



5 Things You Can Do Right Now

to Stabilize Collections
During Challenging
Times

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Collect Rx, LLC



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The events of early 2020 have brought profound shock to the world, and no community has been more effected than healthcare. Providers have been tested like never before, and the response by those on the frontlines has been nothing short of heroic.

The impact to healthcare is wide-ranging and systemic in nature, changing the way care is delivered, the types of care that can be delivered and how it will be paid for. Like all businesses, it's clear that healthcare providers will be financially impacted. It may be through decreased patient volume, potential delays in payments, unexpected denials or unplanned changes in reimbursement terms.

Additionally, the uncertainties in regulatory and legislative measures, as well as what look to be increasingly aggressive payor tactics as changes to reimbursement frameworks are opened up to short term modifications, all leave an increasing uncertainty in collections and ultimately, the financial stability of healthcare providers and institutions.

“Right now, we understand that your job is going to be to take care of patients, and our job is going to be to leverage our expertise to ensure that you receive appropriate and timely reimbursement for that care. Please know that we at Collect Rx are dedicated to supporting you, the healthcare community, in whatever way we can.”

Ike Brenner, President, Collect Rx

What is unknown at this point is how insurance payors will respond to this emergency. Legislation to help offset the impact to patients of in- and out-of-network charges is evolving at the state and local level, as well as Federally in conjunction with relief measures, and how they will practically articulate to the providers will remain unclear for some time.

What can likely be assumed is that there will be some disruption to the cashflow of most providers. Decreases in patient volume related to cancellations of elective surgeries and

travel restrictions, lack of clarity in how to bill, delays in reimbursements due to staffing shortages on both the payor and provider sides, increased denials or reduced reimbursement rates, the risk of impact to financial operations through 2020 is guaranteed for almost all healthcare providers.

There are steps that you can take now to help alleviate the impact to your cash flow that will offset the financial and operational disruption and stabilize your revenue. From finding lost money in appeals and denials, pivoting your practice to alternative lines of care, understanding the payors or leveraging federal, state and local grants and relief programs, we've compiled some shortcuts to programs that you can work with to



get you through the upcoming weeks and months. We hope they are helpful and they assist in making some of these financial and administrative tasks a little easier and let you focus on what you got into healthcare for, helping patients.

In this brief, we'll outline five key things you need to be doing now to insulate yourself from potential fluctuations in payor reimbursements and stabilize your cash flow. Because we know that protecting the financial viability of our healthcare providers has never been more important.

Appeal Out-of-Network Underpayments & Denials

It's no secret that over the past 12 months, payors have become increasingly aggressive in their reimbursement practices. The Collect Rx team of seasoned negotiators has seen a significant increase in tactics designed to underpay, deny and delay payments. Right now, these claims represent a source of cash that can carry you through your current shortfalls.

Market statistics bear out what our staff has seen in the past 12 months. Claims in general are increasingly falling prey to payors deliberate strategy to drive down the overall average rate being paid. And fewer claims are being successfully appealed for fewer dollars.

Reasons cited by providers for not appealing?

- Complexity of the appeals process
- Expensive – denied claims appeals cost over \$8.6B Annually
- Lack of Time
- And most importantly, a lack of expertise

Oftentimes, lack of time is only the first hurdle. Payors appear to be increasingly invested in denying out-of-network claims or settling at rates not substantiated by usual and customary data or Fair Health, in an effort to drive down the average cost in a geographic area for future negotiations across all providers or to drive 'benchmark rates' for all out-of-network



providers. Without the data that they are seeing, you are blind to what you should be receiving for out-of-network reimbursements and have no option but to accept what they allege to be the average rate.

You may be leaving significant dollars on the table by not appealing your out-of-network denials and underpayments that essentially act as ‘free money,’ that you would never have seen otherwise. This can be a critical source of cash during these times, particularly if you go back over the prior 12 months and work all of your denied and underpaid claims.

Even if your team or billing company has been managing out-of-network, it is helpful to get an analysis of the true usual and customary rates paid and determine if there is sufficient opportunity to appeal denials and underpayments.

Review AR for All Claim Types to Identify Uncollected Reimbursements

The second thing you need to do is review your Accounts Receivable across all claim types to determine if you have uncollected claims that can be appealed or collected on.

