



**Advancing Healthcare
Crowe Healthcare Summit 2017**

RCA Optimization: Keys to Interpreting Net Revenue

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Bryan Rector, CNRA, CPA

Megan Beasley, RHIA, CPMA, CPC

Smart decisions. Lasting value.™

Agenda – Keys to Interpreting Net Revenue

Presenters:

- Bryan Rector, CNRA, CPA
- Megan Beasley, RHIA, CPMA, CPC

Objectives:

- Discuss the basic components of net revenue
- Analyzing and interpreting net revenue
- New tools at our disposal
- Introduce revenue integrity and why its critical to interpreting net revenue

Net Revenue Questions....

1. What's the problem?
 - Net Revenue...
 - It's too Low
 - It's too High
 - Doesn't "feel" right
 - Doesn't make sense
2. How do we go about solving the problem?
 - What are the variables?
 - What is my system for solving net revenue questions?
3. What do we do with the answers we uncover?
 - We should probably tell someone...
 - Ask for help?





Basic Components of Net Revenue

The Variables

Current Period Revenue

• Commercial Contract Changes	• Acuity (CMI)	• In / Out Shift
• Governmental Rate Changes	• LOS / Avoidable Days	• Medical Manpower
• Pricing Changes	• OP Service Mix	• Other Operational Issues

Change in Prior Period Estimates

• AR Aging	• Normal Write-Offs	• Large Balance Accounts
• Actual vs. Estimate	• Rev Cycle Operations	• Policy Triggers
• Change in Prorations	• Change in MRA Settings	• Payor Delays

Non RCA / Other

• Revenue Accruals	• Professional Revenue	• Capitation Revenue
• PY Cost Report Settlements	• CY Cost Report Accruals	• Other Third-Party
• Topside Adjustments / QOE	• Lab / Retail Pharmacy	• Homecare / Hospice

Current Period Net Revenue

VA10 – Analytical Comparison

- Rate
- Mix
- Volume
- Change in Prior
- Compare to Prior Month
- Compare to Budget

