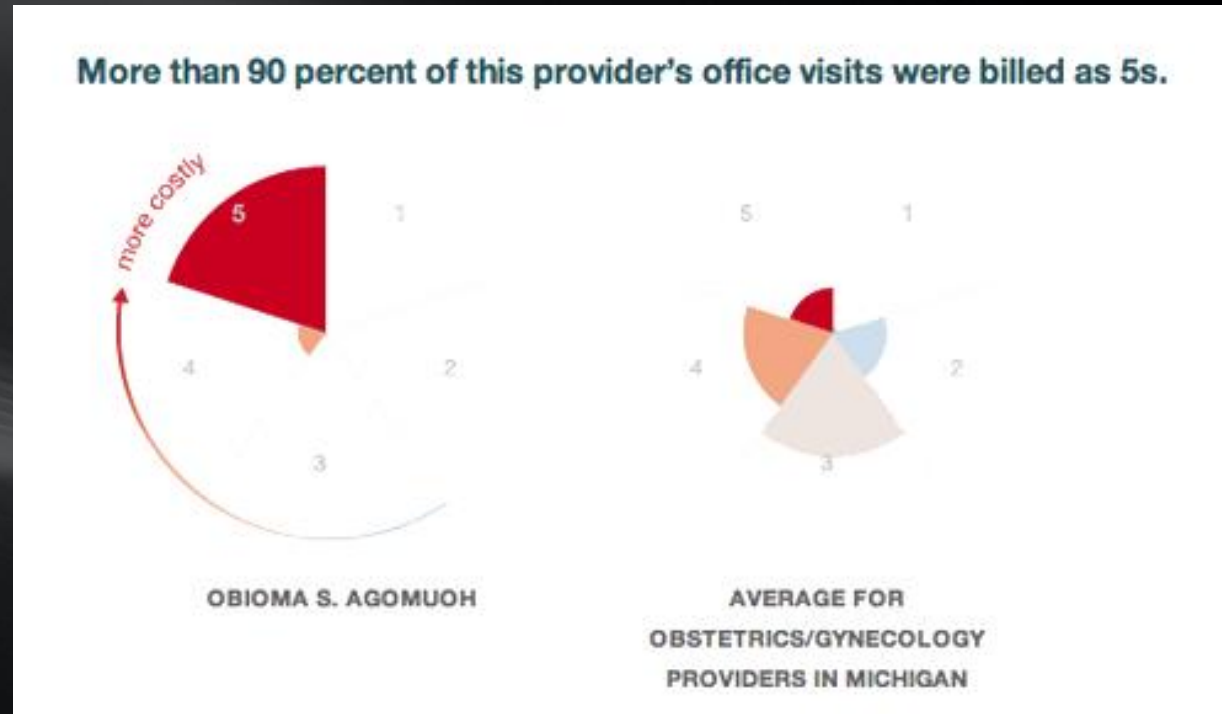
May 2012  
OEI-04-10-00180

# Perfect Storm of Fear



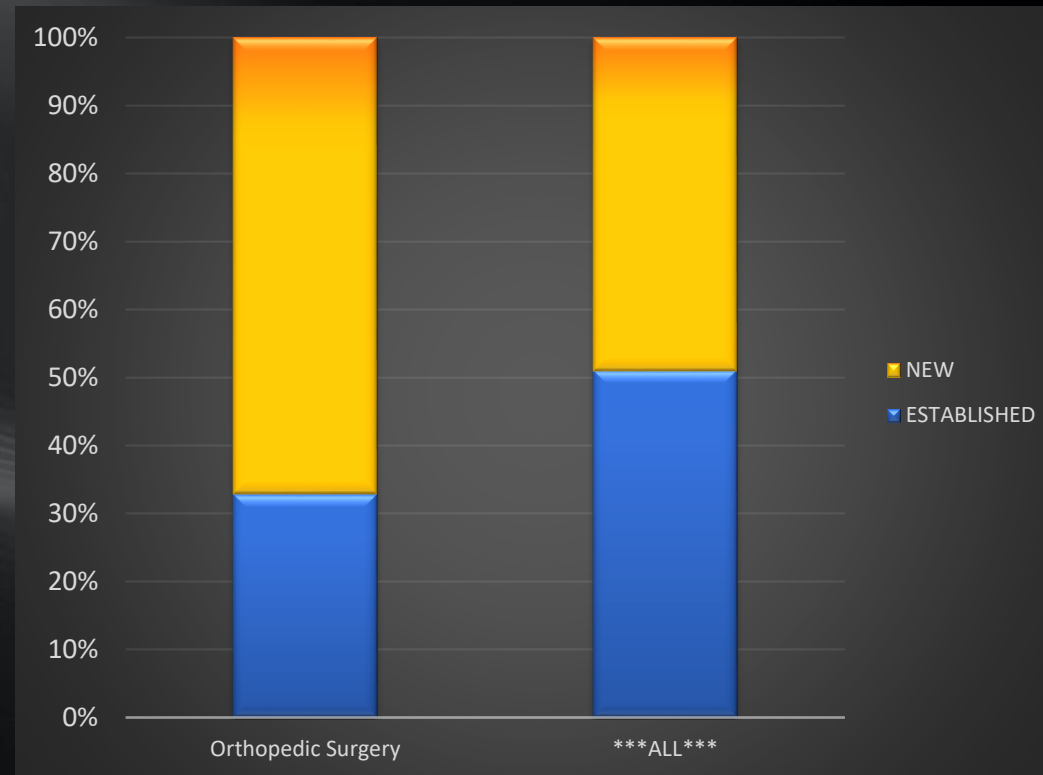


# Headlines are Outliers



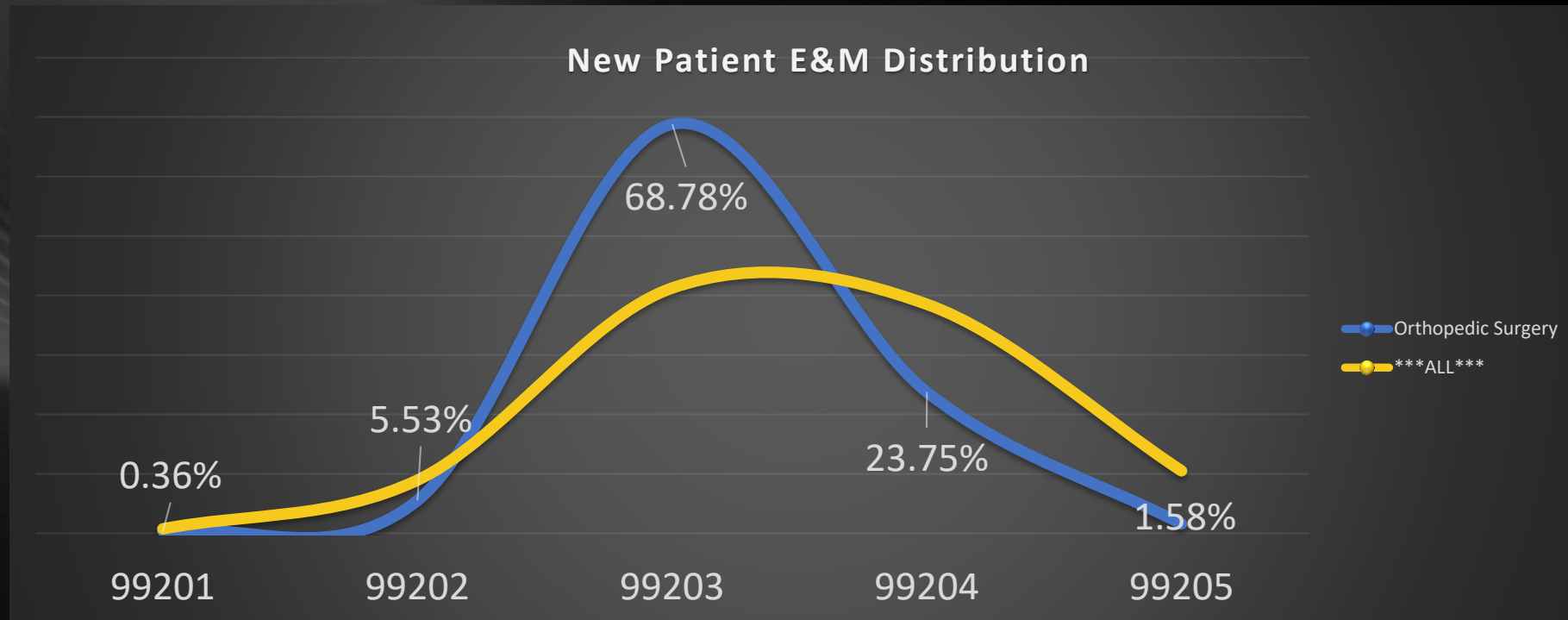
“Top Billing: Meet the Doctors who Charge Medicare Top Dollar for Office Visits”  
*ProPublica*

# Medicare Utilization Data



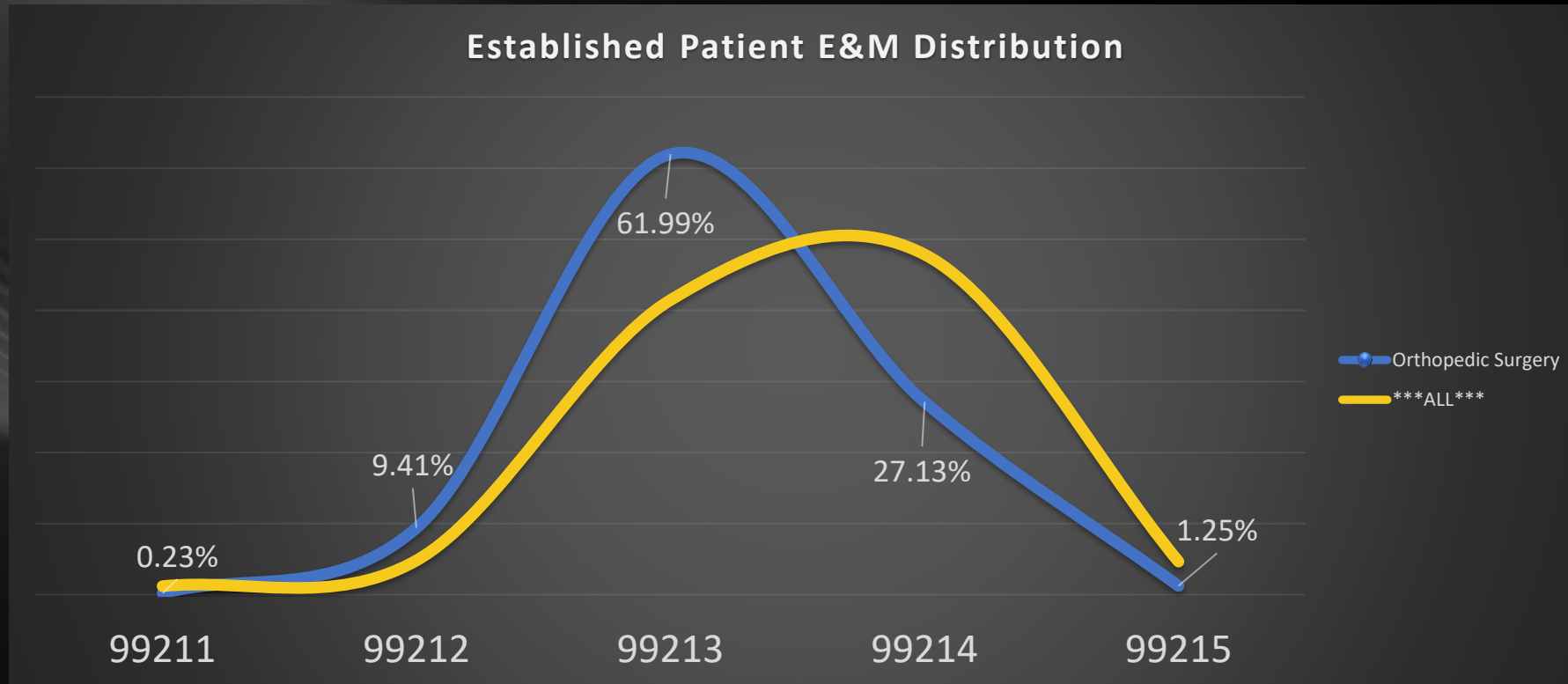
*"CY 2019 Evaluation and Management (E&M) Codes by Specialty."*  
CMS

# Medicare Utilization Data



*"CY 2019 Evaluation and Management (E&M) Codes by Specialty."*  
CMS

# Medicare Utilization Data



*"CY 2019 Evaluation and Management (E&M) Codes by Specialty."*  
CMS

# Think Like an Auditor

“Automated overpayment identification is particularly popular because it requires less time and overhead by the RAC. While the complex method requires laborious medical record review by certified coders familiar with a physician’s specialty, the automated method needs only relatively simple spreadsheet software to analyze claims data supplied by the Medicaid program. Complex overpayment identification may legitimately use extrapolation to determine overpayments.”

