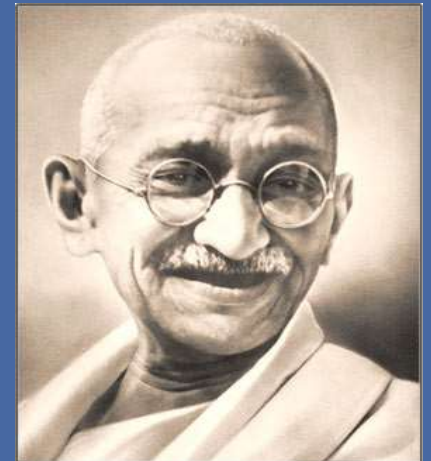


Maximizing Revenue, Financial Optimization

- Concrete Steps
- Checklist
- Flowchart





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- CEO and Founder,
 - Credible Behavioral Health
- 209 Partner Agencies
- Basement to 96 FTEs implementations
- \$2,000,000,000 Annual Billing
- Fortune 500 Alumni
- “Dark Side” (Investment Banking)
- Former Board Member, MD PRP

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- Director of Financial Services, Credible Behavioral Health
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- Policy change and rate increase advocate
- Head contract negotiator for Multiplan
- Board member for Pathways to Housing, DC.

Maximizing Revenue

Agenda

1. 3 Proven Revenue Enhancing Strategies
 1. Price/Revenue Optimization
 2. Capacity
 3. Collections
2. Optimized Revenue Flow
 1. Employee Optimization & Turnover
 2. Pre-billing Practices
 3. Posting Revenue
 4. Reserves

Revenue Enhancement



Quantity x Price

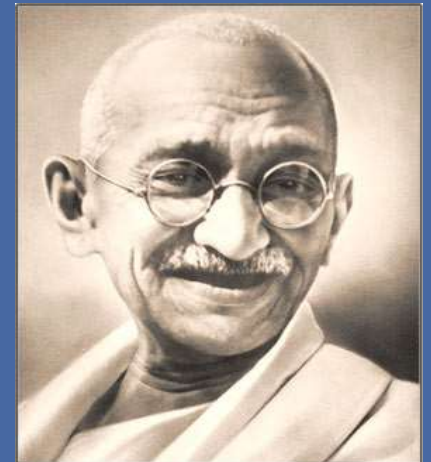
Do you Optimize?

The maximum level of output of goods and/or services that a given system can potentially produce over a set period of time. In most cases, it is unlikely that any system will operate at full capacity for prolonged periods, because natural inefficiencies and other factors decrease potential output.

Capacity

Do you Measure? Optimize?

Capacity Management: Skills needed > Skills available





Do it, Bill it, Collect it

1. Time invested
2. "Close"
3. Collect



Checklist

1. Revenue = Quantity x Price

- # Services – Value of increasing by “x”
- High \$ services – Can you increase it?
 - Do it.
 - Zero missed opportunities
- Define Goal: “Increase X service by Y%”

