

CorroHealth

PEDIATRIC WHITE PAPER



CorroHealth



Optimizing Coding and Charge Capture in Pediatric Facilities

Hospitals across the country are losing millions of dollars in revenue due to deficient charging and coding processes for outpatient visits including emergency department (ED), outpatient clinics, Observation units and urgent care centers. According to the American Academy of Pediatrics data, of the more than 141 million emergency department visits in the United States, approximately 20% were for children younger than 15 years old. Children have a unique anatomic, physiologic, developmental, and medical need that differs from adult emergency care. These differences should be considered when treating the patient; and, when charging and coding for the encounter.

Over the past decade, 1 in 10 Children's Hospitals engaged CorroHealth to perform an audit of 125 facility-selected charts. These audits were focused on identifying projected impact of the CorroHealth coding technology and services offering through the Advanced Coding Solution. Analysts accessed medical records, UB-04's, itemized statements and charge masters to complete the review.

The results of these audits identified several challenges facing Children's Hospitals. The details of these findings are provided below.



Challenge 1

Skewed Level Distribution

Understanding the Scenario:

Providers in children's emergency departments (EDs) are presented with the unique scenario where the parent or guardian is often the one detailing symptoms. Parents of children with chronic or congenital conditions prefer to stay within the children's hospital system to maintain continuity of care. In other situations, parents utilize the emergency department instead of a primary care facility given the 24/7 access to care. Due to this, children's hospital EDs tend to see both very low-acuity patients (i.e. runny nose, congestion, ear infections) and very high-acuity patients (i.e. chronic health conditions with co-morbidities).

Assessments Results/Analysis:

Across all children's facilities, CorroHealth experts found significant under coding for Facility E&M levels. This area ranked among the highest and most common for revenue improvement. CorroHealth analysts found skewed distribution of level of service assignment in which high-acuity patients were under coded. Failure to distinguish relatively high resource patients from those with less resource-intensive visits continues to be a struggle in the emergency department.

Challenge 2

Compassion vs. Sustainable Care

Understanding the Scenario:

Showing compassion to a family with a sick child can be at odds with a hospital's financial health. Children's hospitals are more apt to give services away given children are involved. These hospitals tend to not charge facility procedures to the patient. This not only means revenue loss, but also does not provide an accurate account of treatment during the encounter.

Assessments Results/Analysis:

Analysis revealed a significant number of errors related to charge capture and coding of procedures. The errors and omissions were both CPT coding and inaccurate assignment of infusions and hydrations. The Current Procedural Terminology (CPT) hierarchy for reporting infusion, injection and hydration services is among the most complicated set of coding rules coders face. It requires careful examination of the entire clinical record to appropriately report these services.



Challenge 3

Lack of Coding Standardization

Understanding the Scenario:

There is no national standard for hospital assignment of E&M code levels for the emergency department. CMS requires each hospital to establish its own guidelines. With coding guidelines set at the hospital's discretion, under coding is more prevalent. Hospitals are more conservative on Facility E/M assignment rather than risk a 3rd party audit.

Assessments Results/Analysis:

Various CorroHealth assessments revealed a lack of consistency within the hospital's own coding and charging guidelines. A consistent pediatric methodology would provide a compliant Facility E/M distribution and ensure unique pediatric resources are appropriately assigned.



Addressing the Challenges

How Care Team Insight Helped Improve Revenue Integrity for a Leading Children's Hospital

The Challenge:

In 2012, a Midwest Children's Hospital made a significant technology investment and moved to the EPIC platform. By implementing EPIC's integrated charge capture system there would be a consistent charging for facility, professional and observation for the system. While the Epic solution was implemented and fully operational, leadership wanted to ensure they were fully optimizing revenue integrity, quality, and compliance.

The Analysis:

The CorroHealth team performed a full review of the hospital's documentation, coding, and charges for a set of 125 patient records. The analysis identified an additional \$24 per encounter in potential improvement utilizing our proprietary pediatric methodology.

The Solution:

After a full review of the chart analysis, the children's hospital decided to roll-out a full-service offering from CorroHealth. The solution provided both the Advanced Coding Solution platform and the coding professionals necessary to handling coding for facility, professional and observation encounters.

Analytics within the Advanced Coding Solution identified missing stop times on 25% of injections and infusions (I&I). The analytics further identified issues in observations with over 70% of the I&I stop times missing. Injections and infusions were only one area addressed with the insights from the solution. The combination of proper coding and charge capture, data driven analytics, and care team education and engagement helped the Children's facility outpace their financial goals.

Children's Hospital Findings:

On average, the findings from CorroHealth audit and analysis of Children's Hospitals EDs found the following missed revenue opportunities

- **\$184 per patient** from incorrect coding of facility E&M levels
- **\$40 per patient** in facility procedure charge errors
- **\$25 per patient** from documentation improvement opportunities
- **\$276 per patient** in observation services charging improvements

For a facility with annual patient volumes of 30,000 ED patients and 1,500 observation patients, this would equate to **an annual gross revenue improvement opportunity of \$7.9M.**





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Thank You

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