“Recovery Audit Contractor Programs”  
*Suzanne Berman, MD*

# Think Like an Auditor

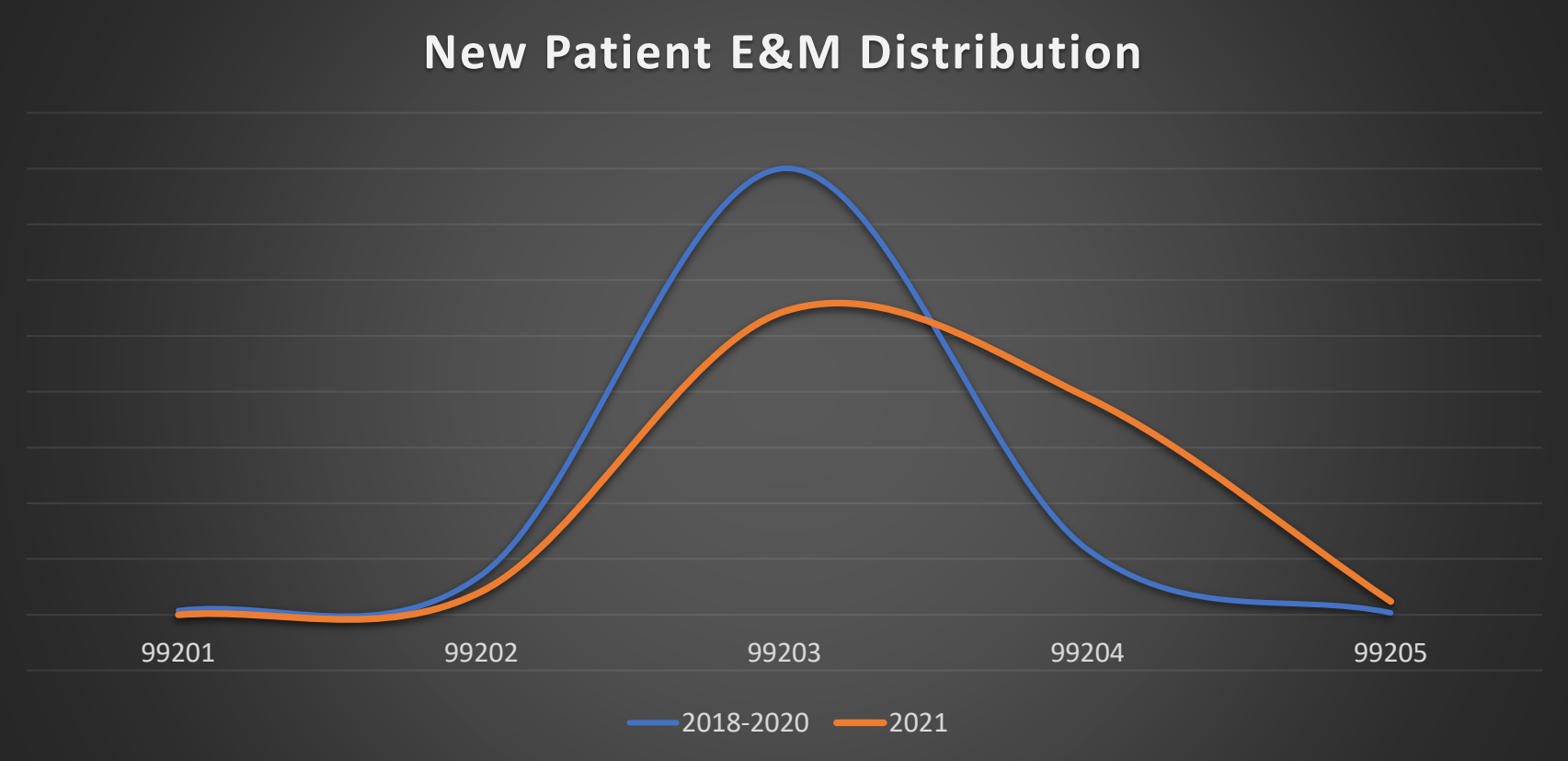
“...the RAC, suspecting over-coding, requests a random sample of 50 charts within a 3-year period and reviews the coding level. The RAC coder believes that 34 of the 50 charts were upcoded and should properly be 99214s. The RAC may then legitimately expect repayment for the difference between a 99214 and 99215 for not only these 34 claims, but also for 68% (34/50) of all 99215s in the period under review. As long as the RAC can demonstrate that the 50 charts reviewed constituted a statistically-valid sampling, this extrapolation is acceptable to CMS.”

“Recovery Audit Contractor Programs”  
*Suzanne Berman, MD*

# Think Like an Auditor

“...the return on investment to check billings for visits wasn't great. The average error cost Medicare \$43, but the program paid \$30 to \$55 to review each claim.”

