

06.08.16

Beyond Basic Eligibility Verification

Revenue Integrity Series
Massachusetts Health Data Consortium

Introduction

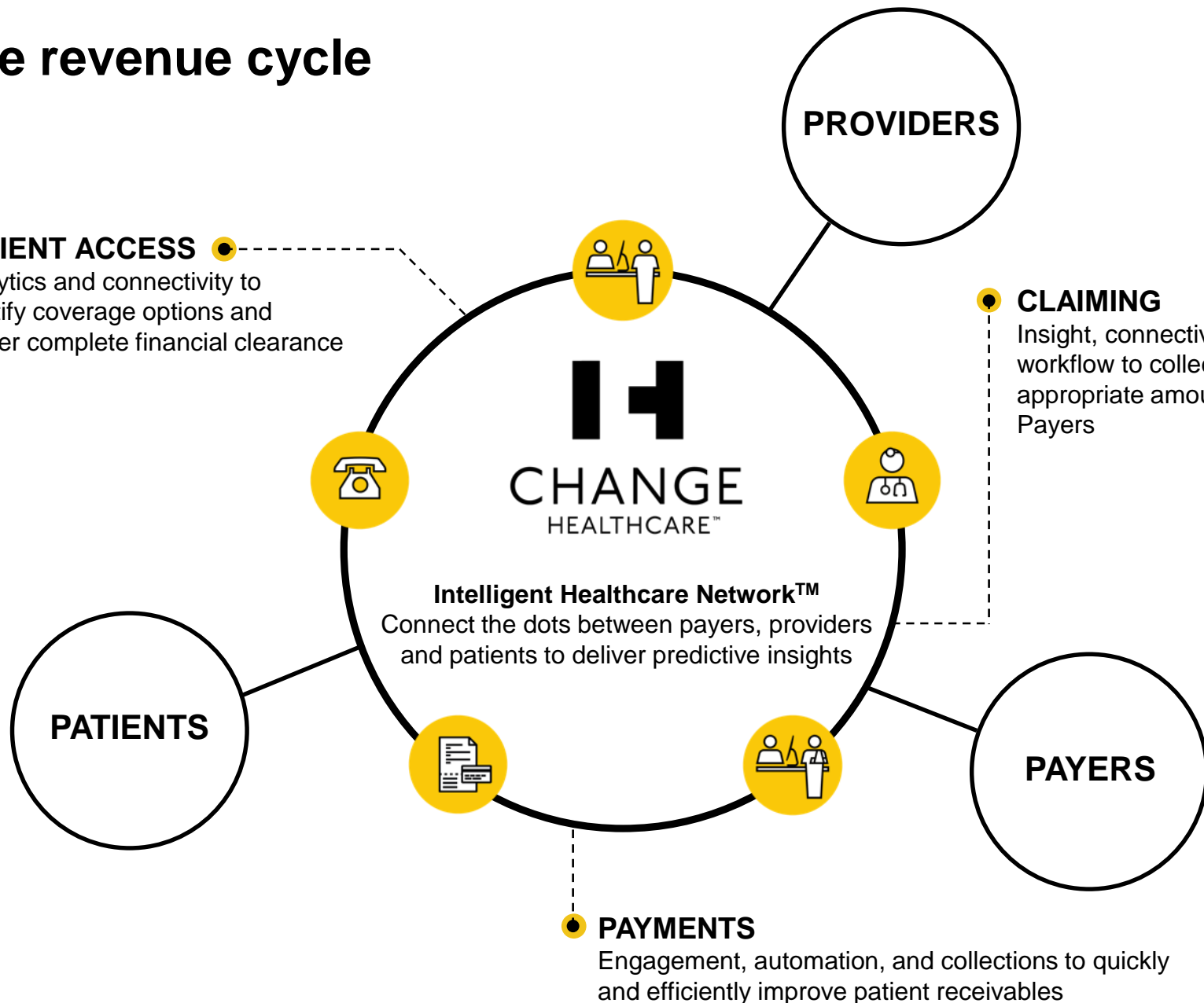


David Figueredo
Business Development and
Product Management
Revenue Discovery Advocate
Change Healthcare
www.changehealthcare.com