2. Capacity Determination

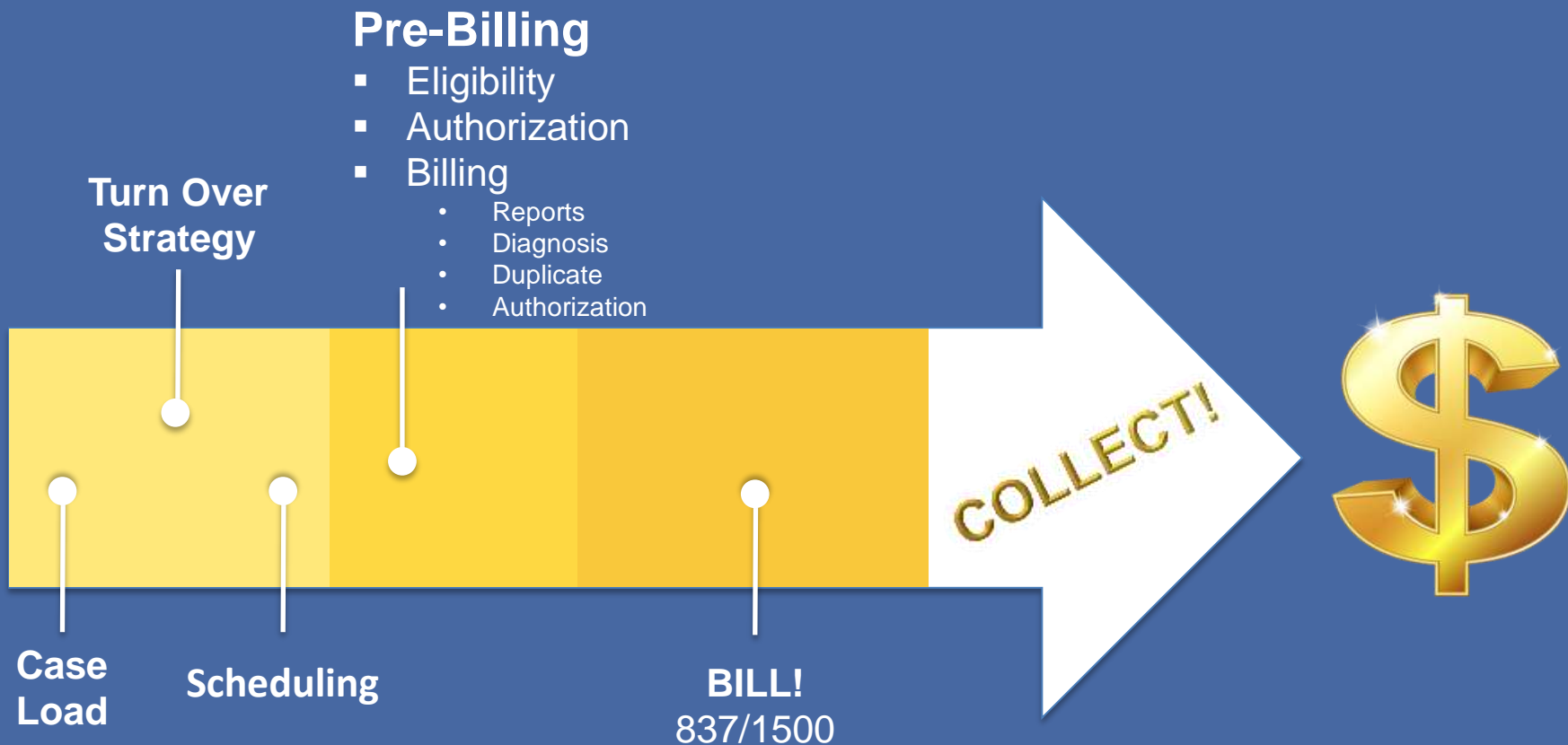
3. Collections

- Smart Aging not 30-60-90
- Get the \$\$

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Revenue Maximization Flow



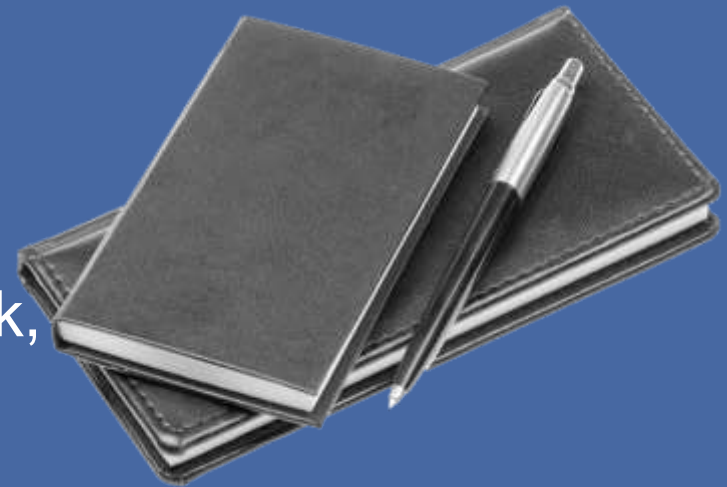
Case Loads

- Employee's caseload should include fewer clients that are high-end users
 - ACT, CBI, FFT, some case management and community support
 - Use EMR to identify which clients fall into this category
 - Have admin staff call clients the night before appointment and remind client of appointment
 - If services are off-site, schedule appointments in same geographic area, like group homes or apartment buildings
 - Concurrent documentation

Maximizing Employee Time and Revenue (cont.)