In Out Type	Financial Class	Base Period						Comparison Period					Difference					
		Gross Revenue	Mix %	Gross Revenue with Pricing	Current Month Net Revenue %	Change in Prior Estimates	Realization %- VA1	Gross Revenue	Mix %	Current Month Net Revenue %	Change in Prior Estimates	Realization %- VA1	Change in Payor Mix (%)	Change in Payor Mix (\$)	Change in Current Month Net Revenue	Change in Net Rev Due to Change in	Change in Prior Estimates	Total Variance
Inpatient	Payor A	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	0.00%	\$0.0	0.00%	0.00%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Payor B	\$22,854.2	15.27%	\$22,854.2	49.12%	(\$680.9)	46.14%	\$26,175.3	16.18%	50.61%	\$3,422.3	63.68%	-0.91%	(\$689.2)	(\$340.5)	(\$994.1)	(\$4,103.1)	(\$6,126.9)
	Payor C	\$8,625.8	5.76%	\$8,625.8	49.75%	(\$410.7)	44.99%	\$10,018.0	6.19%	50.10%	(\$416.7)	45.94%	-0.43%	(\$322.4)	(\$30.2)	(\$376.5)	\$6.0	(\$723.0)
	Payor D	\$23,921.4	15.99%	\$23,921.4	36.99%	\$825.3	40.44%	\$25,650.5	15.85%	37.43%	\$4,568.8	55.25%	0.14%	\$78.4	(\$105.3)	(\$720.2)	(\$3,743.5)	(\$4,490.6)
	Payor E	\$175.6	0.12%	\$175.6	2.97%	\$0.2	3.06%	\$105.2	0.07%	3.43%	(\$5.0)	-1.30%	0.05%	\$2.6	(\$0.8)	(\$0.3)	\$5.2	\$6.6
	Payor F	\$0.0	0.00%	\$0.0	0.00%	(\$0.0)	0.00%	\$137.3	0.08%	28.03%	\$3.3	30.41%	-0.08%	(\$33.6)	\$0.0	(\$2.7)	(\$3.3)	(\$39.5)
	Payor G	\$1,293.4	0.86%	\$1,293.4	4.84%	(\$574.8)	-39.61%	\$2,275.0	1.41%	7.22%	\$794.1	42.12%	-0.55%	(\$59.4)	(\$30.8)	(\$12.4)	(\$1,368.9)	(\$1,471.5)
	Payor H	\$16,485.2	11.02%	\$16,485.2	22.63%	\$137.0	23.46%	\$18,267.2	11.29%	23.01%	\$2,094.2	34.47%	-0.27%	(\$93.0)	(\$62.6)	(\$315.4)	(\$1,957.2)	(\$2,428.2)
	Payor I	\$39,950.0	26.70%	\$39,950.0	24.39%	\$331.3	25.22%	\$39,586.6	24.47%	24.72%	\$2,744.2	31.66%	2.23%	\$824.9	(\$131.8)	(\$734.3)	(\$2,412.9)	(\$2,454.1)
	Payor J	\$125.9	0.08%	\$125.9	30.77%	\$206.2	194.53%	\$388.0	0.24%	7.99%	\$708.5	190.59%	-0.16%	(\$19.1)	\$28.7	(\$2.3)	(\$502.3)	(\$495.1)
	Payor K	\$0.0	0.00%	\$0.0	0.00%	(\$10.0)	0.00%	\$0.0	0.00%	0.00%	(\$2.0)	0.00%	0.00%	\$0.0	\$0.0	\$0.0	(\$7.9)	(\$7.9)
	Payor L	\$918.1	0.61%	\$918.1	89.57%	(\$542.4)	30.50%	\$835.7	0.52%	55.56%	(\$43.8)	50.32%	0.09%	\$74.8	\$312.3	(\$35.1)	(\$498.6)	(\$146.6)
	Payor M	\$14,896.6	9.95%	\$14,896.6	4.60%	\$50.6	4.94%	\$15,912.2	9.84%	4.71%	\$2,184.5	18.43%	0.11%	\$7.8	(\$16.4)	(\$56.3)	(\$2,133.9)	(\$2,198.8)
	Payor N	\$3,871.9	2.59%	\$3,871.9	14.98%	\$1,246.0	47.16%	\$5,686.3	3.51%	16.73%	\$1,236.6	38.48%	-0.92%	(\$230.3)	(\$67.8)	(\$71.3)	\$9.3	(\$360.0)
	Payor O	\$12,961.0	8.66%	\$12,961.0	22.68%	(\$7.3)	22.62%	\$13,137.4	8.12%	22.90%	\$621.8	27.64%	0.54%	\$185.0	(\$28.5)	(\$225.7)	(\$629.1)	(\$698.3)
	Payor P	\$0.0	0.00%	\$0.0	0.00%	(\$3.4)	0.00%	\$2.6	0.00%	77.29%	(\$30.9)	-1,099.22%	0.00%	\$0.0	\$0.0	\$0.0	\$27.6	\$27.6
Payor Q	\$1,957.8	1.31%	\$1,957.8	23.98%	(\$19.8)	22.96%	\$2,458.0	1.52%	23.99%	\$301.6	36.26%	-0.21%	(\$75.4)	(\$0.2)	(\$44.3)	(\$321.4)	(\$441.3)	
Payor R	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	0.00%	\$0.0	0.00%	0.00%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Payor S	\$1,605.7	1.07%	\$1,605.7	40.13%	\$159.5	50.06%	\$1,146.9	0.71%	41.89%	\$62.4	47.33%	0.36%	\$225.7	(\$28.3)	(\$36.1)	\$97.2	\$258.5	
N/A Total	\$149,642.5	100%	\$149,642.5	29.46%	\$706.9	29.94%	\$161,782.1	100%	29.88%	\$18,243.8	41.16%	-0.01%	(\$123.2)	(\$502.2)	(\$3,626.9)	(\$17,536.9)	(\$21,789.2)	
Inpatient Total		\$149,642.5	100%	\$149,642.5	29.46%	\$706.9	29.94%	\$161,782.1	100%	29.88%	\$18,243.8	41.16%	-0.01%	(\$123.2)	(\$502.2)	(\$3,626.9)	(\$17,536.9)	(\$21,789.2)
Outpatient	Payor A	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%	0.00%	\$0.0	0.00%	0.00%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Payor B	\$33,028.2	23.09%	\$33,028.2	33.11%	\$350.4	34.17%	\$31,560.9	23.52%	34.96%	\$1,141.6	38.58%	-0.43%	(\$215.1)	(\$611.0)	\$727.2	(\$791.2)	(\$890.1)
	Payor C	\$7,159.1	5.00%	\$7,159.1	32.44%	\$14.3	32.64%	\$7,092.4	5.28%	36.48%	\$325.7	41.07%	-0.28%	(\$146.1)	(\$289.2)	\$170.4	(\$311.3)	(\$576.3)
	Payor D	\$23,922.8	16.72%	\$23,922.8	38.25%	(\$780.3)	34.99%	\$23,387.3	17.43%	41.77%	\$390.1	43.43%	-0.71%	(\$424.3)	(\$842.1)	\$643.9	(\$1,170.4)	(\$1,792.8)
	Payor E	\$21.4	0.01%	\$21.4	91.41%	(\$0.4)	89.72%	\$15.1	0.01%	100.01%	\$0.4	102.33%	0.00%	\$0.0	(\$1.8)	\$0.9	(\$0.7)	(\$1.7)
	Payor F	\$16.9	0.01%	\$16.9	51.64%	(\$38.5)	-176.77%	\$17.9	0.01%	50.61%	\$103.2	628.30%	0.00%	\$0.0	\$0.2	\$0.4	(\$141.7)	(\$141.1)
	Payor G	\$579.2	0.40%	\$579.2	14.99%	(\$38.7)	8.31%	\$514.8	0.38%	17.66%	(\$87.8)	0.61%	0.02%	\$0.1	(\$15.5)	\$5.9	\$49.1	\$44.6
	Payor H	\$12,697.6	8.88%	\$12,697.6	17.05%	(\$47.0)	16.68%	\$13,701.4	10.21%	17.74%	\$1,185.7	26.39%	-1.33%	(\$337.5)	(\$87.6)	\$160.2	(\$1,232.6)	(\$1,497.6)
	Payor I	\$232.6	0.16%	\$232.6	18.21%	\$37.0	34.14%	\$119.9	0.09%	25.25%	\$76.5	89.06%	0.07%	\$25.3	(\$16.4)	\$2.0	(\$39.5)	(\$28.6)
	Payor J	\$32,124.8	22.46%	\$32,124.8	18.81%	\$703.2	21.00%	\$30,916.5	23.04%	20.07%	\$1,996.6	26.53%	-0.58%	(\$166.5)	(\$404.8)	\$409.0	(\$1,293.3)	(\$1,455.7)
	Payor K	\$17.5	0.01%	\$17.5	100.00%	\$6.6	137.85%	\$18.6	0.01%	100.00%	(\$3.0)	83.86%	0.00%	\$0.0	\$0.0	\$0.9	\$9.6	\$10.5
	Payor L	\$44.5	0.03%	\$44.5	14.64%	\$45.3	116.43%	\$67.3	0.05%	7.65%	\$48.1	79.04%	-0.02%	(\$2.2)	\$3.1	\$0.3	(\$2.7)	(\$1.5)
	Payor M	\$8,637.6	6.04%	\$8,637.6	6.29%	\$146.6	7.99%	\$8,506.9	6.34%	7.62%	\$789.3	16.90%	-0.30%	(\$32.7)	(\$114.9)	\$42.7	(\$642.7)	(\$747.5)
	Payor N	\$3,575.0	2.50%	\$3,575.0	11.17%	\$891.9	36.12%	\$2,814.1	2.10%	12.51%	\$672.8	36.42%	0.40%	\$71.6	(\$47.9)	\$23.2	\$219.1	\$266.0
	Payor O	\$9,486.9	6.63%	\$9,486.9	19.36%	(\$372.1)	15.44%	\$8,631.6	6.43%	21.87%	\$128.0	23.35%	0.20%	\$62.6	(\$238.1)	\$124.4	(\$500.1)	(\$551.3)
	Payor P	\$120.2	0.08%	\$120.2	11.84%	\$4.1	15.24%	\$101.2	0.08%	10.08%	\$9.5	19.44%	0.00%	\$0.0	\$2.1	\$0.7	(\$5.4)	(\$2.6)
Payor Q	\$3,194.0	2.23%	\$3,194.0	19.42%	\$61.8	21.35%	\$3,368.6	2.51%	19.32%	\$168.2	24.31%	-0.28%	(\$77.4)	\$3.2	\$42.9	(\$106.5)	(\$137.8)	
Payor R	\$6,767.3	4.73%	\$6,767.3	20.10%	(\$695.0)	9.83%	\$2,047.5	1.53%	39.17%	(\$3,830.6)	-147.92%	3.20%	\$1,793.1	(\$1,290.5)	\$53.0	\$3,135.6	\$3,691.2	
Payor S	\$1,431.2	1.00%	\$1,431.2	27.12%	(\$29.9)	25.03%	\$1,330.6	0.99%	30.00%	\$117.6	38.84%	0.01%	\$4.3	(\$41.2)	\$26.3	(\$147.5)	(\$158.2)	
N/A Total	\$143,056.7	100%	\$143,056.7	25.14%	\$259.3	25.32%	\$134,212.6	100%	27.53%	\$3,231.8	29.93%	-0.03%	\$560.1	(\$3,992.5)	\$2,434.3	(\$2,972.4)	(\$3,970.4)	
Outpatient Total		\$143,056.7	100%	\$143,056.7	25.14%	\$259.3	25.32%	\$134,212.6	100%	27.53%	\$3,231.8	29.93%	-0.03%	\$560.1	(\$3,992.5)	\$2,434.3	(\$2,972.4)	(\$3,970.4)
		\$292,699.3		\$292,699.3	27.35%	\$966.3	27.68%	\$295,994.7		28.81%	\$21,475.6	36.07%	-0.04%	\$437.0	(\$4,494.7)	(\$1,192.5)	(\$20,509.3)	(\$25,759.6)