The revenue cycle

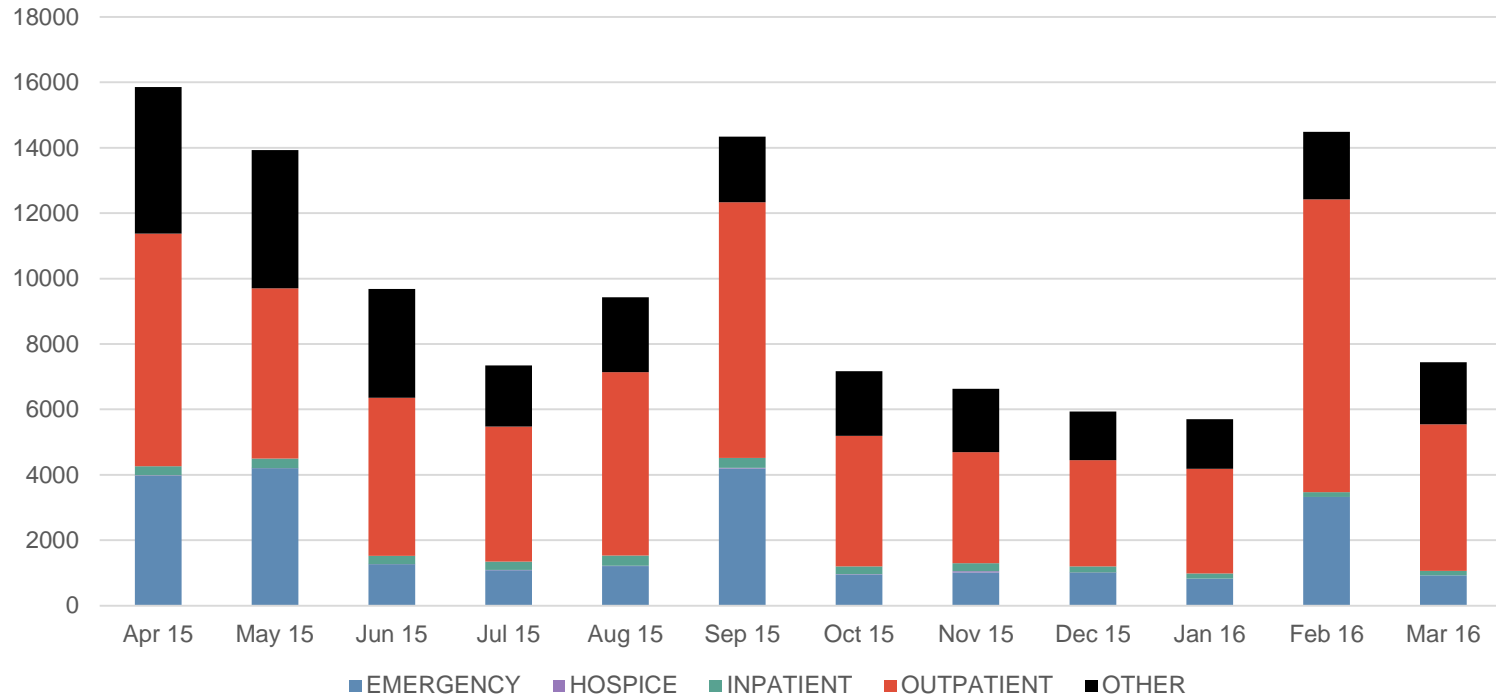
PATIENT ACCESS

Analytics and connectivity to identify coverage options and deliver complete financial clearance



How Do Patient Types Compare?

