RAC and Stack Savings for Campus Hospital

Problem

Serving one million patients a year, a four-campus hosital system was losing $5 million annually to missing or miscoded charges

Solution

Alacer designed process improvements focused on patient preregistration and RAC denials

Results

$1.8 million per year gained by improvements in coding, $1.15 million saved in RAC corrections

Overview

One of the nation's busiest campus hospital systems with more than 5,500 employees, 759 licensed beds and over one million outpatients and admissions a year was losing over $5 million annually due to missing or miscoded procedures and supply charges. Additionally, it was increasingly losing revenue due to Medicare recovery audit contractor (RAC) payment denials.

Challenges

Alacer determined that the best way to stem the hospital's revenue losses was to institute corrections in its highest loss areas: patient pre-registration and RAC denials. Initially, consultants focused on patient pre-registration for radiology, cardiology, vascular and pulmonary services, where lost revenue was due to translation errors and improper coding of post-testing supplies and procedures. This was corrected by an employee data "reminder" system for accurate codes. Next, Alacer suggested tactics for resolving issues with Medicare's fee for service program. A formalized RAC denial process was created that included an early warning system for caregivers, alerting them to high risk RAC issues. Alacer also created an approach where the hospital could correct any documentation errors that initially resulted in denial of payment, and could flag and catalog any internally identified overpayments for further legal review.

Results

Alacer's dual approach proved successful. Data "reminders" for caregivers and employees boosted the accuracy of the hospital's procedure and supply coding, resulting in over $1.8 million in annual revenue. Identifying and correcting potential RAC denials before declaration of non-payment saved an additional $800,000; $350,000 was further gained through RAC claims corrections.

≈Alacer
ACCELERATE.