Current Period Net Revenue

Sample Ad-Hoc Reporting based on VA10

Comparisons:

- Budget
- Prior Month
- Prior Month Fiscal Year to Date
- Trend (3,6,12 months)

Volume Statistics

- Discharges
- Adjusted Discharges
- OP Cases
- OP Equivalent Discharges

Gross/Net Revenue vs. Prior Month Fiscal Year To Date (PM FYTD) "Trend"						
Payor	Δ in Gross Revenue vs. Trend	Volume	Rate	Mix	Δ in Prior	Total
		Net Impact of Δ in Gross Revenue	Net Impact of Δ in rates vs. Trend	Net Impact of Δ in payor mix vs. Trend	Δ in Prior vs. TTM Avg. Δ in Prior	Total Impact vs. Trend
Aetna	(55,025)	4,491	(8,863)	(26,162)	(23,500)	(54,034)
Commercial	(12,141)	6,245	(13,605)	(14,910)	(50,035)	(72,304)
HMO	392,338	122,448	(45,960)	5,579	120,003	202,069
Managed Medicaid	836,870	82,127	(44,190)	13,825	(68,245)	(16,482)
Managed Medicare	2,489,476	166,447	(74,965)	277,629	(71,367)	297,745
Medicaid	197,295	5,617	5,323	18,107	62,301	91,349
Medicaid Pending	(93,966)	3,084	(901)	(12,661)	41,948	31,470
Medicare	2,713,305	626,254	151,235	(112,916)	(113,065)	551,507
PPO	1,397,754	674,923	(157,385)	(228,938)	516,116	804,716
Self Pay	(188,866)	7,286	34,050	(23,654)	35,670	53,351
Workers Comp	99,813	15,579	(36,961)	32,945	50,584	62,147
Total	7,919,841	1,748,411	(213,671)	(1,827)	525,616	2,058,530

Change in Prior Period Estimates

Analyze by

- Theme
- Payor
- Facility
- In / Out
- Transaction based
- Adjustment type
- Trended comparisons