Problem View: Self-pay & Bad Debt



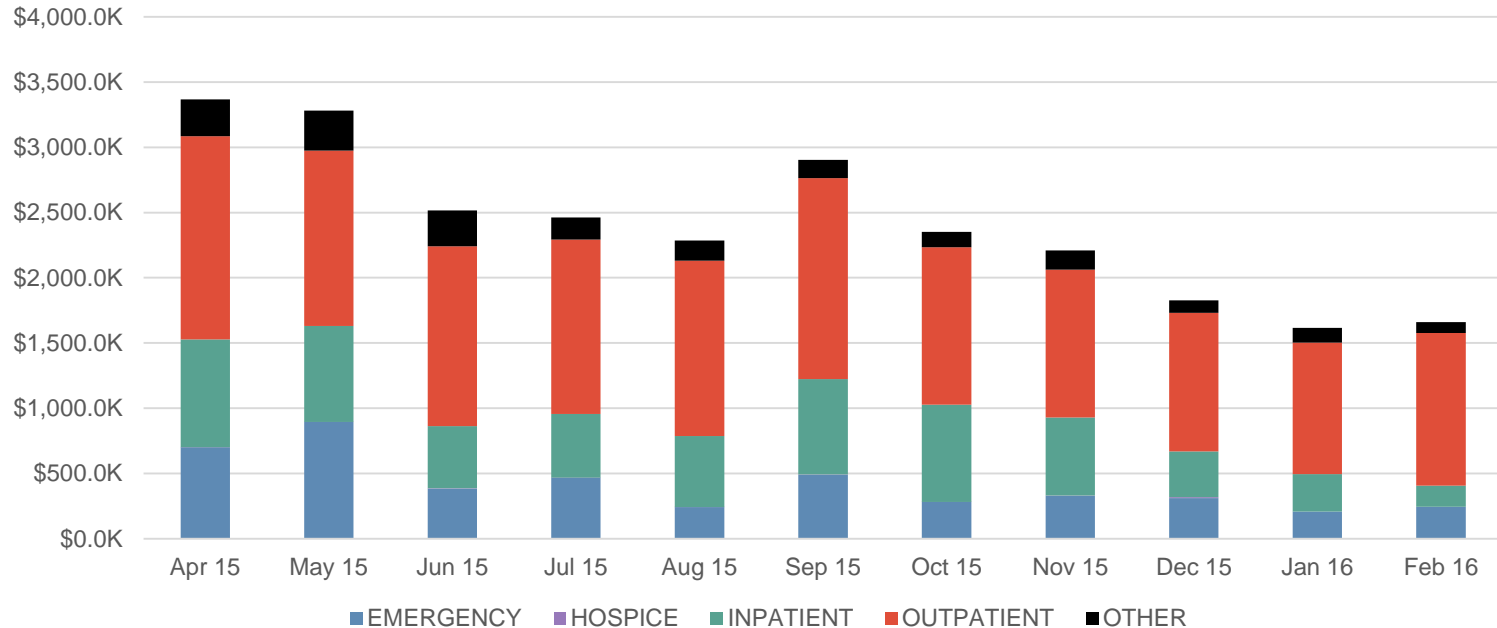
Today, significant effort is applied to resolve inpatient and emergency AR, often minimizing potentially larger issues with outpatient AR.

1. Inpatient Accounts: 2.5%
2. ED Accounts: 20.4%
3. Outpatient Accounts: 52.5%
4. Other Accounts: 24.6%

*Graph based on actual provider performance and is presented to demonstrate potential issue scope

How Do Patient Types Compare?

Problem Perspective: Money Drives Behavior



- These recovery efforts are largely manual and drive by perceptions of greatest value.
- When viewing the value and potential of all AR, subacute and outpatient recoveries can proved significant value to providers.
 1. Inpatient Accounts: 22.4%
 2. ED Accounts: 17.2%
 3. Outpatient Accounts: 53.2%
 4. Other Accounts: 7.1%

*Graph based on actual provider performance and is presented to demonstrate potential issue scope

How to Drive Results: Data, Analytics & Automation

$$\frac{\text{Results}}{\text{Work}} = \text{Productivity}$$

How to Drive Results: Data, Analytics & Automation

How can you impact your results?

