

Trends, Collaborations and Communications Between Georgia's Providers and Payers

By The Gibson Firm LLC
| Healthcare Law

The Georgia HFMA Revenue Cycle Forums Committee hosted the Georgia Payer Forum on Tuesday, March 8, 2011. The event was moderated by Georgia HFMA President Bill Eikost, along with Lillian Kloock and Stephen Ross. The event, held at the Wellstar Development Center in Marietta, gave providers the rare opportunity to hear major payers' perspectives on a variety of topics, ranging from the future of provider / payer collaborations to the technicalities of the transition from ACS to HP for Georgia Medicaid. Providers across the state were represented by CFOs, business office / reimbursement directors, physicians, attorneys and business partners / consultants. The event was well-attended and organized, with a variety of energetic presenters from the payer side, and significant participation by attendees.

CIGNA was represented by Dan Hoodin, who delivered a presentation focused on collaborative partnerships between payers and providers to reduce health care costs. Richard Elliot and Sholanda Agee of UnitedHealthcare presented discussions about patient behaviors that impact health care costs and improve provider / payer communications to better those relationships. Alexandra Leopold and Ron Lawrence from Blue Cross Blue Shield of Georgia discussed initiatives to increase patient awareness of provider outcomes and the impact of health care delivery. Hewlett Packard, represented by Bill E Frazier, discussed its role in the transition from ACS to HP for administration of Georgia Medicaid claims. Closing out the day, CAHABA discussed Medicare claims procedures and implementation of new processes in a presentation by Scott Shelton and Sandra Gravlee. The forum's overall goal was clearly to improve the provider / payer partnership. The payers in attendance addressed this goal by discussing topics such as best practices to avoid claims denials, collaborative opportunities including new types of provider / payer arrangements and improvement of relationships in existing arrangements, as well as challenges facing providers and payers in the implementation of HIPAA 5010 and ICD-10 protocols.

Preventing Claims Denials

Providers learned about payer perspectives on particular types of denials, such as those relating to retro-terminations of coverage, but were also given helpful suggestions about preventing common types of claims denials. CIGNA offered a list of the three main issues causing 90% of all denials. First and foremost, the issue defined as representing 50% of those denials, when physicians admit a patient to complete their work up, rather than conducting the work up while the patient is held in observation; whereby, the patient is ultimately discharged without having satisfied CIGNA's criteria for inpatient admission. Second, providers' failure to adequately plan for discharge, thus creating a situation where a patient is forced to stay longer than necessary in order to coordinate transfer in this

case, the charges for the extended stay are ultimately denied as not meeting intensity of service. CIGNA suggested that providers work closely with the payer to ensure that the patient can be timely transferred, and when the payer is the source of delay (i.e. no in-network transfers available), extra days should be covered. Finally, claims for admissions beginning on Fridays are routinely denied when services (i.e. surgery, specialty tests or physicians) are unavailable over the weekend, where actual services begin the subsequent Monday when personnel return to work. According to CIGNA, 90% of denials can be overcome by conforming to observation versus admission criteria, pre-planning for discharge, and performing services over weekends to avoid unnecessary delays.

Collaborative Opportunities

Payers responded to the forum's request for collaborative ideas in two ways. First, several payers presented their ideas about how the payer / provider relationship may evolve in the near future. Payers cited rising costs and health reform legislation as evidence that business as usual will not work in the long-term. Second, payers discussed initiatives, technology, and processes implemented to improve communications within current relationships (but which would presumably transfer to evolving betterment of relationships). For example, Blue Cross announced it will soon launch its new web product, Availity, for expanded information and accessibility by providers.

New Partnerships

In their visions of evolving relationships, payers were unified in stating that the current system had to change. Mr. Elliot remarked that many assume insurance companies would not be pro-healthcare reform, but he reported that he was clearly for reforming the system. He stated that as costs have risen, providers have passed costs on to payers and payers have passed costs on to members and employers, but members and employers are now refusing to absorb more costs, so something has to change. CIGNA outlined a series of collaborative trends that join the payer with communities of providers in an effort to increase the health of the population, thereby lowering health care costs. Mr. Hoodin noted that providers often resist these arrangements because they are dependent upon reduced patient volume, which lowers revenue. He did not explain how providers could survive with lower volumes and decreased revenues or how these arrangements specifically benefitted providers. He did, however, suggest that eliminating or reducing corrected or late claims would decrease administrative costs to providers and payers. This was echoed by other presenters as well. Still, putting together a new collaborative arrangement takes an exorbitant amount of time and effort and, unfortunately, results are not guaranteed. Payers also acknowledged the

(Continued on next page)