Focus on Payors, Not Patients

Right now, focusing on payors is going to yield the greatest return. Between the checkerboard of regulations passed protecting consumers from debt collection or penalties due to COVID-19, the limited ability of patients to settle their debts right now, the increasing costs of collecting from patients and the potential effects of

TRENDS IN DENIALS

- The Department of Labor estimates that one in seven claims is rejected, or the equivalent of 200 million denials every day. There are many reasons for this, but at the end of the day, providers and patients really are left with rejections on up to 14% of claims.
- For Medicare Advantage plans, denials are growing exponentially, but only 1% are ever appealed. But of those that are, 75% are successful.
- ACA Marketplace plans denied an average of nearly 1 in 5 in-network claims in 2018, with denial rates ranging from 1% to more than 40% across insurers. Importantly, only 200,000 (or one in 43 million denials) were ever appealed.
- A Change Healthcare analysis shows that of an estimated \$3 trillion in claims submitted by hospitals in 2016, an estimated 9% of charges were initially denied. And even though the same data show that up to 63% of denied claims are recoverable on average, representing \$262 billion in revenue, it may cost hospitals and health systems nearly \$9 billion more in administrative costs.

negative patient experience, collecting from patients is going to be difficult for the foreseeable future.

Instead, focusing efforts on your in-and out-of-network denials and underpayments across all payors has the highest probability of generating cash.

Legacy AR Cleanup:

Go back over your legacy AR and determine what is collect-able from your denials and any underpayments. Make sure you analyze every account to ensure that it's correct, appropriate and has been paid at the highest rate possible.

1. Reconcile your first payment with any additional payments and patient responsibility.
2. Leverage your data to determine where your shortfalls are centered.
3. Focus on your best sources of cash first, denials and slow pays. Many of the payors have plans in place right now to accelerate payments, make sure you're not missing out on any timelines associated with those.
4. Research, appeal and reconciling your outstanding A/R to identify potentially collectable accounts and pursue payment or recommend the appropriate closure so you understand your outstanding claims and can prioritize those that you can collect on quickly.

Understand What Payors are Doing

Right now more than ever it's critical to understand what payors are doing to assist healthcare providers and where the federal and state governments may supplement reimbursements.

Accelerated Payments:

CMS: [Medicare will accelerate payments to providers and suppliers, CMS announces](#). CMS has expanded the current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. CMS noted that the funding for the

accelerated and advance payments is [separate from the \\$100 billion](#) in funds passed as part of the economic stimulus package.

- The main requirement is that the provider must have billed Medicare within the last 180 days and be in good standing. To apply, providers need to complete the Accelerated or Advance Payment Request form provided on each MAC's website, requesting a specific amount based on prior volume.
- Most providers and suppliers will be able to request up to 100% of the Medicare payment amount for a three-month period. Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals are able to request up to 100% of the Medicare payment amount for a six-month period. Critical access hospitals (CAH) can request up to 125% of their payment amount for a six-month period.
- Officials said Medicare will start accepting and processing the accelerated/advance payment requests immediately and anticipate the payments will be issued within seven days of the provider's request.
- As of April 7th, [CMS has doled out nearly \\$34B in advance, accelerated payments](#) to providers to combat COVID-19 and reduced the number of processing days to 4-6.
- Download the program overview with all of the details and the link to apply [here](#)

Private Payors: The AHA CEO strongly requested that private payors accelerate their payments to healthcare providers to protect the integrity of the healthcare system, and some payors have responded.

- [UnitedHealth Group will accelerate nearly \\$2 billion in payments and financial support to U.S. hospitals and healthcare providers to help address the significant financial pressure many are facing due to COVID-19](#): UnitedHealth's initiative, announced April 7, will fast-track claim payments to medical and behavioral care providers in UnitedHealthcare's fully insured commercial, Medicare Advantage and Medicaid networks. The healthcare company will also provide up to \$125 million in small business loans to OptumHealth's clinical operator partners. They also have introduced measures to [relax prior authorization rules and expand telehealth initiatives](#).