$$\frac{\text{Results}}{\text{Work}} = \text{Productivity}$$

How to Drive Results: Data, Analytics & Automation

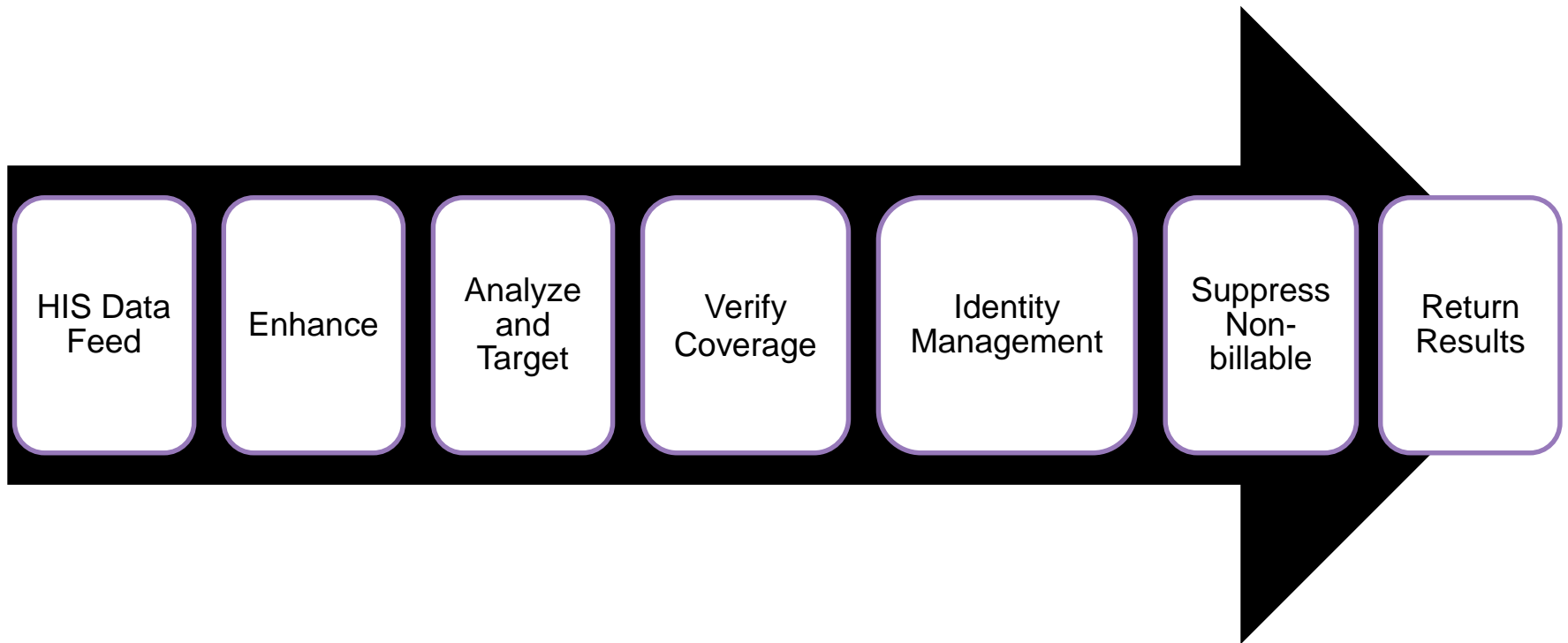
$$\frac{\text{Results}}{\text{Work}} = \text{Productivity}$$

What impacts your effort?

How Can Technology Be Part of the Solution

- 1 Interview and verify all patient demographic and coverage info at point of entry
- 2 Be aware of and execute on all coverage sources
- 3 Evaluate patient financial need and enroll in Medicaid\Financial Assistance programs
- 4 Identify payment risk and differentiate collections
- 5 Analyze claim pre-submission for under\over coding risks and payments for contractual variances