Change in Prior Theme (Total)	May-17	Jun-17	Jul-17	Aug-17	Aug vs. Jul	T6M Avg	Aug vs. T6M
Large Balance Account Activity	7,044	704,150	8,164	98,595	90,431	150,266	(51,671)
Impact on Time of Billing Accounts	2,215,799	1,803,708	483,856	1,652,951	1,169,095	1,670,705	(17,754)
Impact on Always Use Trending	(83,953)	(373,780)	(415,822)	108,812	524,634	(7,714)	116,526
Full Write-Off No Pymt in Current Mth	(1,893,370)	(1,481,173)	(2,574,034)	(2,193,194)	380,840	(1,895,115)	(298,079)
Other	(8,916)	25,137	27,980	33,757	5,778	18,473	15,285
Impact on Time of Payment Accounts	(1,373)	16,125	23,518	1,041	(22,477)	12,975	(11,934)
Secondary Account Balance Adj	987,427	19,241	687,353	1,114,472	427,119	589,654	524,818
Debit Balance to Credit Balance	150,419	282,115	160,769	155,319	(5,450)	157,257	(1,938)
Impact on Inactive Accounts	377,994	(172,850)	(85,666)	(281,593)	(195,926)	33,206	(314,799)
Unbilled to Billed (Time of Billing)	566,872	1,054,210	1,204,666	380,677	(823,988)	1,094,990	(714,313)
Total Change in Prior	2,317,750	1,879,690	(479,217)	1,080,741	1,559,957	1,825,210	(744,469)

Non RCA Net Revenue

Net Revenue Outside of RCA

Gross Revenue

- RCA Gross Revenue Variances
- Professional / Ancillary Revenue
- Other facilities

Deductions

- Cost Report Settlements / Accruals
- Professional / Ancillary
- Professional Judgment

	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Gross Revenue Reconciling Items					
Per RCA	454,784,892	508,227,621	474,820,516	449,728,316	456,474,241
Professional Revenue	450,000	475,000	460,000	430,000	425,000
Revenue Accrual	1,500,000	1,500,000	1,750,000	1,750,000	1,750,000
Homecare / Hospice	225,000	225,000	225,000	225,000	225,000
Total Gross Revenue RCA + Reconciling	456,959,892	510,427,621	477,255,516	452,133,316	458,874,241
Gross Revenue per G/L	459,418,826	512,212,379	475,755,058	455,108,698	459,848,528
Unexplained Variance	(2,458,934)	(1,784,758)	1,500,458	(2,975,382)	(974,287)
Revenue Deduction Reconciling Items					
Per RCA	(318,349,424)	(360,841,611)	(339,496,669)	(318,407,648)	(329,574,402)
Physician Practice Deductions	(337,500)	(356,250)	(345,000)	(322,500)	(318,750)
PY Cost Report Settlements	0	0	(165,000)	0	0
CY Cost Report Accrual	(430,000)	(417,000)	(538,075)	(444,968)	(365,839)
Payor Settlements	2,435,678	678,543	0	0	546,789
Managed Care Bonus	1,000,000	1,000,000	1,250,000	1,250,000	1,250,000
Topside Adjustment	0	0	1,000,000	0	0
Revenue Accrual Deductions	(1,200,000)	(1,200,000)	(1,400,000)	(1,400,000)	(1,400,000)
Total Deductions RCA + Reconciling	(316,881,246)	(361,136,318)	(339,694,744)	(319,325,116)	(329,862,202)
Total Deductions per G/L	(318,375,948)	(362,006,948)	(340,746,229)	(320,007,874)	(329,093,475)
Unexplained Variance	1,494,702	870,630	1,051,485	682,758	(768,727)
Total RCA Net Revenue	136,435,468	147,386,010	135,323,847	131,320,668	126,899,839
Total Reconciling Net Revenue	3,643,178	1,905,293	2,236,925	1,487,532	2,112,200
Total Net Revenue Per GL	141,042,878	150,205,431	135,008,829	135,100,824	130,755,053
Total Unexplained Variance	(964,232)	(914,128)	2,551,943	(2,292,624)	(1,743,014)