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- [Humana to expedite claim processing, suspend more prior authorization rules](#): Humana is simplifying and expediting claim processing. The insurer said it hopes this will help ease some financial burden hospitals are facing. They are also suspending prior authorization and referral requirements for all providers for patient care related to COVID-19, regardless of network affiliation. Humana is also suspending prior authorization for in-network providers for patient care that isn't directly related to COVID-19, except for transplant and genetic procedures, as well as pharmacy coverage. In lieu of prior authorization, Humana is requesting notification within 24 hours of inpatient and outpatient care.

State & Insurer actions related specifically to COVID-19

Most states have implemented actions related to controlling costs associated with COVID-19 testing and treatment.

- Comprehensive summary from Manatt, Phelps & Phillips, LLP of state actions on COVID-19 through April 1: [State Commercial Insurance Market Strategies to Respond to COVID-19](#) and [detail state by state with links to state websites](#)
- [AHIP's comprehensive summary of insurers in the US's coverage](#): primarily related to COVID-19 treatment coverage, but also includes some pre-authorization stipulations that cover non-COVID – 19 treatment, particularly as it relates to “Step Down” transfers that may be opportunities for non-hospital facilities.
- [COVID-19: Coding and Billing Updates](#) if you haven't received these as of yet, the latest coding and billing updates specific to COVID-19 or check out the [AMA's guide](#).

Pivot & Supplement Your Practice:

There are opportunities to continue to provide services even when your constrained from your normal appointments and procedures.

Expansion for ASC's and Physician Owned Hospitals: Relaxation of rules allowing for facilities to assist in providing hospital services

- [CMS Expands ASC and Physician Owned Hospitals Ability to Assist with COVID-19 Response](#) CMS Administrator Seema Verma's [announcement](#) on the sweeping regulatory changes addressing the surge that is expected due to the COVID-19 pandemic.
 - Under the "Hospitals Without Walls" program Ambulatory surgery centers can contract with local healthcare systems to provide hospital services, or they can enroll and bill as hospitals during the emergency declaration as long as they are not inconsistent with their State's Emergency Preparedness or Pandemic Plan." The announcement spells out the process for enrolling and includes [the waiver document](#) as well as answers to [frequently asked questions](#). You can also visit their [resource center](#) for updated information.
 - As a part of this sweeping change, CMS will also provide [regulatory relief on staffing, paperwork ,boost payments to ASC's, and expand telehealth services](#).
 - [Surgeons can perform essential procedures on patients without COVID-19 in ASCs that would typically be performed in a hospital](#), including trauma surgeries and cancer surgeries. ASCs can work with local planning authorities to make sure they provide services that keep patients safe, but not services that would put patients at more risk.¹
 - ASCs will be able to contract with local health systems to perform necessary surgeries typically performed in the hospital. They can also bill as hospitals while the country is under an emergency declaration if that is consistent with the state's emergency preparedness plan.
 - Download the [COVID-19 Emergency Response Service Expansion Checklist from ASCA](#) to see what you need to do to get started
- **Additional Resources** for managing your practice:
 - [AMA's COVID-19 Resource center](#)
 - The AMA's [Patient care for SUD, mental illness, chronic pain during COVID-19](#)
 - [SAMHSA Resources and Information](#)
 - [ASCA COVID-19 Resources](#)
 - [AHA's resource center on Coverage & Reimbursement](#)

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- States are following suit revising regulatory controls on hospital services. The Louisiana Rule for example, says the state has “adopted a public policy supporting the use of health care facilities not traditionally used in the delivery of general acute care to augment the inpatient capacity of acute care hospitals through the acceptance of inpatient transfers that may not otherwise be permissible. In order for this public policy to be implemented safely and effectively and to promote continued network adequacy, it is necessary for insurers to appropriately cover such post-transfer care. In order to respond to the emergency and to protect and safeguard the public health, safety, and welfare of the citizens of this state, it is necessary to issue Emergency Rule 41.” Check your state to determine if they have also drafted guidance on adhering to their pandemic plans.
 - Becker’s ASC Review highlighted one Washington practice, [Northwest Orthopaedic Specialists](#), that shifted to trauma and hospital overflow for non-COVID cases and spotlighted [USPI’s focus on urgent care](#) during COVID-19.