Identify and Execute on All Funding Sources

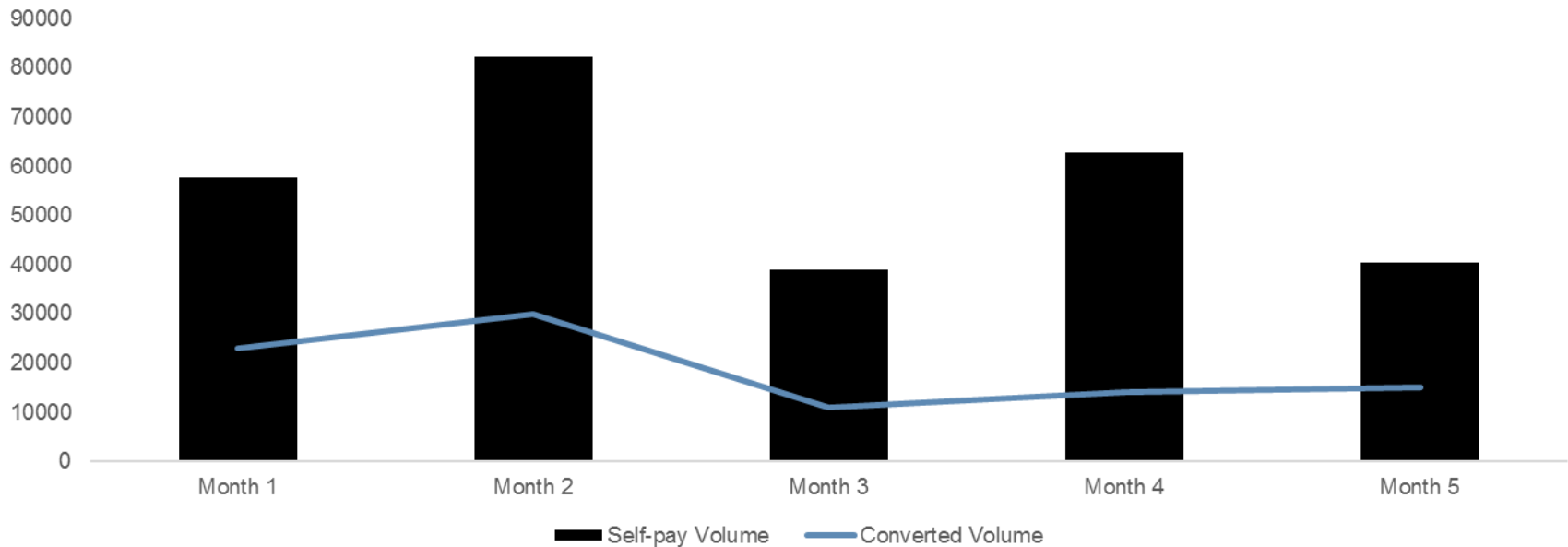


Potential Impact of Analytics:

- Up to 40% of self-pay accounts have existing medical coverage at time of service
- Solutions must leverage more than often limited hospital data
- Response times must be rapid (under 24 hours)
- Solutions must be accurate and capable of removing the noise
- Approximately 40% of coverages are limited and do not apply to all episodes of care

Potential impact based on the experience of Change Healthcare

Identify and Execute on All Funding Sources



Over a five month period :

- ~300k self-pay accounts were screened
- ~93k accounts were found to have billable insurance in less than 24 hours

Up to 33% of the total self-pay problem could be solved through a well integrated, analytics based insurance identification solution.

Graph based on actual lab performances over a five month period

Patient Financial Modeling Leads to Insights

Group Description	Charity Code	Accounts		Balance	
		#	% of #	\$	% of \$
451+ FPL	H	1,849	8.67%	\$3,235,380	9.62%
401-450% FPL	L7	645	3.03%	\$1,012,934	3.01%
351-400% FPL	L6	822	3.86%	\$1,414,813	4.21%
301-350% FPL	L5	1,094	5.13%	\$2,007,766	5.97%
251-300% FPL	L4	1,252	5.87%	\$1,822,538	5.42%
201-250% FPL	L3	1,938	9.09%	\$3,335,780	9.92%
101-200% FPL	L2	4,371	20.50%	\$6,713,507	19.96%
0-100% FPL	L1	6,604	30.98%	\$9,900,098	29.43%
Unscorable	U	2,743	12.87%	\$4,194,368	12.47%
Total		21,318	100%	\$33,637,184	100%

Recognizing patient financial need allows labs to:

- Direct low income patients to hospital enrollment and FAP processes
- Secure long-term funding sources for reoccurring patients
- Identify financial need before you invest in FTE and other resources
- Become an advocate for patients and improve overall hospital processes

Table is an example from a Change Healthcare client

Identify Risk To Differentiate Collections

	Patient Volume		Charges	
Risk Model	#	%	\$	%
Low Risk	109,990	43%	11,095,870	32%
Moderate Risk	93,688	36%	13,324,123	39%
High Risk	53,102	21%	9,957,517	29%
Total	256,780	100%	34,377,509	100%

	Patient Volume		Charges	
Payment Score	#	%	\$	%
10	41,775	16.27%	\$3,844,943	11.18%
9	36,293	14.13%	\$3,713,966	10.80%
8	31,922	12.43%	\$3,536,961	10.29%
7	25,220	9.82%	\$3,128,353	9.10%
6	23,613	9.20%	\$3,268,278	9.51%
5	25,010	9.74%	\$3,718,057	10.82%
4	19,845	7.73%	\$3,209,435	9.34%
3	19,675	7.66%	\$3,394,931	9.88%
2	17,676	6.88%	\$3,321,639	9.66%
1	15,751	6.13%	\$3,240,947	9.43%
Total	256,780	100.00%	\$34,377,509	100.00%