Clients with less frequent services

- Assign employees more clients that receive services less frequently
 - For example, therapy only or med management only
- Can identify these clients by running client listing reports from EMR
- Double and triple book these appointments
- Open access scheduling
- Concurrent documentation
- Use admin staff to fill out paperwork, sign consents, eligibility check, etc.



Cost of Turnover – 6 Month Break Even

How do you put a value on turnover?

- Last two weeks of employees tenure is a transition, productivity not a priority
- After employee gives notice, recruit a new hire, and ramping up new hire's case load
 - 6 months to break even point
 - 8 months to turning a profit
- Average length of employment?
- Human Capital
 - How do you put a value on the continuity of care for the client?
 - How can you value your employees so they stay with your agency longer?



Insurance Eligibility

- Ensure client has insurance and your agency is in-network
- Ensure services on treatment plan are covered under the insurance
- Have a plan to regularly check insurance eligibility, 270/271 files
- Medicaid
 - If your State Medicaid plans require you to link the client to your agency, do this at the intake/admission process

Pre-Billing and Billing Practices (cont.)

Authorizations

- Know the authorization requirements for each payer you contract with
- Have a delegated department or person(s) that manages authorization
- EMR should be able to help manage the due dates of concurrent authorizations

Pre-billing clean up reports

- Duplicates
- Authorizations
- Valid diagnosis
- Private pay status
 - Are all services covered by a payer?



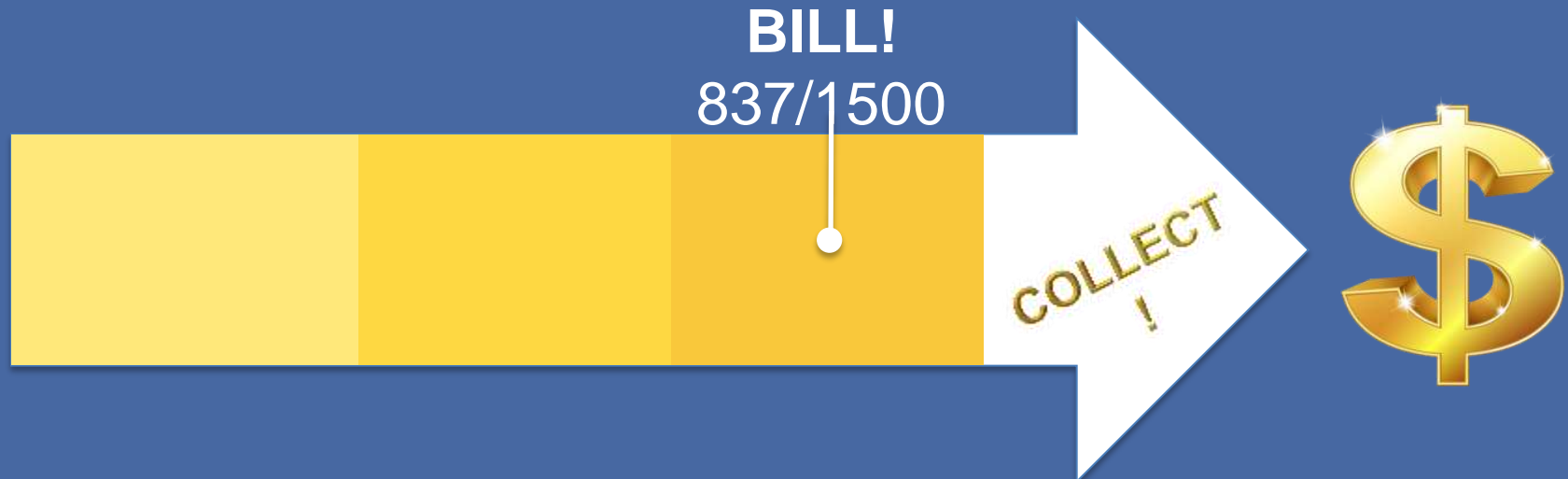
Pre-Billing and Billing Practices (cont.)