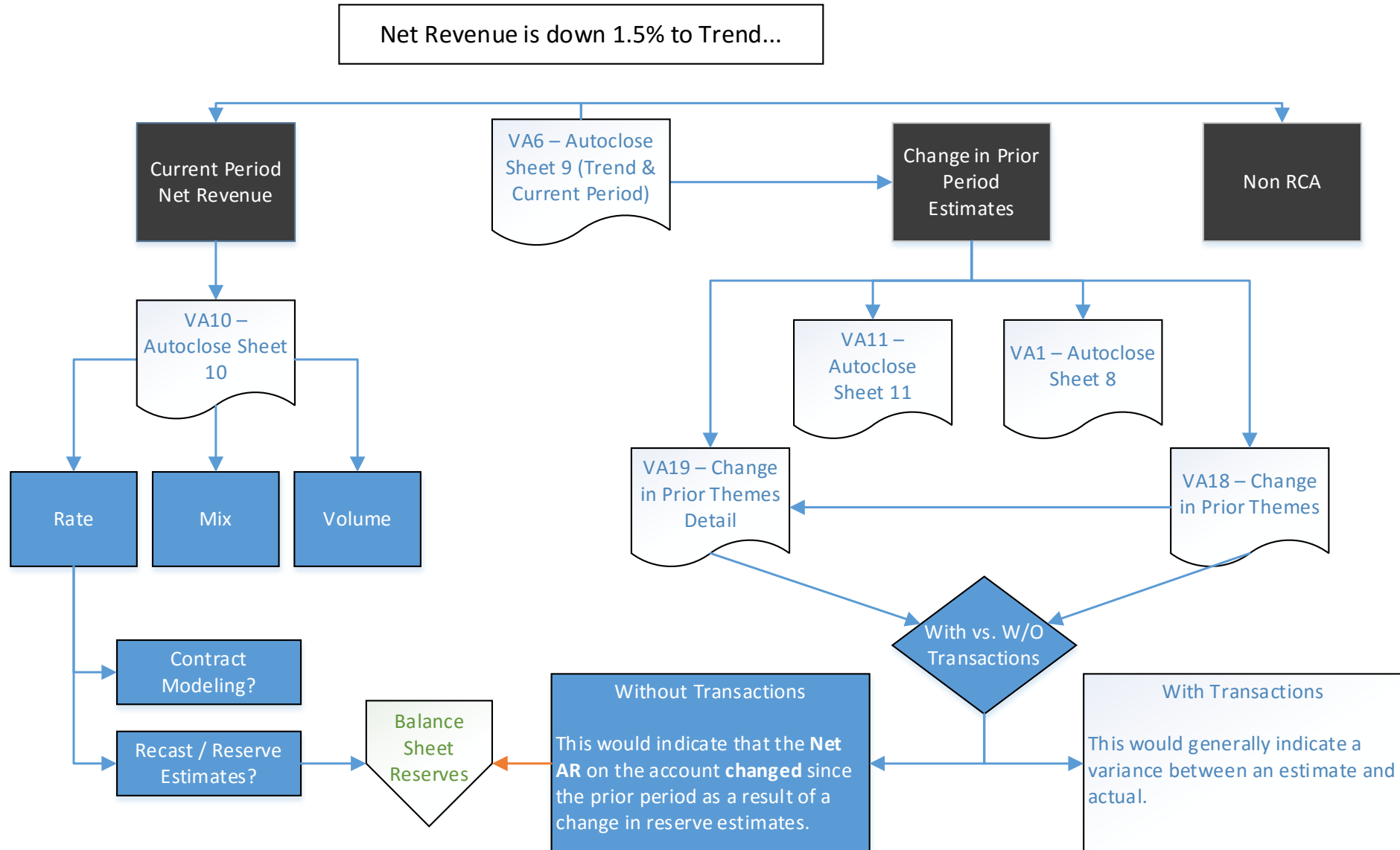


Basics: Analyzing and Interpreting Net Revenue

Analyzing and Interpreting Net Revenue

Basic	Intermediate	Advanced
<ul style="list-style-type: none"> Utilizing Automated Close Package 	<ul style="list-style-type: none"> Trended [Rate / Mix / Volume / Change in Prior] 	<ul style="list-style-type: none"> Standard / Automated Net Revenue Package
<ul style="list-style-type: none"> Basic comprehension of VA10 	<ul style="list-style-type: none"> Ability to turn analytics into action 	<ul style="list-style-type: none"> Ability to analyze and project net revenue
<ul style="list-style-type: none"> Basic comprehension of VA18 	<ul style="list-style-type: none"> Collaboration between roles (RCO / Finance) 	<ul style="list-style-type: none"> Ability to drill into budget to actual variances
<ul style="list-style-type: none"> General ability to explain MRA reporting 	<ul style="list-style-type: none"> Net revenue reconciliations from RCA to G/L 	<ul style="list-style-type: none"> Ability to provide service line analytics
<ul style="list-style-type: none"> Understanding of B/S and I/S 	<ul style="list-style-type: none"> Per unit analysis (NR / discharge or OP case) 	<ul style="list-style-type: none"> Use of 835 / 837 data to analyze denials
<ul style="list-style-type: none"> Holes within staffing may exist 	<ul style="list-style-type: none"> Limited “topside” out of model adjustments 	<ul style="list-style-type: none"> Net revenue is “final” with 3-4 days

Analyzing and Interpreting Net Revenue





New Tools at Our Disposal

RCA Charge Level Detail

Introduction of a separate charge level detail file with 20 charge related fields.

Immediate Benefits

No longer calculating gross revenue in RCA

- Example: “Voids” will no longer be calculated

Simple reconciliation – gross revenue included on AR70 and reconciled daily with ATB and ART files

Physician / Provider Net Revenue & Productivity

Ad-Hoc / Reporting Benefits

- Chargemaster (CDM) Codes and Descriptions
- CPT Codes
- Days / Units
- Revenue Code
- NPI / Provider Codes
- Service Date and Post Date (automate calculation of revenue accruals)

RCA Charge Level Detail

Possible Analytics

What is the realization of outpatient MRI's? (What is the net revenue impact of Anthem's decision?)

What is the net revenue generated from surgical services?

By payor and by facility?

What is the contribution margin of hip replacements?

What is the net revenue distribution by attending physician?

What is the average revenue lag between service date and post date?

Procedure / Department / Attending Physician?

What is the majority of uncompensated care attributed to?

