

How Will You Score? AG Compliance Checklist

**New Patient Billing
Regulations Target
Providers
& Partners**

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National Impact



Stalking the Targets: Compliance to Regulatory Directives

- 501 R
- **BBPA (Balance Billing Act)**
- **Pricing Transparency (2021)**
- **NSA No Surprise Act**
- **Regulation F –CDCIA
(Consumer Debt
Collection
Improvement Act)**

OLD & NEW



The role of the CFPB

Enforcement of the Consumer Debt Collection Improvement Act)

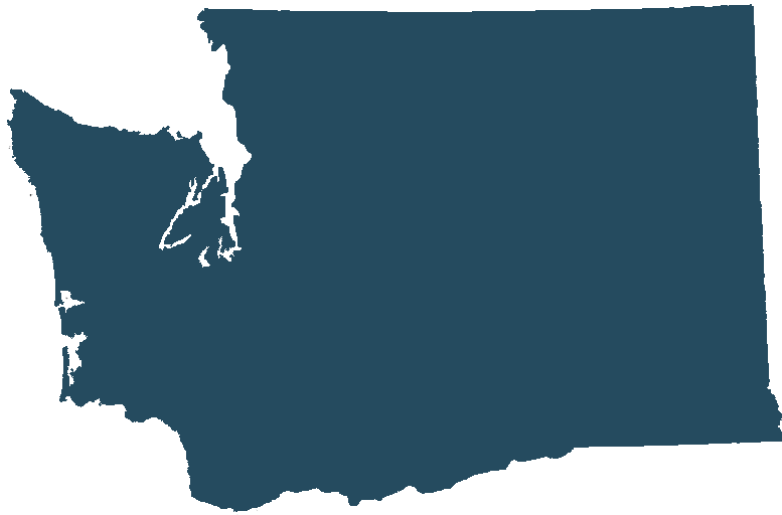
NOTE: Federal Enforcement: CFPB (Consumer Federal Protection Bureau) which has power to regulate companies that provide services to provider organizations.



CDCIA (Consumer Debt Collection Improvement Act) provides additional financial protections for patients.

- ***Recent audits by the agency have impacted Tenet with **\$500K** fine and forced them to return millions of dollars. There is a look back period for this audit enforcement action and any vendor could be subject to this type of compliance impact).***

LOCAL IMPACTS



Stalking the Targets: Compliance to Regulatory Directives

- ***Washington State Charity Rules—Changes July 1, 2022***
- ***HB 1688, BBPA (Balance Billing Act) & NSA***



PARTNER OR PREDATOR?

***Partnership
Management
Provider-Vendor
Relationships***



The Way Patients Perceive the Provider/Partner Partnership



AG Responding to Patient Fears:

*“Providers &
Their Patient
Billing/Collection
Partners Prey on
Patients”*



AG Allegation Target:

*“PATIENTS ARE CAUGHT IN THE
PROFIT TRAP WHEN PROVIDERS
FAIL TO MANAGE THEIR VENDOR
PARTNER RELATIONSHIPS WITH
COMPLIANT OVERSIGHT.”*

Headlines Spell Trouble For Providers

“AG Ferguson: Providence’s collection agencies broke the law while collecting medical debts....”



Washington State

*Office of the
Attorney General*

Provider Compliance Goal: Improve Consumer Confidence

*Patients
Benefit When
Providers
Manage Their
Vendor
Relationships*



What if you are a: *“Person of Interest”* ?



Be Prepared to Prove You Performed Due Diligence



ARE
YOU
READY



Use your Lifelines: Compliance Toolkits





Compliance Toolkit

- ❖ **Dispute Resolution**
- ❖ Trending Analysis
- ❖ Vendor Onboarding
- ❖ Training
- ❖ Reconciliation
- ❖ Audit



Testing: Plan for Dispute Resolution



DEVELOP

***DISPUTE
RESOLUTION
PROCESS***

***Providers & Vendor-
Partner Stakeholders***

CEO/CFO

Compliance Officers

Patient Billing Service

Collections Partners

Aligned Staff

The Burden of Proof Is On Provider—Charity Outreach

At all points, Providers & their vendor-partners must prove they re-assessed the patient ability to pay and offer financial counseling/charity options.

***Requirement is
“EVERGREEN”***



Patient Dispute? **STOP** Collections



Be prepared
to **STOP** the
Billing Process
at any point....
.....even until
final legal
judgment.