Generate 837p, 837i, or 1500 forms

- Check for 999, 834, and 277 acknowledgements files

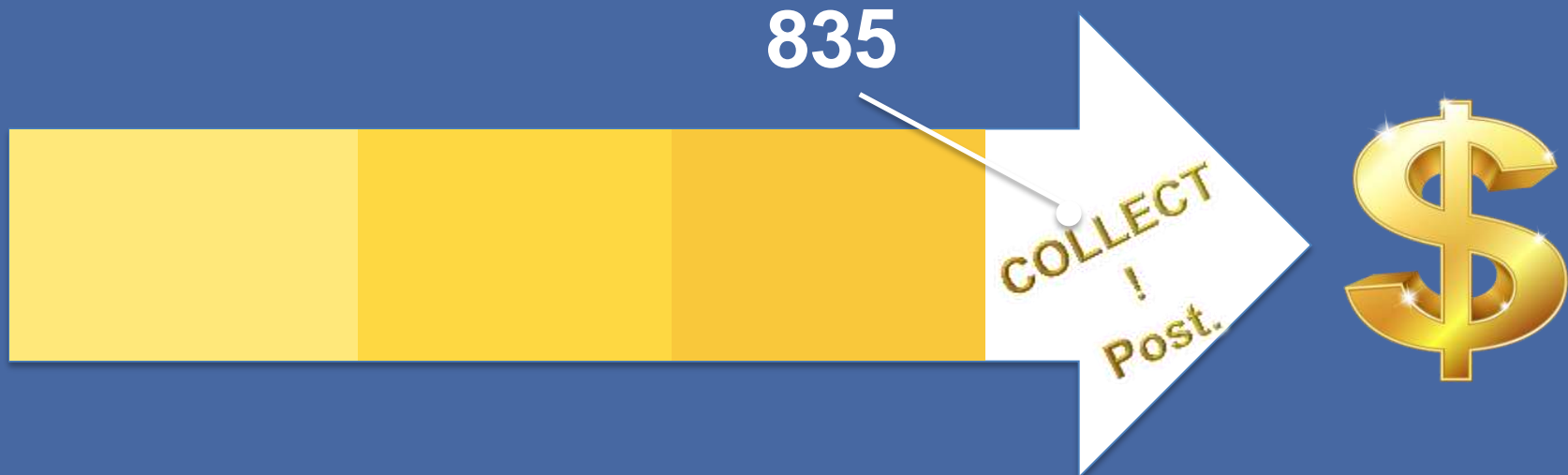
Post 835's and remits timely

- Will ensure a true reflection of your aging AR
- Can work denials, and resubmit for payment or write off a service
- Working denials can identify problems in clinical practice and will allow you to make adjustments in clinical practice delivery
- Can work collections



Monthly reconciliation

- Make sure all receipts posted to GL are posted in EMR
- Review aging and work collections
- Use fiscal management reports to make sure accurate P&L and financial statements



Uncollectable Reserves

What is an acceptable uncollectable reserve amount?

- Have you done a cost model by program? Do you produce P&L statements for each program?
- If all the steps followed in pre-billing best practices are followed, then this amount should be small.
- Implement steps to ensure eligibility verified for each client's insurance

The more you collect the more you can invest in your employees with raises and bonuses. You can invest in your agency (better IT equipment, more staff, work environment, a holiday party, etc.), and you can invest in your clients by keeping staff around longer, maintenance on residential properties, better waiting room, etc.

Peace of mind: no worrying about making payroll and can focus on the mission and clinical care.

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