



**HBP**

data - information - KNOWLEDGE

***Part – A: The Education Process***  
***Initial Support Level***  
***and***  
***Subsequent Negotiations***

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# The Process

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- ✓ Assign Top Priority Status
- ✓ Educate Pathologists
- ✓ Utilize Objective Criteria
- ✓ Make the Process Dynamic
- ✓ Educate the Hospital: Fact Book”



# Top – Priority Status!

- Advanced preparation; 6-Months to 1-Year
- Become “Visible” early
- Maximize Part-A involvement
- Consider *Performance Based* Part A
- Carve out a niche where real value can be demonstrated
- Monthly Practice agenda
- Retain assistance for fact-finding



# Educate Yourself

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- Department Finances
  - Cost to Charge Ratio
  - Direct & Indirect Cost Allocation
  - **Revenue (Charges) vs. Income (Cash)**
  - Third Party Contracts for AP and CP
- Reconcile Technical vs. Professional Billing for AP
- Contact Pathologists at local hospitals
- Prepare a **Market Study:**



# Educate Yourself

## Components of a Market Study

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- Number of Full-Time Pathologists
- PA/PhD Role and Employment
- Personnel Being Supervised (*# & Type*)
- Gross Revenues: *IP, OP & Referred*
- Number of Lab Tests, by Division
- Autopsy Volume- Paid under Part A or separate
- Direct Patient Care Accessions
  - Surgical, Cytology, Clinical



## **Educate Yourself**

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- Check Data through your State Hospital Association
- Talk to a consultant with local expertise
- Submit FOI (Freedom of Information) request to your

**Medicare Intermediary for “A-8-2”**



# RCE Limits for Physician Compensation

-Published by HCFA in the Federal Register

## *Estimates of FTE annual average net compensation levels*

*for cost reporting periods beginning on or after Jan. 1, 2004\**

<b>Specialty</b>	<b>Non-metropolitan areas</b>	<b>Metropolitan areas less than 1 million</b>	<b>Metropolitan areas greater than 1 million</b>
Total	\$159,800	\$171,400	\$177,200
General/family practice	142,500	136,700	138,700
Internal medicine	150,200	154,100	165,600
Surgery	182,900	204,100	208,000
Pediatrics	130,900	152,100	140,600
Ob/gyn	200,300	194,500	196,400
Radiology	217,600	231,100	225,300
Psychiatry	138,700	142,500	154,100
Anesthesiology	167,500	200,300	200,300
<b>Pathology</b>	<b>208,000</b>	<b>219,500</b>	<b>215,700</b>

\* All figures are rounded to the nearest \$100.

Source: Centers for Medicare and Medicaid Services, Aug. 1, 2003 Federal Register, vol. 68, No. 148.



# Dynamic Process

- Obtain time studies on file for the most recent fiscal year and review the translation with Finance.
- Prepare 2 week time studies at least 4x per year.
- Meet with Finance to review Part-A annually
- Actively participate in the budget “cycle”
- Distribute services to all Pathologists and evaluate progress quarterly



# Common Time Study:

## Errors

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## Solutions

- ✗ Use of a Generic Hospital Form
- ✗ Task without Explanation
- ✗ Non Review of Prior Time Studies

- ✓ Customized Form for Pathologist's Part A
- ✓ Practice Meeting with Written Directions
- ✓ Review of Prior Year's Experience



# Common Time Study:

## Errors

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## Solutions

✗ Mathematical Mistakes

✓ Cross Footing

✗ Failure to Edit Group Submission

✓ Designate MD Coordinator

✗ Emphasizing Part-B

✓ Use weeks with Full Staffing

✗ Short Days

✓ Complete Work Week



# Common Time Study:

## Errors

- ✗ Inaccurate Start- Stop
- ✗ Filling out Time-Study at Weeks End
- ✗ Failure to Provide Detail
- ✗ Infrequent Documentation

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## Solutions

- ✓ Assure accountability
- ✓ Complete Daily Before Departure
- ✓ Completion of Detailed Diary
- ✓ Quarterly Studies



# Distribution of Part-A Duties

	Doctor Red, MD	Doctor Blue, MD	Doctor Yellow, MD	Doctor Green, MD
Benchmarking				X
Compliance		X		
Equipment	X			
Fee Schedules			X	
Human Resources/Incentives		X		
Informatics				X
Marketing/Sales		X		
Negotiations: Hospital	X			
Negotiations: Third Party	X			
Regionalization	X			
Technical Revenue/Controls			X	
Technology				X
Time Studies			X	



# Action Items

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- Evaluate/ Document Cost Saving Options
  - Voice Recognition Dictation
  - Template Reporting
- Check & Balance (Prof. & Tech. Billing)
  - Effective Charge Controls
- Explore “State of the Art” Reporting Technologies
  - Photomicrograph on reports (Clinical lab appeal)
- Evaluating Outsource Opportunities
- Make a Practice Investment in Department Innovation
- Participate in Marketing and Sales Cost



# Negotiating Tactics

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- Never limit the Pathologists proposal to only Part-A support
- Utilize Objective Criteria and the Local Marketplace
- Consider Joint Venture opportunities to improve revenues and reduce costs
- *What economies can be achieved with multiples of the existing volume?*
  - *Consider regional initiatives*



# Components of a “Fact Book”

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## **1) Narrative Description of Part A Services**

- 5-10 Pages of informative text
- Customized for your Hospital

## **2) Summary of Time Studies, Diaries and Other Documentation**

- Most recent 2-week period
- Other Historical Data
- Include Complete Backup
- Present any Programmatic Expansion



# Components of a “Fact Book”

## 3) Accomplishments

- Clinical Improvements
- Best Focus for Finance: Dollar Savings/ Economies
- Outreach initiatives-expanding the traditional capture area

## 4) Future Goals & Objectives for 2010 and Beyond

- Reduction of Transcription Cost
- Fund Raising
- Practice Support of the Department
- EMR Connectivity

## 5) Department Trends (Volume & Cost)

- Cost Per Test (Personnel & Supplies)



# Components of a “Fact Book”

## 6) Comparative Data

- Department Revenue
- Number of Technologists Supervised
- P.A’s (Hospital or Practice Paid)
- Number of Pathologists (Full of Part)
- Part A Support
- Part A Hours/ Support Per Hour

## 7) Medicare RCE

## 8) Proposed Part A Support Level