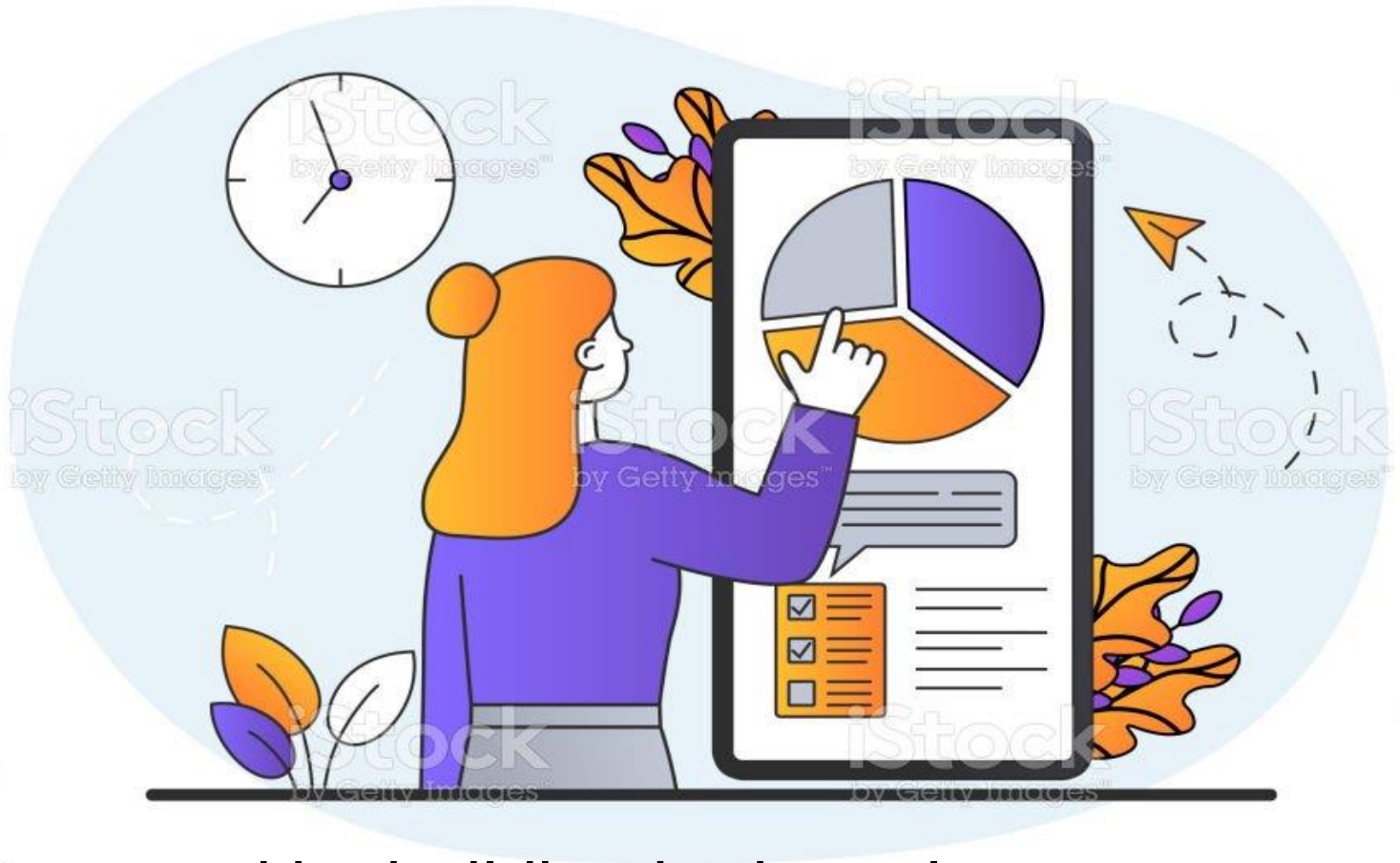
**KEEP
CALM
AND
STOP
THE
LINE**



Compliance Toolkit

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Be prepared by building in data elements captured at all milestones in the process with outcomes and timeliness tracking:

****Dispute Type **Outcome Type **Approval Level**

Trend the Data: Dispute Patterns

- Patient Billing and Collections Partners flag accounts (and demographics) that flow down the dispute track.
- Data tracking must also include the outcome/resolution of the patient complaint
- Analysis of the outcomes reveal patterns, possible gaps and guard against unintentional bias in the process.