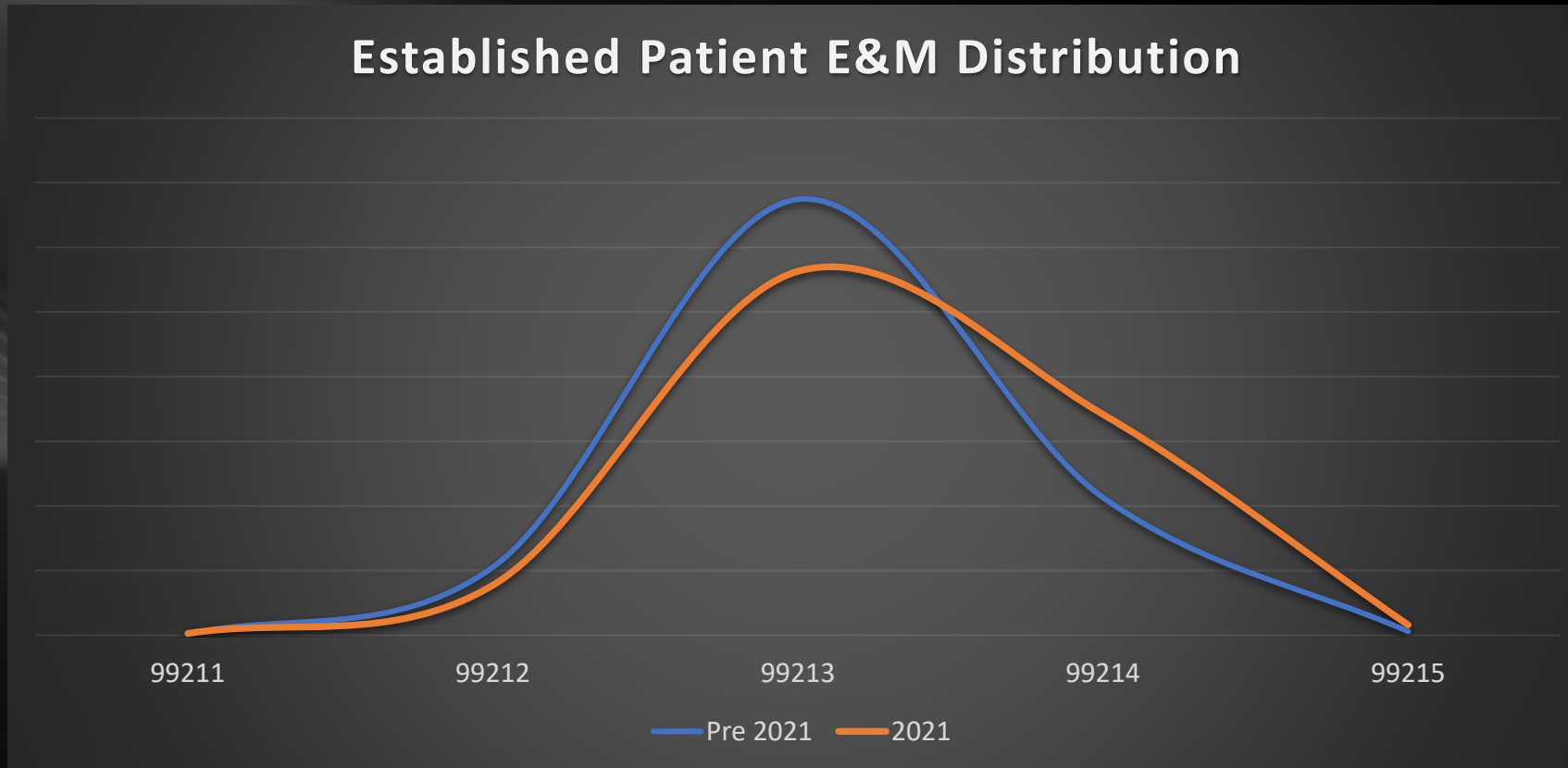
# Orthopaedic Practice Data



Source: White Plume Datawarehouse

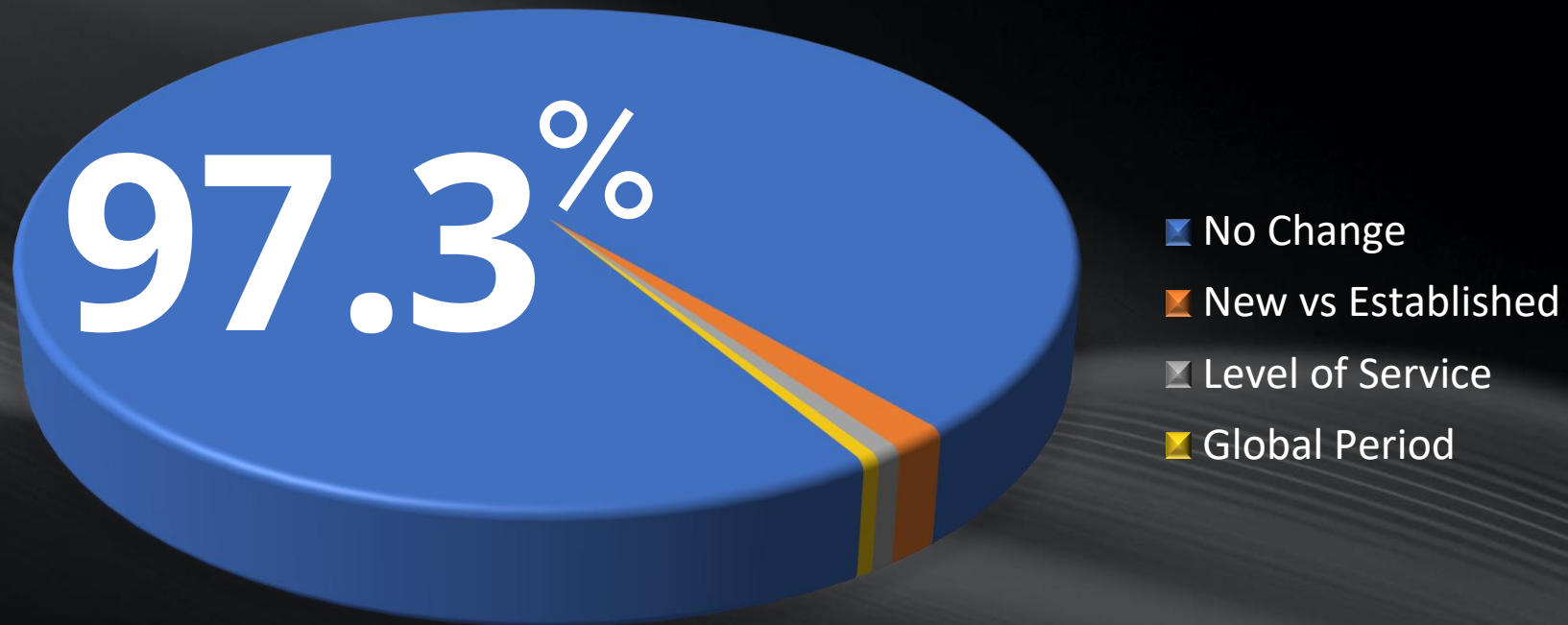


# Orthopaedic Practice Data



Source: White Plume Datawarehouse

# Orthopaedic E&M Change Data



Source: White Plume Data Warehouse

# Orthopaedic E&M Level of Service Change Data

*2018-2020*

**0.7%**


*Jan - March 2021*


**2.8%**

*Source: White Plume Datawarehouse*

# Orthopaedic E&M Level of Service Change Data

2018-2020

 **17.6%**

**82.4%** 

Jan - March 2021

 **19.1%**

**83.3%** 

Source: White Plume Datawarehouse

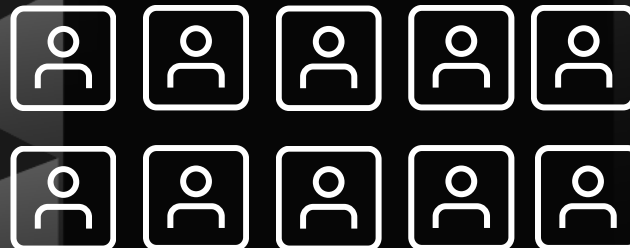