Table is an example from a Change Healthcare client

Uniform Scoring Can Allow Targeted Processes

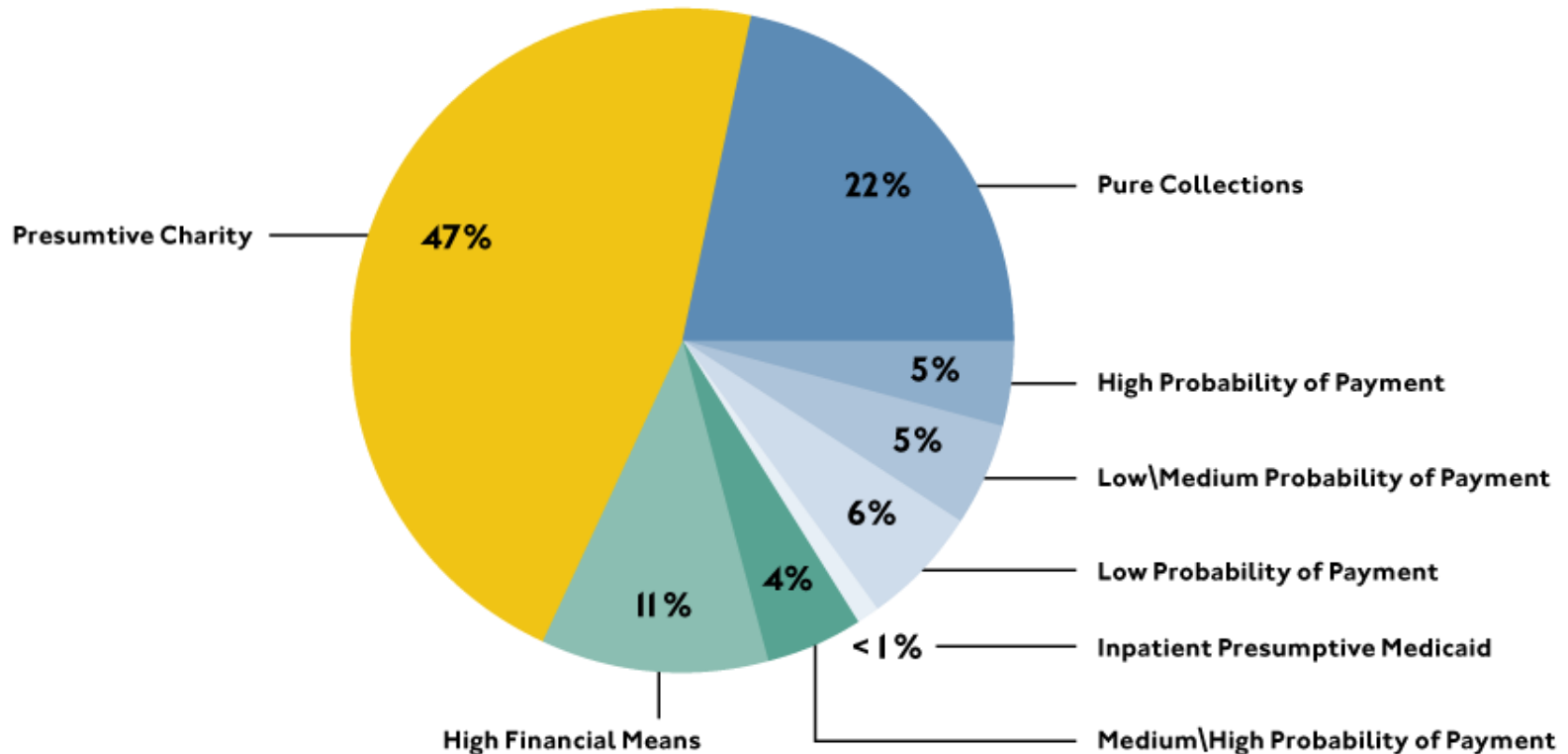
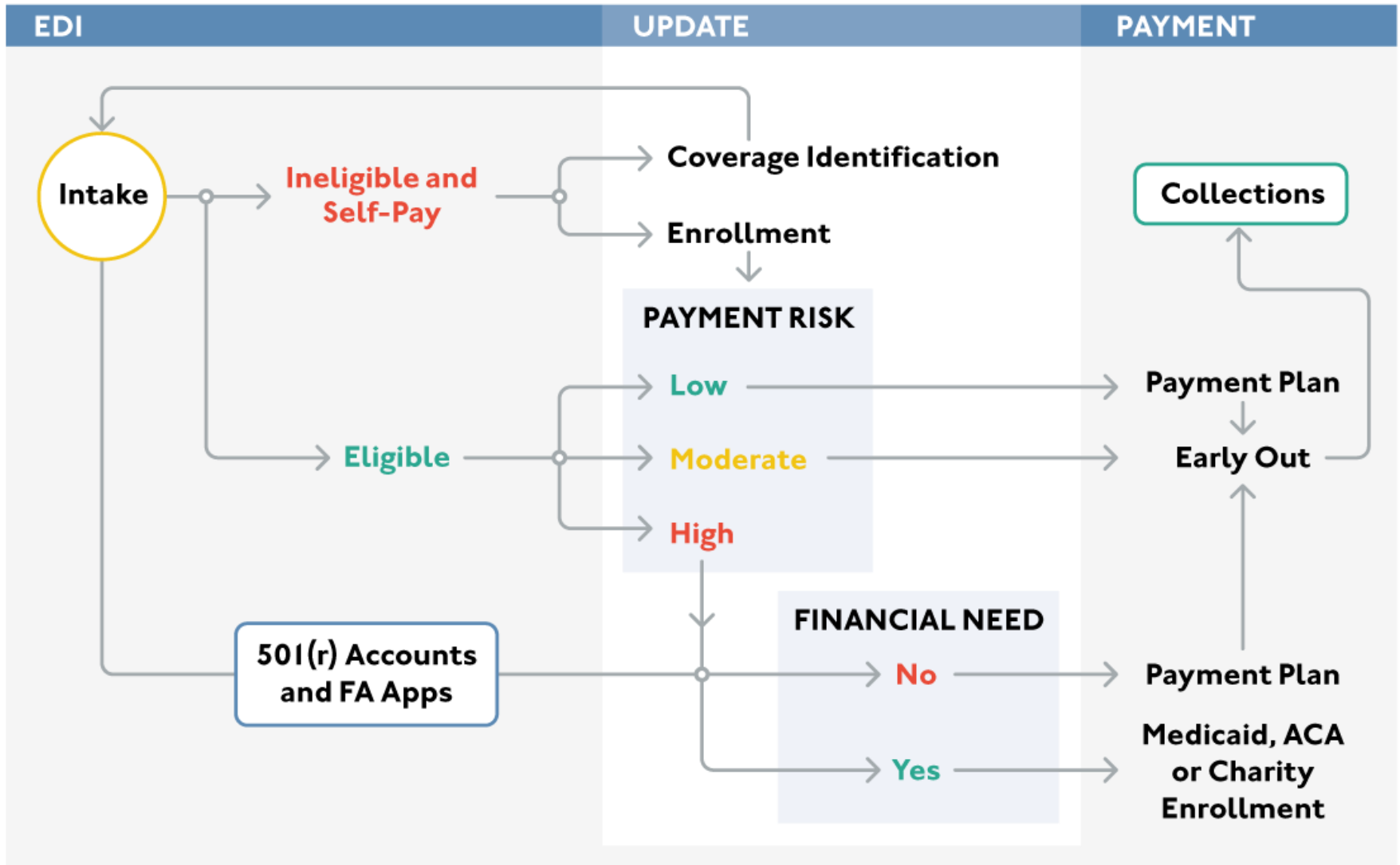