Don't Have Fear of Bad News

**Be Alert for
Potential Bias
or Inconsistent
Application of
Policy**

====

**Define
Exception
Criteria**





Compliance Toolkit

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Good Partnerships Start with Onboarding

- Contract
- Service Level Agreement
- Joint Training
- Routine Reconciliations
- Dispute Resolution Escalation Policy and Process
- Routine Audits
- Trending Analysis

Building a Good Relationship.....

.....Expectation Management

- Define expectations—Spell it out
- Develop Service Level Agreement
- Define responsibilities
- Develop project plan with roles, target dates, deliverables, milestones
- Agreement on costs, resolution of project failures
- Vendors need to learn their client demographics, mission, sensitivities
- Share data tracking
- Develop Issues List

Contract and Service-Level Agreement ... Beyond Legal

- **Does the vendor take risk?**
- **What are penalties if vendor does not perform?**
- **Who pays for what?**
 - ✓ **Info/data exchange**
 - ✓ **IT**
 - ✓ **Training**
- **What does it take to cancel the deal?**

Does your contract with your vendor partner contain language about performance?

- Contracts **MUST** have specifics that define the deliverables and **compliance requirements**. Reference specific addendum that provides dates, amounts, outcomes, etc.
- If the contract does not have a performance clause to define the role of the vendor, add a “service level agreement” that defines the required services and expectations of the vendor. **Compliance requirements must also site consequences for placing the provider at risk. Caution:**
 - Many contracts do not address performance.
 - Many contracts use vague language about services to be performed.

Does your contract define the costs and fines the vendor must pay if they violate regulations?

A fee charged by a vendor for a billing service may cost only a few thousand dollars in fees, but if they violate the billing regs it can cost the provider \$10,000 per billing.





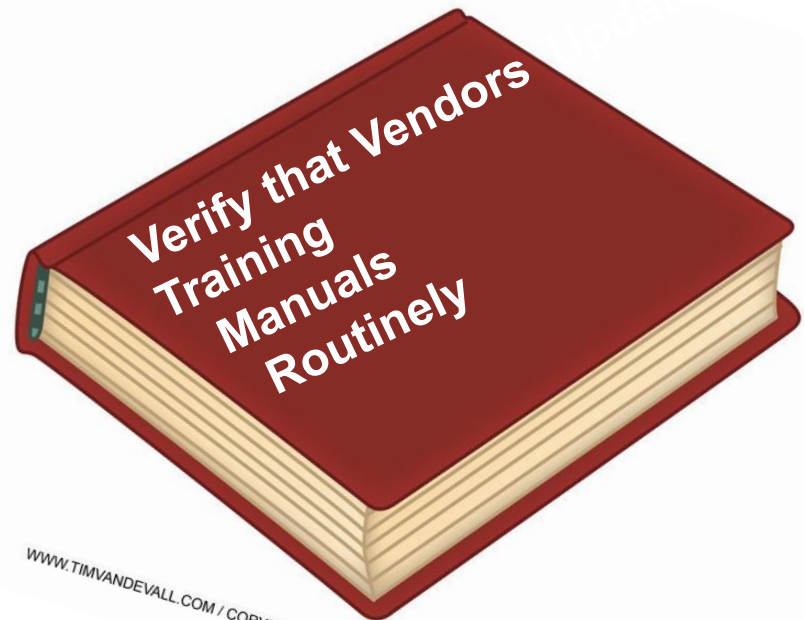
Compliance Toolkit

- ❖ Dispute Resolution
- ❖ Trending Analysis
- ❖ Vendor Onboarding
- ❖ **Training**
- ❖ Reconciliation
- ❖ Audit



Training & Operationalizing the Service/ Process

1. Service overview
2. Outcomes/goods
3. Proven staff skills on process/service.
4. Q & A
5. Problem solving
6. Issues tracking





Compliance Toolkit

- ❖ Dispute Resolution
- ❖ Trending Analysis
- ❖ Vendor Onboarding
- ❖ Training
- ❖ **Reconciliation**
- ❖ Audit



Reconciliation x 2 $\begin{matrix} \nearrow \\ \searrow \end{matrix}$ \$ Inventory
\$ Invoices



Reconciliation--Inventory

- Listings
- Cancellations
- Paid
- Take Backs
- Adjusted/Write-Offs
- Other—Unidentified \$
- Active Inventory

Key Roles:

- IT
- Cash Posting
- Collections Staff

Reconciliation: Invoices

- Build on Inventory
- Verify Fees
- Assure Timely Audit
Pay & Audit?