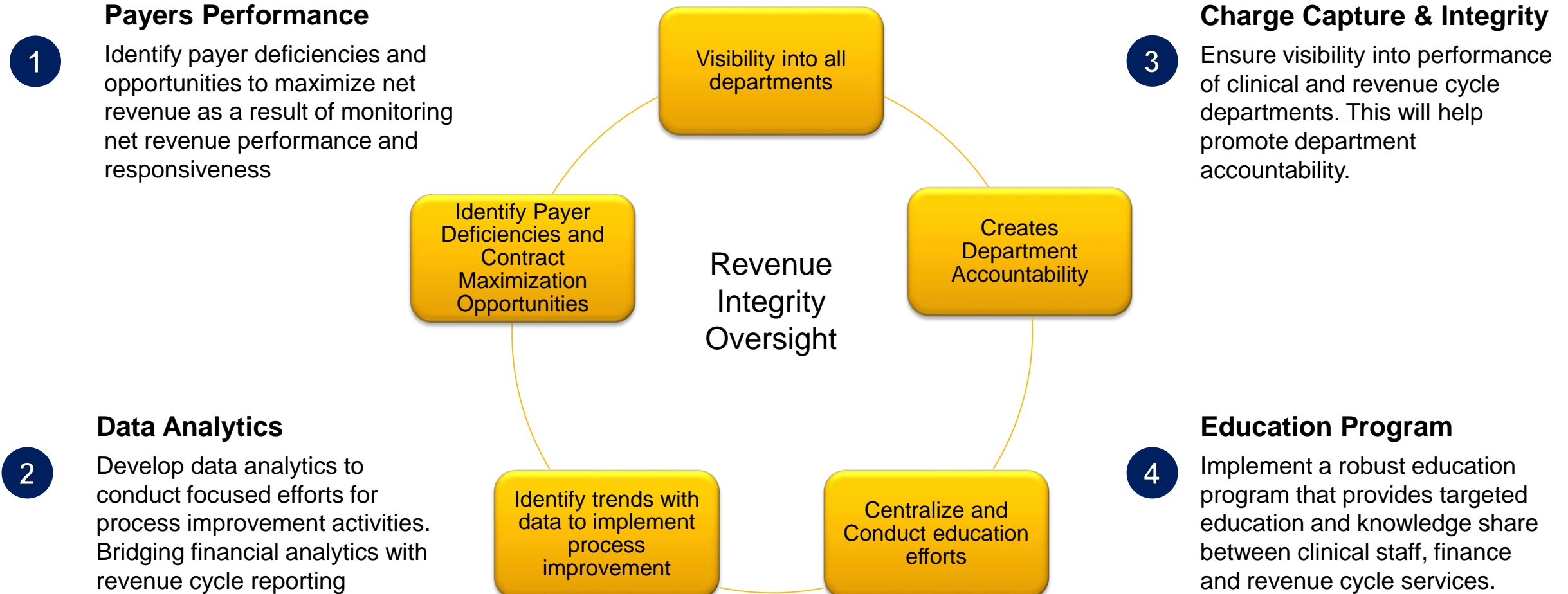
Procedure

Attending Physician



Revenue Integrity

What is Revenue Integrity?





Payer Performance

Net Revenue Implications

Managed Care Provisions

Stop Loss Inpatients,

whichever is the lesser,

threshold
Implant Threshold

Per Diem Payment rate

Outlier payment

Revenue Codes

not to exceed

Case Rate Payment

Perioperative Restructure

Case Study – Revenue Code and Not To Exceed Provisions

Opportunity Identification

- Monitoring net revenue identified low surgical payments for payer A
- Review of Payer A contract revealed specific revenue code and not to exceed provisions
 - Percentage of charge paid up to ‘not to exceed’ case rate
 - Base Rate: \$5,559
 - Complex Case Rate: \$9,112

	Historical				Crowe Proposed Model (Year 1)				Net Opportunity
	Base Rate	Complex Case Rate	Overall	Net Reimbursement	Base Rate	Complex Case Rate	Overall	Net Reimbursement	Net Opportunity
Hospital Group 1	7%	8%	8%	\$11,318,271	10%	9%	10%	\$12,418,604	\$1,100,333
Hospital Group 2	6%	3%	5%	\$5,111,520	7%	3%	7%	\$5,445,709	\$334,189
Overall	7%	6%	7%	\$16,429,791	9%	7%	9%	\$17,864,313	\$1,434,522

- Currently only 8% of Hospital Group 1 accounts and 5% of Hospital Group 2 accounts hit the low end case rates with Payer A. Crowe would typically expect to see around 50% of OR accounts hit the case rate payment
 - Additional procedural analysis was provided on Cost vs. Payment to be utilized in contract negotiations for Payer A in the near future

Perioperative Restructure

Case Study – Revenue Code and Not To Exceed Provisions

Acuity and time based structure applied to all OR procedure within the clinical dictionary

Benefits of Work Steps Completed

- Systematic and standard approach for every OR procedure
 - All procedures are assigned an independent point value based on Crowe's five (5) scoring categories
 - Each procedure assigned a total point value
 - Final scoring consensus reached for any procedure variable within the Health System
- Appropriate resources identified per procedure
- Defensible policy for determining appropriate OR Level
- Additional net revenue according to payer contracts
 - Financial modeling is completed on one-year sample of OR procedure volume from every hospital

Surgical Pricing Level Form		
Equipment: (defined by total pieces of equipment)		
<input type="checkbox"/>	Little or no equipment (Minimal)	1
<input type="checkbox"/>	1-2 pieces of equipment (Basic)	2
<input type="checkbox"/>	3-4 pieces of equipment (Complex)	3
<input type="checkbox"/>	5-6 pieces of equipment (Specialty)	4
<input type="checkbox"/>	7+ pieces of equipment (Advanced Specialty)	5
Instruments: (defined by number of trays)		
<input type="checkbox"/>	No trays (None)	1
<input type="checkbox"/>	1 tray (Minimal)	2
<input type="checkbox"/>	2 trays (Standard)	3
<input type="checkbox"/>	3 trays (High)	4
<input type="checkbox"/>	4 trays (Very High)	5
<input type="checkbox"/>	5 trays (Extensive)	6
<input type="checkbox"/>	6 trays (Complex)	7
<input type="checkbox"/>	Robotics (Robotics)	8
Specialty Training:		
<input type="checkbox"/>	Minimal	1
<input type="checkbox"/>	Average	2
<input type="checkbox"/>	Moderate	3
<input type="checkbox"/>	High	4
<input type="checkbox"/>	Extensive	5
Set-Up Time:		
<input type="checkbox"/>	Up to 10 minutes	1
<input type="checkbox"/>	Up to 15 minutes	2
<input type="checkbox"/>	Up to 20 minutes	3
<input type="checkbox"/>	> 20 minutes	4
Staffing Requirements: (defined by number of staff in room)		
<input type="checkbox"/>	1 Staff	1
<input type="checkbox"/>	2 Staff Members	2
<input type="checkbox"/>	3 Staff Members	3
<input type="checkbox"/>	4 Staff Members	4
<input type="checkbox"/>	>4 Staff Members	5



