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Software: Invest in Efficiency

by Roberta Domos, RRT

The reimbursement climate of 2006 remains harsh, and cutting operating expenses with the right software has never been more important.
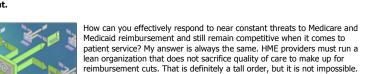
How can you effectively respond to near constant threats to Medicare and Medicaid reimbursement and still remain competitive when it comes to patient service? My answer is always the same. HME providers must run a lean organization that does not sacrifice quality of care to make up for reimbursement cuts. That is definitely a tall order, but it is not impossible. To achieve it, you will need to construct efficient processes that minimize the cost of doing business and maximize the productivity of your employees. The software you use to run your business can play a crucial role in meeting this goal.

Software is not only one of the single largest capital investments a company will make, it is also one of the most important. Software that can automate processes can quickly bring a huge return on investment by increasing work-force productivity and streamlining processes that would otherwise be much more labor intensive.

You will get the best use out of your HME systems software if all your employees know how to best use it to complete the tasks assigned to them. Surprisingly, many employees of HME businesses are not well versed in the company's software, and have had only minimal training. They are often unaware of some of the more intricate capabilities and do not know about features that could streamline their tasks considerably. And of course, knowledge can be lost over time as employees leave the company—especially if written instructions for completing routine tasks do not incorporate specific directions.

Distill the Process

Your software must offer features that eliminate as many manual processes as possible. Unfortunately, all HME computer system programs are not created equally, and more expensive does not necessarily mean better. Your software must be capable of doing much more than getting a bill or claim out the door. If it is not able to do much more than that, consider moving to a different software system that can help run the business as a whole.

Reimbursement

One must-have feature of an HME software system is the ability to logically track documentation. Documentation can be a huge bottleneck to cash flow for most HME providers, so you need a system that will help you follow up on documentation requests in a timely manner, and cue your employees when additional documentation is needed—or current documentation is expiring.

Certificates of Medical Necessity (CMNs), prescriptions, and prior authorization tracking should include the ability to generate a report that will show how long it has been since the document was requested—so that documentation specialists can adhere to company policies on when to follow up with second or third requests. In addition, you will want a system that can generate reports that look ahead for expiring CMNs, prescriptions, and prior authorizations so they can be requested before they expire, interrupting cash flow. Reports that can be grouped by physician are helpful because they allow staff members to prepare a batch of documentation to be sent to frequent referral sources at the same time.

Nothing eats up your employee's time like trying to keep track of when oxygen recertification CMNs or other documentation like physician statements and beneficiary statements are due. Those that come due at odd time frames and have nothing to do with when the initial document actually expires, such as between the 61st and 90th day after the initial order, are particularly troublesome time eaters. Software that offers a way to track this additional documentation can make the process much more efficient and eliminate much of the human error associated with manual tracking mechanisms.

On the billing side of the reimbursement process, one must-have feature is the ability to print patient detail accounts receivable aging reports by descending balance. Nothing sucks up more needless time than a billing and collections specialist working a $50 outstanding balance simply because a patient's name starts with an "A"—especially when Mr Smith's account shows an outstanding balance in the thousands of dollars. It is also helpful if these same reports can be restricted to exclude accounts that have recently been addressed, or show only a small outstanding balance outstanding. For your reimbursement staff to prioritize their collections efforts appropriately, they will need the tools to print reports that can prioritize appropriately as well.

If Medicare is one of your main payors, software with the ability to import electronic remittance files can typically use the information to print single-patient EOBs (Explanations of Benefits) to bill some secondary payors—a huge time-saver over completing the task manually. It is a definite plus if the software can also

use this information to automatically populate and print redetermination requests for denied claims.

Document Scanning

If you really want to streamline the reimbursement process and cut costs, consider adding document scanning to your list of software requirements. Document scanning will not save a lot of labor on the front end—since scanning takes just about as long as filing paper—but it will cut down on your paper storage costs and make the collections process more efficient. No longer will collections specialists spend time searching for and through files for the right document. Instead it can be retrieved from within the patient's computer file and reprinted on the spot.

Warehouse/Inventory/Patient Delivery

Software that can streamline warehouse, inventory, and patient delivery processes can result in huge cost savings by minimizing loss and reducing the labor required to get the job done well.