# Perfect Storm of Fear



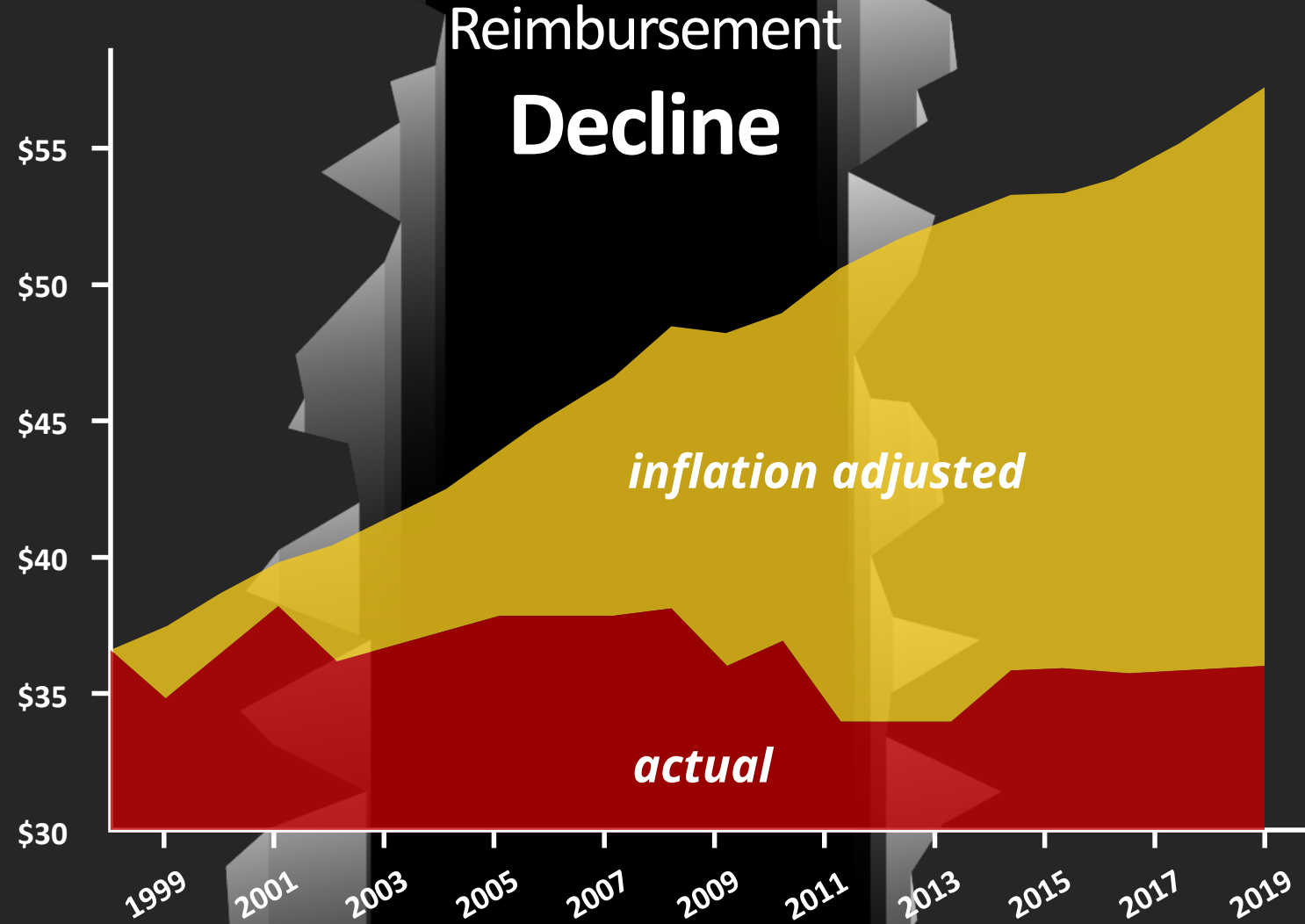
# 2021 E&M Changes

1. Bye Bye 99201
2. New Leveling Options
3. New Leveling Guidelines

**“For every **1** physician in the US there are **10** non-clinical workers that are purely related to administrative, revenue cycle, information or service tasks.”**



Medicare  
Physician  
Payment  
Conversion  
Factor



**What you  
should be  
getting**

**What you  
are getting**



**ENCOUNTERS PER HOUR  
PER [REV CYCLE] FTE (EPH)**

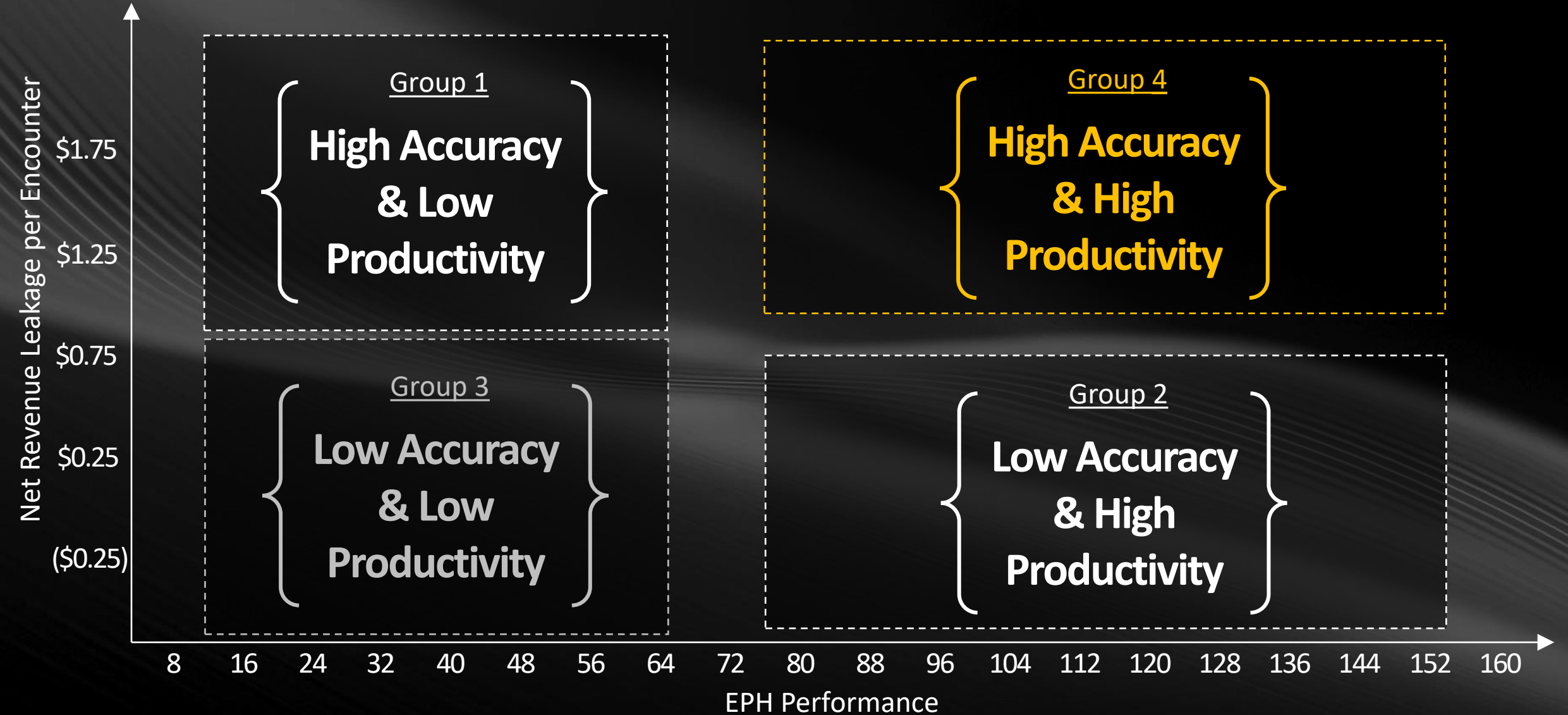
*Fixing, Adjusting, Auditing  
Encounters*