CAUTION:

Cancel & Returns
IT Filter Gaps/Errors
Payer Take-Backs
DISPUTES?

Invoice Reconciliation/Audits

1. Preparation

- ✓ Reconcile lists
- ✓ Verify contract terms
- ✓ Timelines

2. Audit

3. Findings





Compliance Toolkit

- ❖ Dispute Resolution
- ❖ Trending Analysis
- ❖ Vendor Onboarding
- ❖ Training
- ❖ Reconciliation
- ❖ **Audit**



AUDIT ... “OH NO, OH MY GOD”



- ***As a “norm,” when the word audit comes up, it is related to “fear.” The butterflies come like when most of us interview for a new job we really want. In working with our partners, we try to show how our audits are one of the best tools for their management team and company. The word “audit” should be related to “GREAT” or “COOL,” instead of “FEAR” or “PANIC.” Vendors need to let their staff know that an audit is their opportunity to make themselves and their company “SHINE.”***



VENDOR AUDIT GUIDELINE...CONTINUED

PERFORMANCE GUIDELINES

- Number of days from Referral to 1st. Action
- Number of days from Action to Action
- Scope and timing of actions
 - *Telephone*
 - *Letters and Mail*
 - *Document Retrieval*
 - *Legal*
 - *Skip Trace if applies*
 - *Cancellation*

VENDOR AUDIT GUIDELINE

- **Identify Accounts** - Create report to identify 4-6 months prior accounts worked by extended partner you are auditing.

- **Random Selection**
 - ✓ Make a random selection of accounts by age and balance
 - ✓ Select 65 accounts for audit
 - ✓ *If vendor works accounts in UB status select by admit date*
 - ✓ *If vendor has a cancel & return report include these in your selection*

- **Vendor Guideline** - Use vendor guideline (established between vendor and client) to audit accounts checking for the following:
 - ACT ...**
 - ✓ **Accuracy**
 - ✓ **Completeness**
 - ✓ **Timeliness**

Continued ...

VENDOR AUDIT GUIDELINE

... (Continued)

- **Complete Audit Spreadsheet** - Using your audit master if the account you are reviewing meets the criteria for each column score using:
 - 1=does not meet**
 - 0=meets**
 - Blank=N/A**
- **Audit Review** - Review all accounts that scored (1) with Vendor management team to ensure you are in agreement.

COMPLIANCE

- Audits meet compliance requirements
 - **Identify training needs**
 - **Assure Policy Consistency**
 - **Identify Issues and Resolution**
 - **Gain feedback about patient satisfaction issues**
 - **Clarify & resolve sources of disputes**

AUDIT SUMMARY

- ✓ **Score percentages at the end of audit review**
- ✓ **Identify any system problems, i.e., direct dialer time frames**
- ✓ **Identify the two areas that have the most room for improvement as well as the goal for percentage of improvement at the next audit**
- ✓ **Identify at least one area that has shown improvement since the prior audit and notate in summary**
- ✓ **Provide any input regarding identified trends found during audit for additional training or staff education concern**
- ✓ **Offer in-service or other tools for assistance for quality improvement**

Questions?

- Please feel free to send comments and questions to:
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- 425.246.7686



Does your vendor have a penalty if they fail to perform?

- **Some contracts give a vague “hold harmless” clause. But, there should be a clear language about the “Costs” to the vendor of failure.**
- **If there are problems with delivery on the services because the vendor does not fully staff then the cost of the provider supplementing the staffing should be addressed.**
- **If the vendor costs the provider cash flow, there should be fines in the amount of lost interest income, etc. for the failure.**

Does contract also define penalties: for compliance violations?

- - If it is a computer base project, the deadlines and fees for delays should be spelled out, including percentage penalty if the vendor fails to hit dates.
 - If it is a billing service there should be extra fines and deductions from payment should the vendor fail.
 - If the vendor fails to provide proper project management for upgrades to meet the federal and regulatory requirements, there should be a clause about what fees the provider can charge if their management must take over project management after critical project delays.