Chart is an example from a Change Healthcare client

Optimized Revenue Cycle Workflow



Analyze Claim Pre-submission for Under\Over Coding & Payment Risks

Billing Data

Daily Internal feeds:

Diagnoses Attributes

Procedure Attributes

Billing Code Attributes

Charge Code attributes

Hospital (Local) History

System (Global) History

Algorithms

Defining Patient and Visit Neighbors using Machine Learning:



- Similar patients
- Similar visits
- Global similar patients/visits
- Expected charge correlations



Ensemble model merges scores. Built-in business rules for net cash impact



Scoring and rank-ordering of billing anomalies:

- Account
- Missing charge
- Prioritized by probability and net cash impact

Application

Intuitive visualization enabling the efficient identification and correction of:

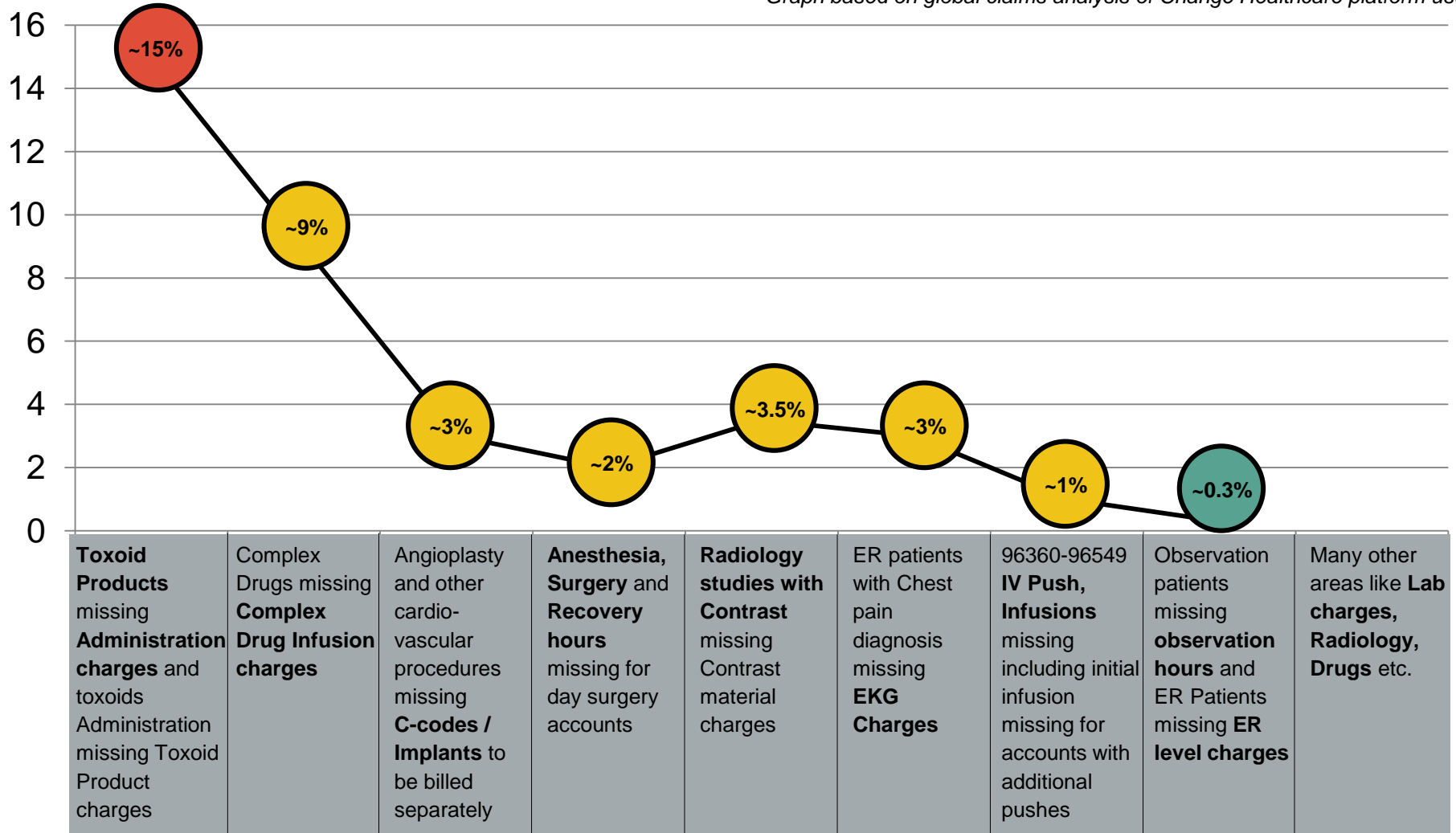
- Ranking of likely missing charges
- Auditor performance tracking
- Opportunities for improvement
- Feedback into models
- Potential root cause insights

Continuous Learning

- Daily Feedback Model
- Rules/Protocols changes
- Half yearly model refresh
- Charge master Updates
- Application Enhancements

Technology Can Identify Larger Trends to Empower Auditors and Increase Revenue

*Graph based on global claims analysis of Change Healthcare platform users



Things to Remember & Questions

1. Technology exists today to drive uniform patient screening for insurance, financial need and propensity to pay.
2. Most HIS, PMS and IT systems provide an integration infrastructure.
3. Businesses must be willing to leverage analytics and automation to optimize labor and outcomes.
4. When applied, technology affords the ability to act as systematic challenger and safety net to existing processes.
5. Operational cost reductions and revenue increases far out way the cost and effort to deploy.



THANK YOU

David Figueredo

Business Development

Change Healthcare

615-417-3563

dfigueredo@changehealthcare.com



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