**NET REVENUE  
LEAKAGE**

**2**

**practice  
metrics**

# Productivity & Accuracy



High

Reimbursement

High

Frequency

High  
Visibility



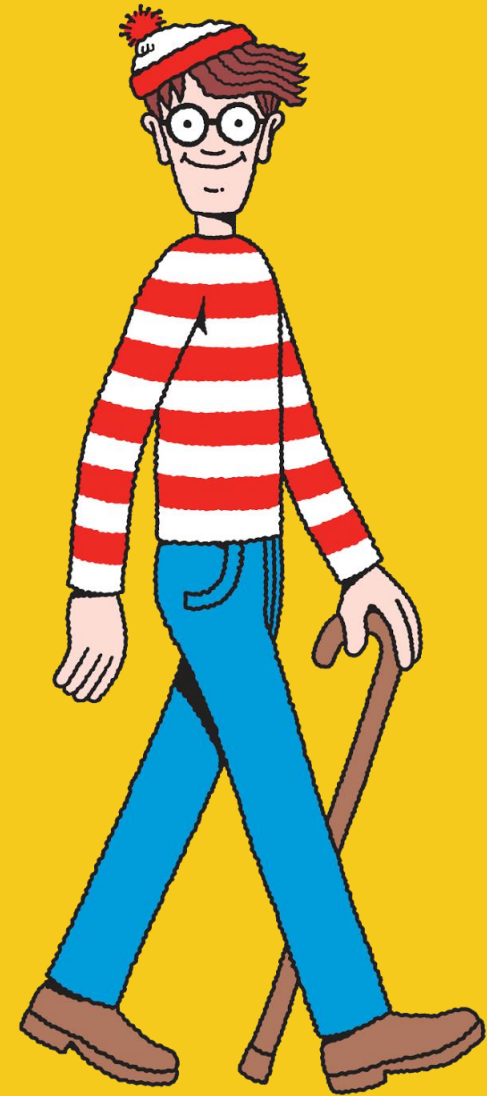
**\$2.16**

per encounter

What if...


\$2.16 per enc  
x 20 enc per day  
x 240 days  
\$10,368 / year

# How Do I Find Revenue Leakage Hiding in Plain Sight?





# How Do I Find Revenue Leakage?

A stylized iceberg graphic with a white top and blue bottom, split by a horizontal line. The background is dark with yellow stars and a blue line.