Telemedicine: CMS’s announcement specified that it is enabling Medicare to cover more than 80 telehealth services and allows providers to bill for telehealth visits at the same rate as in-person visits.

- One of the most important stipulations was the [ability to bill for audio only visits](#), rather than the previous rule that reimbursed only for video.
 - Also, the rules were modified to include new patients in addition to existing patients.
 - The provisions are seen as a key step in helping revenue strapped practices. However, state regulations are piecemeal and somewhat confused, as demonstrated by [Mississippi’s challenges](#) in loosening state regulations around telehealth for in and out of state providers, so verify your state’s regulations prior to proceeding.
 - Check out the [AMA’s guide to telemedicine](#)
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Leverage the CARES Act and Other Federal, State, Nonprofit & Private Grant / Relief Programs

Finally, there are a number of programs designed to support both healthcare specifically and small businesses in general with business continuity and payroll protection. It's critical to execute on these programs sooner as opposed to later.



The [CARES ACT Funding Overview](#): the nearly \$2 trillion relief package includes \$150 billion for hospitals to invest in equipment and infrastructure as well as Small Business Relief.

- In addition to traditional SBA funding programs, the CARES Act established several new temporary programs to address the COVID-19 outbreak. The [Small Business Administration has set up a Resource Center](#) to help you understand and execute your options including the [Paycheck Protection Program](#), [Economic Injury Disaster Loan Emergency Advance](#), [SBA Express Bridge Loans](#) and [SBA Debt Relief programs](#).
- [Public Health and Social Services Emergency Fund \(PHSSEF\)](#) The US Government has responded to the stress this crisis has created by making over \$100 billion available to healthcare providers to cover lost revenue from cancelled elective surgery and diagnostic procedures, increased staff training to prepare for the crisis, personal protective equipment, building and retrofitting ICUs and increased medical supplies. Read [this guide](#) from Surgical Directions to get started now.
- [. \\$30B of it will be doled out the week of April 6th](#). This first wave of dollars will be apportioned in grants to hospitals based off their Medicare revenue, with "no strings attached," according to CMS.
- [55 Federal, State and Nonprofit Relief Efforts and Funds to Help You Through the Coronavirus Pandemic](#) give you a summary of federal, state and local programs

designed to support small businesses during this time. These are not healthcare specific but include a wide variety of options.

- [SAMHSA \(Substance Abuse and Mental Health Services Administration\) Grants](#): With an application date of April 10th, the timeline is short to take advantage of \$110M. The purpose of this program is to provide crisis intervention services, mental and substance use disorder treatment, and other related recovery supports for children and adults impacted by the COVID-19 pandemic. Funding will be provided for states, territories, and tribes to develop comprehensive systems to address these needs.
- Loan Modifications: Also from Manatt, Phelps & Phillips, LLP [“Feds, States Offer Guidance on Loan Modifications”](#) In a joint Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus, a number of governing agencies issued guidance encouraging financial institutions to work “prudently” with borrowers who are or may be unable to meet their contractual payment obligations because of the effects of COVID-19. So check with your lender if you anticipate issues.

Conclusion

The next weeks and months will effect the entire world and perhaps most, the healthcare community but there are resources that you can leverage to help maintain your financial viability. Collect Rx would like to take some of the financial pressures and cash flow issues off of your plate. We are the experts in ensuring that providers get paid by insurance companies, for out-of-network and other complex claims. We have helped more than 2,000 providers with their reimbursement challenges and we can help you too.



Collect Rx is the leading provider of solutions that help providers maximize payor reimbursements, reduce patient billings, and eliminate the hassle of dealing with the insurance companies. Utilizing its proprietary CRXIS™ business intelligence engine and subject matter expertise, Collect Rx has delivered proven results for more than 2,100 providers across the nation.

As an innovator in data-driven services for managing healthcare providers' revenue cycle needs, Collect Rx is the only company in the country that is laser-focused on maximizing payor payments for the most complex claims, including out-of-network, Medicare, in-network, and third-party denials, delays and underpayments. We serve hospitals, surgery centers, labs, physician groups, and behavioral health centers, as well as other provider groups and facilities.

