HAYES

MANAGEMENT CONSULTING

An Operations Assessment Of

DUVA·SAWKO
EM Billing & Management Solutions

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INTRODUCTION

Leadership at DuvaSawko recently contracted with Hayes Management Consulting to conduct an operational assessment of their organization. The assessment took an in-depth look at DuvaSawko's revenue cycle operations, IT platform performance and Coding and Compliance practices.

Hayes Management Consulting partners with healthcare organizations to analyze operations and revenue cycle strategies and implement pathways to deliver success in a constantly evolving healthcare landscape.

To perform the assessments, Hayes employed techniques from its MDapproach methodology, including interviewing key stakeholders, performing process observation and reviewing available data and reports.

MDapproach – Guiding Principles

Organizational Participation
We don't work in a vacuum. Active participation from our clients is a pre-requisite to success.

Information Systems
Optimizing the use of information systems enables decision-making and improves efficiencies.
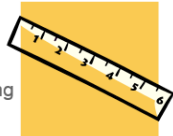
Operations Management
Focusing on what makes our clients different helps us to identify and prioritize opportunities.

Performance Measurement
Key Performance Indicators (KPIs) are critical for assessing, tracking and comparing performance.

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The following report contains the specific findings and recommendations that Hayes consultants developed based on this focused review.reasons people are denied small business loans is because their business plan is weak, or they don't have one at all. ◆

GOALS & OBJECTIVES

The approach to this assessment included the following:

I. REVENUE CYCLE OPERATIONAL ASSESSMENT - High-level assessment of the organization's current revenue cycle management state of operations and revenue cycle performance. The following were evaluated:

- Registration and insurance verification
- Review of encounter form-paper and online
- Timely and accurate submission of ER claims
- Timely and effective follow-up
- Denial management activity

II. TECHNOLOGY ASSESSMENT - High-level analysis will focus on how effectively technology is being used throughout each revenue cycle step. The following were evaluated:

- Available reporting tools, delivery methodologies, end user training, acceptance, interpretation, and report content validity
- Software scalability as new users are added
- Database management tools and effectiveness in safeguarding privacy
- Inbound and outbound data transfer capabilities and compatibility with industry interface engines
- User Interface (UI) and database activity and login procedures
- Citrix capabilities and PC requirements
- Required database administration and platform
- Inbound and outbound automated data functions
- Future upgrades and patches required

III. CODING, DOCUMENTATION, & COMPLIANCE PROCESSES - Detailed assessment of the emergency room (ER) physician documentation, coding, and compliance practices to ensure processes, policies, and procedures are in place and in compliance with the official coding guidelines, CMS standards, and best practices. The assessment encompassed:

- High-level review of coding and compliance policies and procedures
- Assess the clinical documentation process to ensure adherence to CMS guidelines
- Assess the coding and billing processes
- Assess current coding tools, resources, and reports
- Assess coding and billing education and training processes

Most of the findings from this study are included in this assessment, however, there are some results that were excluded due to the sensitive nature of the data.

EXECUTIVE SUMMARY

Hayes deployed four (4) of their lead consultants to conduct an assessment of the business operations at DuvaSawko. The assessment consisted of onsite interviews with senior management, department management and staff from the revenue cycle operations, IT operations, and coding and compliance operations. The Hayes engagement team spent time collecting data, reviewing documents and policies, shadowing staff and observing the business operations.

> **"Each of the Hayes consultants completed their full assessment of DuvaSawko's business operations, coding and compliance practices, and the technology platform. Hayes has found DuvaSawko operates in a 'best business standard'"**

The DuvaSawko operations assessment report includes assessment and findings of three key objectives:

- Revenue Cycle Operations
- IT Platform
- Coding, Documentation and Compliance Assessment

Photo: Dr Charles Duva, CEO and Dr William Sawko, CIO, DuvaSawko

Notable Points:

- DuvaSawko has never lost a client due to poor performance
- They have a good mix of longevity with their client base
- Several contracted groups have been with DuvaSawko for more than 15 years and some are as new as two years

Photo: The DuvaSawko Family

Photo: DuvaSawko Headquarters in Ormond Beach, FL

I. REVENUE CYCLE ASSESSMENT

DuvaSawko provides services that include medical coding, credentialing, billing and collection services for all clients. They also provide monthly and ad-hoc revenue cycle reporting needs for all physician group practices. Below is a listing of the types of services they offer to current clients:

- Coding Services
- Hyperbaric billing and follow-up
- Hospitalist billing services
- Urgent care
- Professional Fee Billing

CONTRACTING

DuvaSawko contracts directly with the physician groups and with hospital organizations for which the physicians are physically providing services. There are two types of standard contracts offered to the emergency room providers:

- Flat fee for each billable service
- Coding only contracting

KEY PERFORMANCE INDICATORS

Industry Standard Indicator	DuvaSawko	HFMA	MGMA	HARA
Gross Days in Receivable	44	40.30	50.47	49.73
Net Days in Receivable	50	55	56.40	60.15
Percentage of AR > 90 days	19%	24%	19.30%	24.3%
Credit Balances as a total percentage of open AR	1.9%	3%	.93%	n/a
Bad Debt Write Offs as a % of total AR	2.5%	5%	2.03%	5.37%
Claim Lag Days (from discharge to bill)	5	10	n/a	13.12

Sources: 1HFMA (2012) – Updates in October / 2MGMA (2012) - Updates in October / 3HARA (Hospital Accounts Receivable Analysis), 3rd Quarter 2012

The chart above represents the key performance indicators for the revenue cycle operations of DuvaSawko against industry standards. The sources DuvaSawko is being measured against are the most accurate industry-wide organizations and metrics. The metrics are a combination of all practice types with a heavy emphasis on primary care and department of medicine providers. That being said, it is still a good overall indication of how DuvaSawko performs related to the industry.

The green numbers and percentages show that DuvaSawko is in the best practice category for the corresponding metric. It is very rare for a practice to have so few days from the discharge of a patient to the actual bill drop. This indicates that once a patient leaves the hospital, DuvaSawko receives the information quickly (in the nightly download) and audits and bills the services quickly after receipt.

DuvaSawko has a high first pass pay rate (approximately 91% excluding registration errors) and quickly processes open insurance balances. When the self-pay balances are removed from the total Accounts Receivable the percentage of open insurance balances over 90 days decreases to 9%. That is in the 100th percentile of the industry best practice.

ADDITIONAL PRACTICE INFORMATION

STAFF RETENTION

The employees, including management and staff, display a high degree of satisfaction and ownership related to their roles and responsibilities within the organization. The staff attrition rate is well below industry standards. Staff are well informed regarding the company's future plans and goals.

DuvaSawko has created a system that is proven in their industry. They have developed a highly structured proprietary software process that can be repeated without interruptions to any current day to day workflows. These findings further show the development of a mature organization and a mature system. The implementation of policies and procedures tightly secure their maturity as an organization.

DuvaSawko has a fully integrated system with robust reporting capabilities. A less mature system would struggle with the number of clients DuvaSawko maintains and the performance that their staff are held to.

AGILITY ASSESSMENT MODEL

Agility Foundation	Agility Characteristics	Rating	Weight / Importance
Collaborative Relationships	Produced recommendations are regularly accepted and aced upon	G	H
	There is a defined process for collecting and reviewing information	G	H
	All senior management understand the system expectations and needs of the employees and client	VG	VH
	Senior management and teams are identified by their areas of expertise	VG	VH
	Differing expert views are encouraged and respected	VG	H
	Innovative approaches are encouraged	G	H
Process Integration	Expert sub-committees are quickly formed	VG	F
	Recommendations are regularly produced in a timely fashion	VG	H
	Long-term and short-term issues and/or solutions are identified and developed	G	H
	DuvaSawko employs information-sharing	G	H
Information Integration	New information is quickly shared among organization	VG	H
	New information is quickly shared with the client	VG	VH
	Information is shared freely within teams	VG	H
	Information easily flows throughout the organization	VG	H
	Previous information and recommendations are reviewed for similar situations	VG	H
Organizational Sensitivity	DuvaSawko regularly identifies developing issues & problems based on trends	G	H
	DuvaSawko regularly anticipates future issues and develops methods to encourage positive situations and to avoid negative situations	G	VH

Please rate DuvaSawko characteristics using the following indicators: Worst (W) Very poor (VP) Poor (P) Fair (F) Good (G) Very good (VG) Excellent (E)
A weight (of importance) for each characteristic using the following indicators: Very low (VL) Low (L) Fair (F) High (H) Very high (VH)

INBOUND AND OUTBOUND DATA CAPABILITIES

The DuvaSawko application, has been set up to utilize Electronic Data Interchange (EDI). Any data transfers are handled depending on the client situation and engagement, which DuvaSawko will create an inbound data transmission as needed.