**\$38.25**  
per line item found

**5.6%**  
of encounters



**1.1 million**

CPT line items added

**2,197**

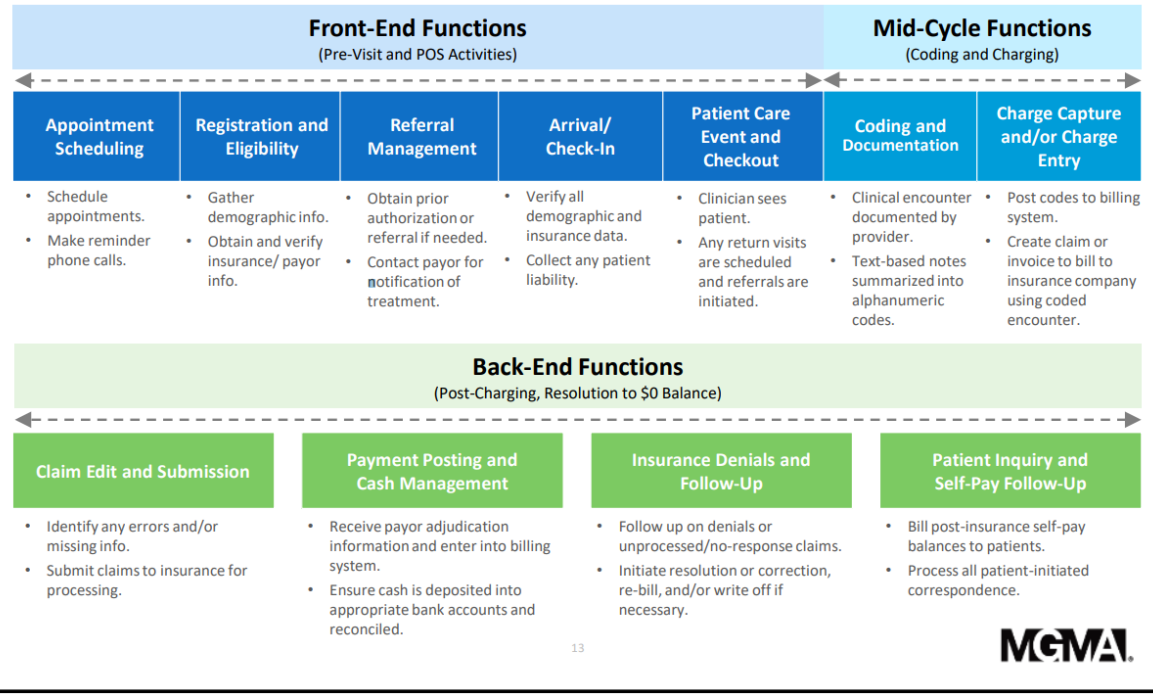
unique CPT codes



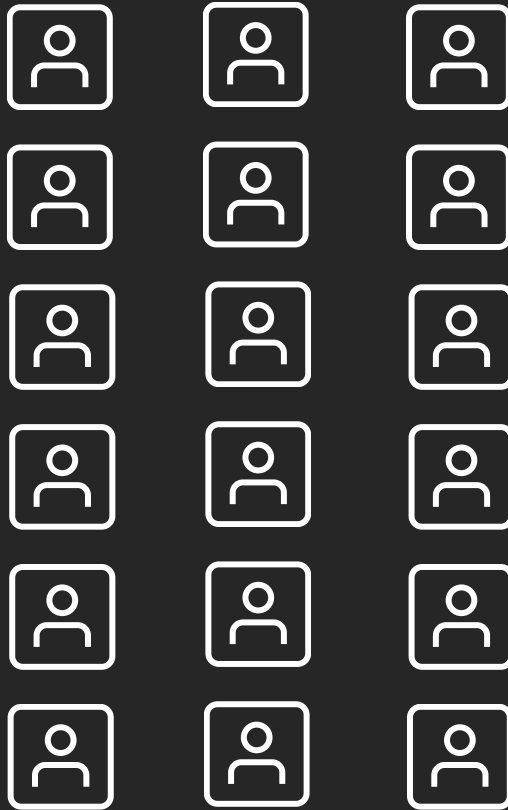


# Revenue Cycle Overview

## Process Flow and Functional Area Summary



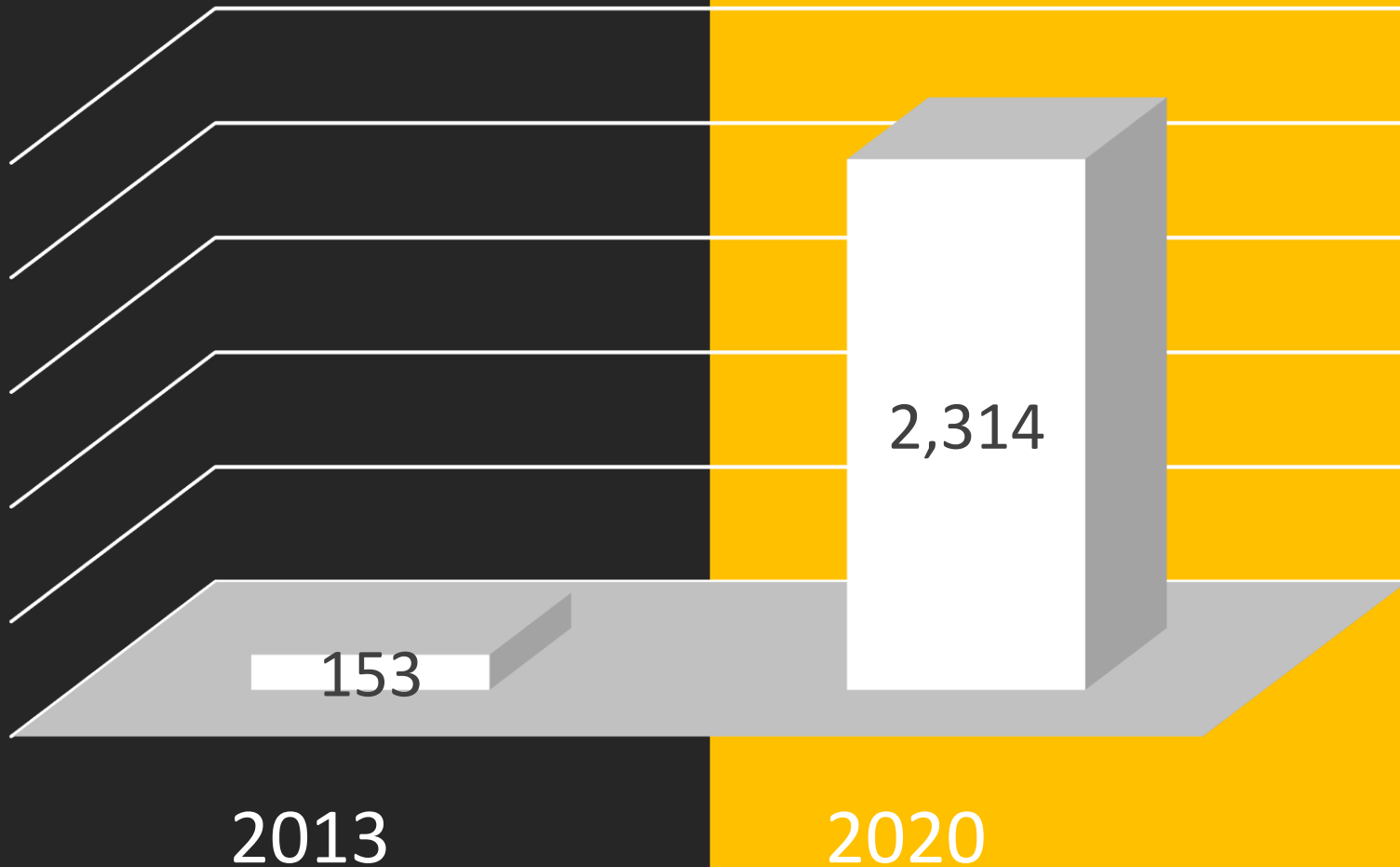
Busy working *in the process?*



Who is going to work *on the process?*

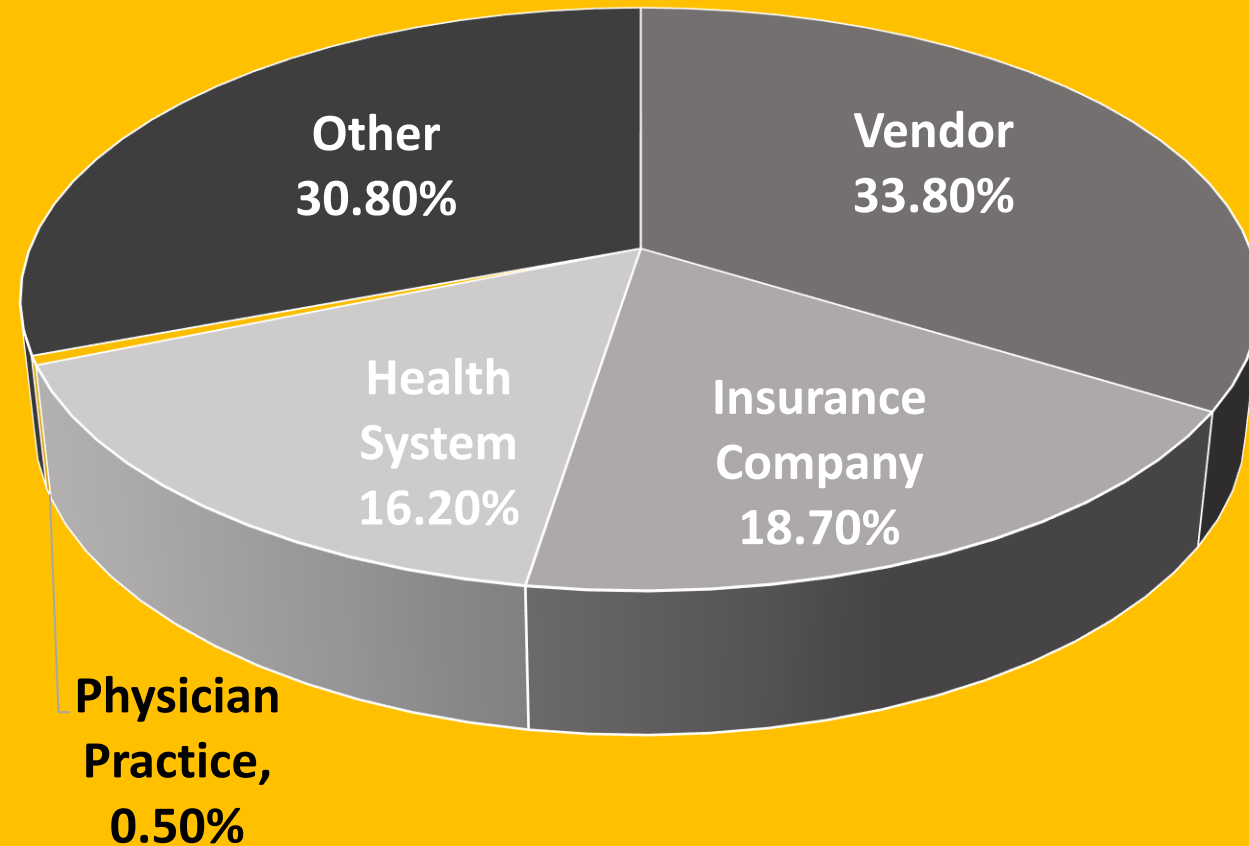


# Healthcare Data in Exabytes

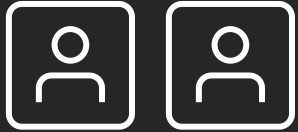


<https://www.statista.com/statistics/1037970/global-healthcare-data-volume/>

# Who is hiring Data Scientists?



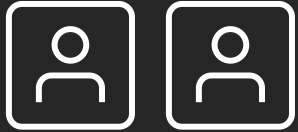
<https://academic.oup.com/jamia/article/26/5/383/5369358>