Charge Capture and Charge Integrity

Charge Integrity

Department Visibility and Accountability

Please Choose Your Department For Analysis Below

Department Name	Cost Center	YTD Revenue	Expected Revenue	January	Variance
Emergency Room	1720	\$ 110,794,436	\$ 8,159,814	\$ 9,443,106	\$ 1,283,292

[To Departmental Table Navigator](#)

DEPARTMENT HEAT MAPS

OP Charges

2016

Department Name	Cost Center	January	February	March	April	May	June	July	August	September	October	November	December	Ja
Emergency Room	1720	\$ 5,550,626	\$ 5,410,295	\$ 6,035,312	\$ 5,514,199	\$ 5,510,447	\$ 5,239,105	\$ 5,455,806	\$ 5,438,112	\$ 5,333,762	\$ 5,375,421	\$ 4,967,368	\$ 5,109,926	\$ 6.2

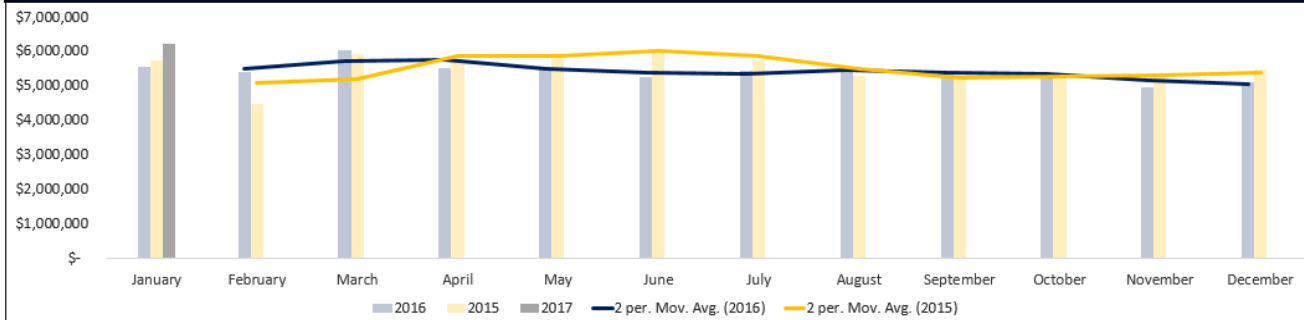
IP Charges

2016

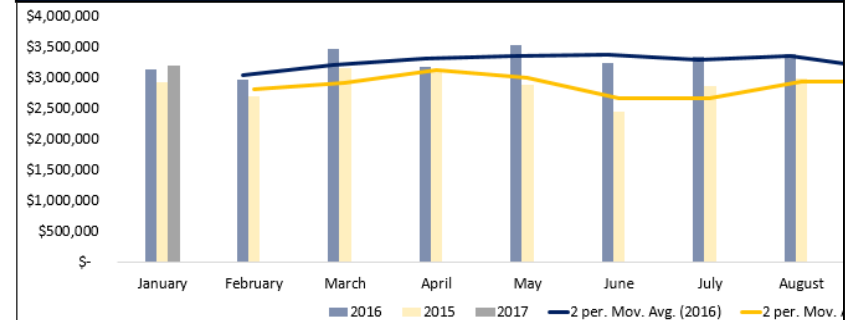
Department Name	Cost Center	January	February	March	April	May	June	July	August	September	October	November	December	Ja
Emergency Room	1720	\$ 3,133,937	\$ 2,962,186	\$ 3,465,842	\$ 3,169,880	\$ 3,533,873	\$ 3,237,693	\$ 3,338,393	\$ 3,376,861	\$ 2,927,998	\$ 3,200,430	\$ 3,386,125	\$ 3,700,919	\$ 3.2