Every HME company needs software that offers a perpetual inventory system and capital equipment serial number tracking at a minimum. A system that features the ability to set minimum and maximum stock levels, then generate a purchase report, will allow you to follow a cash flow preserving "just in time" inventory process. An inventory system that also ties in easily with a purchase order system can help streamline the purchase approval process and rein in unnecessary spending.

Confirmation of orders and serial number tracking will be more efficiently accomplished with a bar-coding system. Not only will you save time when it comes to letting your computer system know that a delivery or pickup was successfully completed, but you will also have more accurate tracking of the location of serialized equipment. That means less lost equipment.

Look for a system that will let you set recall periods for equipment that requires routine maintenance and can generate reports that tell you where serialized items due for maintenance are currently located. You can then incorporate preventive maintenance checks into routine delivery schedules in the same geographical area to cut down on unnecessary trips. A system that has the ability to record when preventive maintenance has been completed will save you from keeping paper logs, and you will more easily meet accrediting body standards that require you to document the maintenance history of serialized equipment.

Operations

It is critical that owners and staff members charged with overseeing operations have accurate and complete information to monitor reimbursement processes and the success of the company's marketing strategy. Every HME company owner and HME manager should have an executive dashboard that tracks this critical information.

At a minimum, your executive dashboard should track anticipated revenue that has not yet billed so that you can assess: 1) intake and documentation processes; 2) the amount of billed revenue per month versus the amount of cash posted per month so that you can track the percentage of billing converted to cash; 3) sales revenue versus new rental and rerental revenue to assess your sales and marketing efforts; 4) the company's payor and product mix to ensure that your company has well-balanced payor and product diversity; and 5) accounts receivable aging totals under 30 days to over 365 days, as well as adjustments and write-off totals by user-defined reason codes so you can assess the overall success of reimbursement efforts.

Providers that have been in business for decades will recall that many of the processes discussed here were completed manually long before the computer technology existed to automate critical business processes. In some cases, objective information needed to make crucial business decisions was simply not available or too time-consuming to obtain. This left owners and managers to rely on gut instinct rather than hard facts.

Fortunately, we now have the technology to improve productivity, reduce human error, and make decisions based on sound data. It is getting tougher and tougher to maintain profits in the current climate. Embracing current technology can help HME companies reduce costs and operate more efficiently. DP

HHS Presses IT
New suite of learning resources aims to help and encourage adoption of information technology.

The US Department of Health and Human Services Agency for Healthcare Research and Quality (AHRQ) has launched a new suite of "learning resources" to help health care providers adopt health information technology (IT) quickly and effectively. The step represents a new effort for the AHRQ National Resource Center on Health Information Technology, as the agency acts rapidly to convey lessons learned through AHRQ-funded projects and other sources. The new resources are at the center's Web site: www.healthit.ahrq.gov. "The goal is simple—help health care providers at the ground level learn from each other's real-world experience and give them easy access to the best information available," said AHRQ Director Carolyn M. Clancy, MD.

HHS Secretary Mike Leavitt has made advancing health IT a major initiative in support of President Bush's charge to use electronic health records and information to control costs and reduce medical errors. AHRQ's new resource center is a critical component of that effort and a key part of HHS' overall health IT Web presence at http://hhs.gov/healthinformationtechnology/.

AHRQ's $166 million health IT initiative funds more than 100 projects throughout the nation, in settings ranging from large health plans and hospitals to small practices, including rural and inner city communities. As leaders of these projects plan and implement various health IT products, they provide a clinic-level window on the pitfalls and opportunities that others will face. AHRQ will synthesize these experiences to create useful findings and tools. The projects also will measure actual benefits from AHRQ's health IT projects, providing evidence for the business case for health IT adoption.

The resource center site provides emerging lessons from the field, a knowledge library with links to more than 5,000 health IT information resources, an evaluation toolkit to help those implementing health IT projects, a summary of key topics, and other resources pointing to current health IT activities, funding opportunities, and other information.

Clancy emphasized that AHRQ is moving early to create the Web-based learning structure. In the first year of the AHRQ projects, the site has served as an internal communication tool. Rather than wait for finished findings, AHRQ is creating the public resource now to capture lessons learned as they emerge. "This is a learn-as-you-go project," Clancy said. "The President and Mike Leavitt have made health IT adoption an urgent priority. We're not waiting for perfect information. We'll make good information available as we learn it."

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