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HFMA CHFP Certification Series
Article 1 - Revenue Cycle

The first module in the certification preparation materials is *Revenue Cycle Functions*. The module comprises 21%-25% of the certification examination. The functional focus of the module includes:

- Data collection
- Charge capture
- Documentation
- Billing
- AR; collections
- Payor payment audits

Note the cross-functional focus and breadth of coverage. The certification exam presents questions on each of these areas.

Within the revenue cycle area there are key areas to know for the exam:

- Data collection
- Charge capture
- A/R
- Collections

These areas comprise a little over ½ of this section's content. A brief description of each is provided to specify key notions to be familiar with for the exam.

<u>Data Collection</u>
Approximately 50 percent of the data elements on the UB-04 and /or CMS 1500 should be acquired in access. When any of this data is missing or inaccurate, delayed or nonpayment for services occurs. Since billing occurs after the patient leaves the hospital or physician office, it is imperative that the Access or Registration staff obtain the correct information at time of registration.

Needed information includes:

- Name and other identifiers such as sex, date of birth, race, social security number, and marital status
- Address, home telephone number, occupation, and employer of patient
- Type of accommodation requested or required
- Resident status for all foreign-born patients
- Name, address, and telephone number of next-of-kin or spouse
- Name, address, occupation, and telephone number of person responsible for the bill
- Name, address, group number, and certificate numbers of third-party payers
- Listing of benefits the patient is entitled to
- Name of primary care physician (PCP)
- Authorizations or pre-certifications
- Name of attending physician
- Admission diagnosis given by admitting physician
- Date of most recent previous admission or outpatient services for the patient
- Accident information
- Financial resources and disclosure of guarantor

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Key information should be verified by means of a picture ID or an insurance card. Information obtained during a previous visit should be reviewed and re-verified during admission/registration. A successful encounter has occurred if the information necessary to bill and collect the patient's account is completed in a friendly, courteous, and timely manner. Data moves to HIMs and medical record.

Charge Capture

Coding claims: HIM employs specially educated individuals whose responsibility it is to convert the physician's written diagnoses and procedures to codes. These codes are then entered into the claim system and drive the reimbursement that the organization will receive for the services provided.

HIM relies on others to generate the information it needs to code. Hastily coding without complete information could result in lost reimbursement. The PFS department is responsible for managing the master listing of charges.

Accounts Receivable (A/R)

PFS department is also responsible for collecting the charges for services rendered, assembling those charges in the proper format on the claim, submitting a timely claim to the payer, collecting balances due, and effectively managing the organization's accounts receivable

Collections

Typically, the majority of healthcare receivables is owed to a provider by third-party payers, such as the government (Medicare, Medicaid, CHAMPUS, and county-funded indigent programs), commercial payers (liability insurance, motor vehicle insurance and workers' compensation), and MCOs. For this reason, providers generally focus their best collection resources on insurance follow-up

Collection techniques include the following:

- Sending claims electronically rather than by paper
- Adhering to payer requirements for "clean" claims
- Making follow-up telephone calls to payers
- Rebilling claims or sending tracers
- Following up on denied claims
- Meeting with payers that break prompt payment provisions of managed care contracts

Patient balances include co-payments, deductibles and non-covered charges. These are classified as "self-pay" balances. If the patient has no insurance, the entire claim may be classified as a "self-pay" balance. An effective collection strategy includes reasonable payment alternatives for self-pay balances, such as installment programs and outside financing methods including loans and credit cards

The revenue cycle operations are the context in which certification candidates are required to demonstrate financial skills. Experience in managing these operational areas is strong preparation for the certification examination. The next article in the series will look at the area of disbursements.