DEPARTMENT CHARTS

Emergency Room OP Charges Trending



Emergency Room IP Charges Trending



Charge Integrity

Department Visibility and Accountability

CDM HEAT MAPS		Emergency Room 2016 OP Charges											
		February	March	April	May	June	July	August	September	October	November	December	January
EMERG DEPT-EXTENDED-LEVEL 4	6899284	\$ 1,756,603	\$ 1,706,445	\$ 1,973,715	\$ 1,721,751	\$ 1,745,144	\$ 1,676,613	\$ 1,794,050	\$ 1,835,066	\$ 1,774,558	\$ 1,775,626	\$ 1,613,905	\$ 1,896,635
EMERG DEPT-COMP-LEVEL 5	6899285	\$ 1,321,296	\$ 1,323,673	\$ 1,524,565	\$ 1,396,166	\$ 1,428,438	\$ 1,276,355	\$ 1,392,740	\$ 1,298,123	\$ 1,257,687	\$ 1,315,084	\$ 1,166,525	\$ 1,686,482
EMERG DEPT-INTERM-LEVEL 3	6899283	\$ 920,813	\$ 814,470	\$ 883,488	\$ 854,578	\$ 818,779	\$ 827,320	\$ 782,399	\$ 789,870	\$ 820,903	\$ 836,396	\$ 785,057	\$ 895,011
INJECTION, IV INITIAL	6896374	\$ 397,089	\$ 397,517	\$ 428,973	\$ 379,831	\$ 364,810	\$ 347,540	\$ 366,741	\$ 387,477	\$ 389,770	\$ 366,730	\$ 335,625	\$ 424,715
INJECTION, IV EA ADDITIONAL	6896375	\$ 237,875	\$ 237,023	\$ 247,874	\$ 225,093	\$ 223,300	\$ 201,819	\$ 221,119	\$ 220,230	\$ 215,925	\$ 225,761	\$ 205,205	\$ 248,105
IV HYDRATION EA ADDITIONAL HR	6896361	\$ 182,508	\$ 196,379	\$ 228,886	\$ 192,923	\$ 187,133	\$ 181,292	\$ 180,337	\$ 179,497	\$ 167,980	\$ 156,826	\$ 149,156	\$ 233,325
IV THERAPY, INITIAL (0-1 HOUR)	6896365	\$ 174,833	\$ 165,051	\$ 173,893	\$ 174,595	\$ 163,006	\$ 163,608	\$ 181,332	\$ 166,355	\$ 156,791	\$ 155,447	\$ 171,107	\$ 195,648
EMERG DEPT-LIMITED-LEVEL 2	6899282	\$ 81,470	\$ 75,503	\$ 89,262	\$ 81,211	\$ 75,503	\$ 82,509	\$ 88,476	\$ 84,584	\$ 81,730	\$ 75,503	\$ 74,336	\$ 107,136
IV HYDRATION, INITIAL 31-60MIN	6896360	\$ 69,484	\$ 53,213	\$ 57,697	\$ 76,221	\$ 69,619	\$ 54,062	\$ 90,494	\$ 77,141	\$ 67,718	\$ 71,987	\$ 62,252	\$ 91,734
ED - CRITICAL CARE 1ST HOUR	6899291	\$ 42,018	\$ 65,162	\$ 39,976	\$ 52,600	\$ 67,327	\$ 67,327	\$ 61,015	\$ 48,392	\$ 37,872	\$ 39,976	\$ 54,703	\$ 91,734
INJECTION ADD SAME DRUG ADDON	6896376	\$ 54,659	\$ 48,344	\$ 53,811	\$ 43,049	\$ 50,533	\$ 41,589	\$ 50,163	\$ 51,440	\$ 42,684	\$ 45,795	\$ 40,677	\$ 50,710
ABDOMEN LIMITED ULTRASOUND	6876705	\$ 26,158	\$ 30,915	\$ 37,256	\$ 22,195	\$ 18,232	\$ 21,402	\$ 23,780	\$ 20,610	\$ 24,573	\$ 34,878	\$ 34,878	\$ 26,951
EMERG DEPT-BRIEF-LEVEL 1	6899281	\$ 16,458	\$ 16,147	\$ 25,452	\$ 20,023	\$ 24,525	\$ 24,370	\$ 23,438	\$ 23,129	\$ 16,453	\$ 19,403	\$ 13,815	\$ 21,467
INJECTION, IV ADDITIONAL	6896373	\$ 34,333	\$ 30,438	\$ 30,673	\$ 30,930	\$ 30,674	\$ 30,433	\$ 33,334	\$ 33,334	\$ 33,334	\$ 30,438	\$ 30,438	\$ 30,438

Please select these departments if you would like to see their full CDM heat map

Chemistry
Common Laboratory Services
Diagnostic Centers
Emergency Room

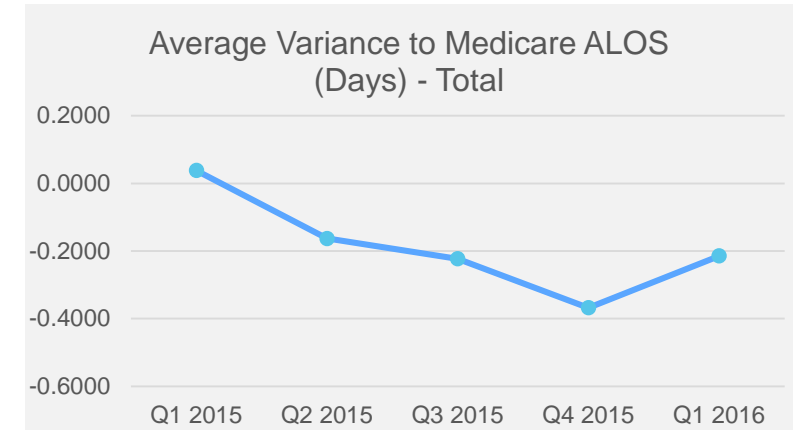
Heart Catheterization Lab
Infusion Center
Operating Room
Pharmacy

Radiology
Special Procedures

Length of Stay Monitoring

Utilization Management & Clinical Documentation Improvement

	General Statistics - Inpatient				
	Total				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Length of Stay (Days)	4.87	4.67	4.43	4.26	4.61
Average Variance to Medicare ALOS (Days)	0.0382	-0.1630	-0.2232	-0.3680	-0.2143
Total Count of Patients	4,469	4,471	4,895	5,046	4,730
ALOS > Medicare ALOS	1,562	1,524	1,586	1,533	1,571
ALOS <= Medicare ALOS	2,907	2,947	3,309	3,513	3,159
% of Patients > Medicare ALOS	34.95%	34.09%	32.40%	30.38%	33.21%
% of Patients <= Medicare ALOS	65.05%	65.91%	67.60%	69.62%	66.79%



DRG Breakdown - 10 Highest ALOS to MC ALOS Variance (Days)		
DRG	Average Variance	Count
289	4.32	45
61	3.97	94
790	3.54	78
553	3.01	59
722	2.77	37
729	2.54	85
562	2.53	53
963	2.17	29
86	1.98	31
542	1.05	85



Q & A

Thank you

Bryan Rector, CNRA, CPA

Phone +1 317 706 2628

Bryan.Rector@crowehorwath.com

Megan Beasley, RHIA, CPMA, CPC

Phone +1 703 975 1636

Megan.Beasley@crowehorwath.com

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