SECURITY AND HIPAA SECURITY

DuvaSawko has implemented a security methodology to achieve compliance with HIPAA security rules to determine what information can be used personally and how any owned equipment should be utilized for company information or client information.

The broad range of coding credentials held by DuvaSawko's coding staff is quite impressive. There are multiple coders that hold the CPC certification. And, although many only hold this one certification, it is a certification appropriate for the ED coder role.

Coding Resources:

1. ICD-10-CM coding manual.
2. AMA CPT coding manual.
3. SuperCoder
4. CPT Assistant
5. ED Coding Alert
6. BSA Healthcare Consultants

CODING QUALITY

CODING PRODUCTIVITY STANDARDS

Measuring coder productivity is an essential part of ensuring the quality and quantity of coding meets the expectations of the business. This also ensures there is accountability for performance, and that the organization is meeting its financial goals.

In my assessment of DuvaSawko's coding quality process and procedures, I have found the coding productivity standards set at DuvaSawko to be high and above industry suggested standards.

ED Coding Productivity Standards

	Accuracy Rate	Error Rate
Industry Standards	95.00%	5%
DuvaSawko Standards	97.00%	3%
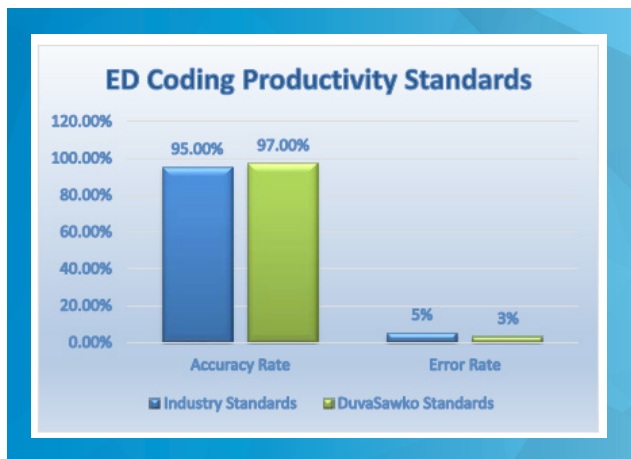
CODER PRODUCTIVITY EXPECTATIONS

An article in the AHIMA Journal published July 12, 2015, titled "Best Practices for Coding Productivity" states that for Emergency Department coding, the productivity expectations for coding professionals working with ED encounters is 120 encounters per eight-paid-per day, or 15 encounters per hour at 4 minutes per encounter. Recognizing that some EDs may service patients with complex conditions, the expectations may need to be adjusted. Each coder is expected to code 25 ED charts per hour or 188 ED charts per day. This exceeds the industry recommended standards of 15 per hour or 120 per day for ED professional fee coding.

CODING PERFORMANCE MEASURES

The overall assessment of the coding workflow processes and the quality of coding is that the coding staff are well equipped with the necessary tools to adequately and effectively do their jobs. In assessing the overall accuracy rate for the entire coding operations, a report produced showed the overall accuracy rate of 97%.

CODING EDUCATION & TRAINING

As previously stated and based on observations during the time spent onsite, DuvaSawko prides themselves on the high employee retention rate in the coding department. Their standard practice is to support and empower their staff to perform at their very best. They invest extensively in the education and training of their staff.

CONCLUSION

In the areas of Revenue Cycle Operations, IT Platform and Coding, Documentation and Compliance Assessment, Hayes has found DuvaSawko operates in a "best business standard."

Hayes concludes that DuvaSawko has built a very successful business, and a fully scalable, and viable solution for their clients. Coding and compliance practices align with best practices and some cases, exceed expectations.

To learn more about the DuvaSawko difference, please contact the team directly at 888-311-8760 or email us:

 businessdevelopment@duvasawko.com.

EXPERIENCE SMOOTH SAILING WITH DUVASAWKO

Call us today for a complimentary practice assessment!

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