0101 1001 1101 0101 0111 0001 0101 1101 0100  
0110 0101 0111 0100 1101 0101 0010 1101 0101  
0101 0010 1101 0101 1101 0101 0111 0001 0101  
0101 0111 1101 0101 0111 0001 0101 0010 1101  
1101 0101 0111 0101 1001 1101 0101 0111 0001  
0101 0111 0001 0101 0010 1101 1101 0101 0111



0101 0110 1011 0101 0111 0001 0101 1100 0100  
0110 0101 0111 0100 1101 0101 0010 1101 0101  
0101 0010 1101 0101 1101 1010 0111 1110 0101  
1010 0111 1101 0101 0101 0101 0101 0010 1101  
1101 1101 0111 0101 1001 1101 0101 1000 1110  
0101 0111 0001 1010 0010 1101 1001 0101 0111

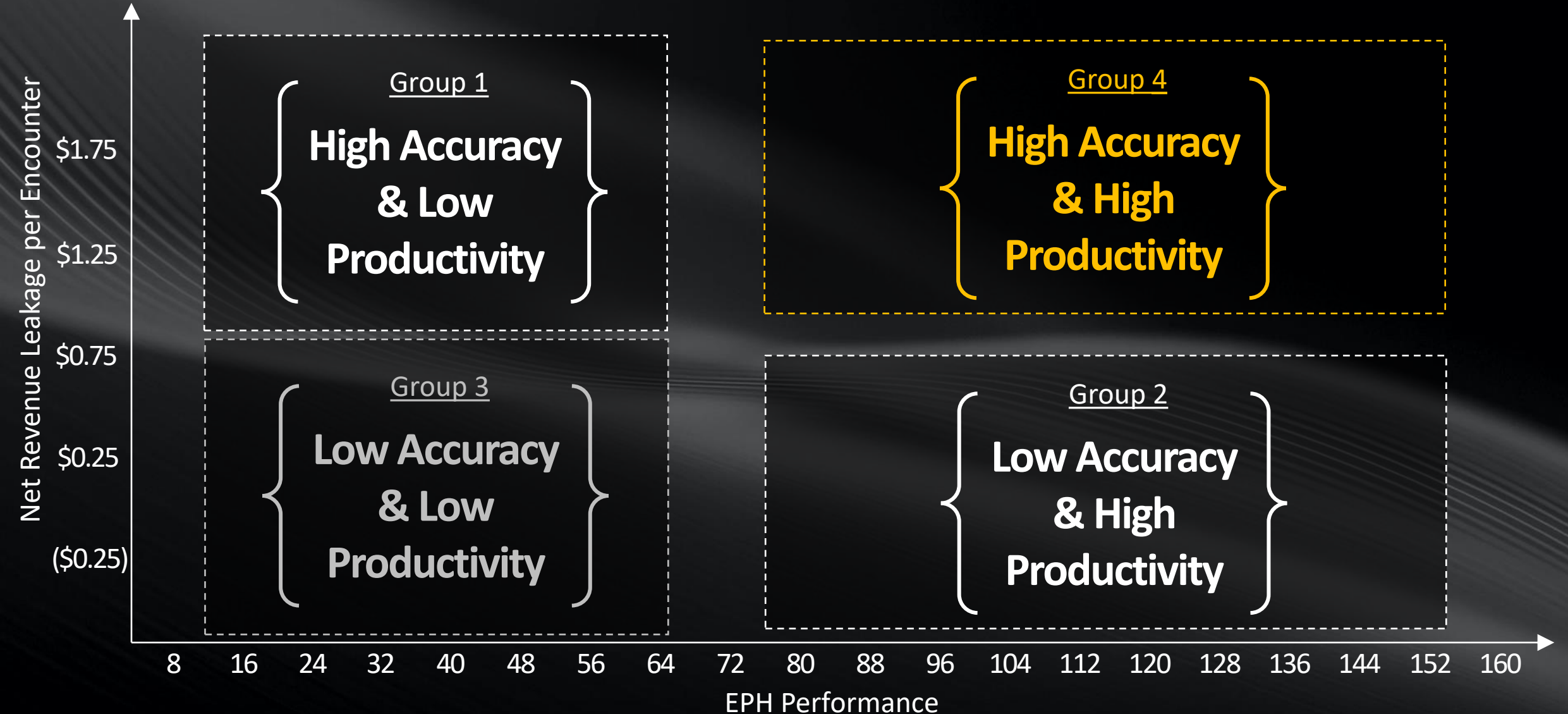


0101 1001 1101 0101 0111 0001 0101 1101 0100  
0110 0101 0111 0100 1101 0101 0010 1101 0101  
0101 0010 1101 0101 1101 0101 0111 0001 0101  
0101 0111 1101 0101 0111 0001 0101 0010 1101  
1101 0101 0111 0101 1001 1101 0101 0111 0001  
0101 0111 0001 0101 0010 1101 1101 0101 0111



0101 0110 1011 0101 0111 0001 0101 1100 0100  
0110 0101 0111 0100 1101 0101 0010 1101 0101  
0101 0010 1101 0101 1101 1010 0111 1110 0101  
1010 0111 1101 0101 0101 0101 0101 0010 1101  
1101 1101 0111 0101 1001 1101 0101 1000 1110  
0101 0111 0001 1010 0010 1101 1001 0101 0111

# Productivity & Accuracy



**\$235k**  
*savings*



**21** EPH

NATIONAL AVERAGE



REV CYCLE   
**NINJA**  
**105**+EPH

**\$373k**  
*new salaries*





**21** EPH

NATIONAL AVERAGE



**\$470k**  
*savings*



**DATA  
SCIENTIST**



**SUBJECT  
MATTER  
EXPERT**



**BUSINESS  
ANALYST**



**BEHAVIORAL  
COACH**

**REV CYCLE**   
**NINJA**  
**105**<sup>+EPH</sup>

**\$373k**  
*new salaries*

# DIY Project?

Too much expense  
Too much time  
Too much risk



