Advisory Board | Revenue Cycle Advancement Center

How Best Practice Organizations Are Structuring Their Physician Advisor Programs

The best practices are the ones that work for you.SM

Executive summary

Many revenue cycle offices have long employed physician advisors to help appeal denials, but at top-performing organizations, these advisors are doing more than ever before.

Keep reading to see:

- What characteristics make a strong physician advisor
- How best practice organizations are structuring their physician advisor programs

The Role of the Physician Advisor

Optimal Performance Extends Scope to Mitigate Denials Through Cycle

Denials Mitigation Opportunities Extending Beyond Business Office

Patient access → 1 Utilization review / admission decisions, pre-auth education

Mid-cycle → 2 Peer-to-peer requests

Business office → 3 Clinical appeals

Key Physician Advisor Roles Bridge Clinical-Financial Gap

Identify governmental audit risks (MACs, RACs) via OIG

Remove revenue cycle burdens from hospitalists to-do lists

Understand specific clinical requirements for delivering care under different contracts

Strengthen communication with payer's clinical decision makers

Act as physician champion for revenue cycle team

Source: Revenue Cycle Advancement Center interviews and analysis.

What Makes For a Strong Physician Advisor?

Key Characteristics to Look For

Profile of a Physician Advisor

- MD/DO
  - Background/interest in payer relations, or specialty cognizant of utilization
- Licensed at system facilities
- ~5 years of clinical experience
- Examples of good fits:
  - Hospitalist with broad based clinical knowledge
  - Physicians with clinical leadership experience
  - Specialists cognizant of utilization, such as pediatric hospitalists

Skills and Characteristics

Clinical understanding of multiple specialties

Good relationship with physicians and staff

Strong communication skills

Comfortable with IT

Knowledge of regulations (and changes to regulation), appeals process, contract terms

Source: Revenue Cycle Advancement Center interviews and analysis.

Proactively Spearheading Clinical-Financial Initiatives

Playing a Broader Role than the "Traditional" Physician Advisor

Audits Announced

Physician Advisor alerts health system of OIG's announcement of spinal fusion audits

1 Self-review

Physician Advisor pulls 30 most recent spinal fusion charts and audits documentation[1]. Estimated MACs would deny 60% of cases.

2 Physician Education

Physician Advisor shares self-review findings with neurosurgeons, leads education session on proper documentation practices

Results

0% Self Regional's spinal fusion denial rate

28% Average spinal fusion denial rate at South Carolina hospitals

Case in Brief: Self Regional Healthcare

- General medical and surgical facility in South Carolina
- In 2016, OIG announced a Fall 2017 work plan that included spinal fusion audits
- Self Regional performs a high volume of spinal fusions; physician advisor lead initiative to prepare for audits

1) Self-audit process used CMS standards to evaluate completeness of the documentation from past cases.

Source: Revenue Cycle Advancement Center interviews and analysis.

Key to Stronger Payer Relationships

Physician Advisors Can Appeal Directly to Payer Medical Directors

Health Systems with Developed Physician Advisor Programs Seeing the Benefits

"Our team of physician advisors are building a relationship with medical staff at payers, and they are integral in the clinical conversations. The impact they have on medical necessity write offs is huge.

Director of Business, St. Elizabeth Health

"The physician advisors have specific skills in negotiation, gamesmanship, and working with payers. They learn which arguments will hold up with the medical director, and can judge which cases are worth fighting for.

Senior Director of RCS Utilization, Novant Health

Physician Advisors Uniquely Positioned to Work with Payers

- Develop in-depth knowledge of payers' preferred clinical care guidelines
- Gain familiarity with past rulings on appeals
- Build close relationship with payers' medical directors
- Maintain objectivity on cases, as they remain more removed than the attending hospitalists

Source: Revenue Cycle Advancement Center interviews and analysis.

Physician Advisor Program Models

Detailing Roles and Responsibilities at Leading Organizations

Organization	*Model*	*Physician Advisor Responsibilities*	
St. Elizabeth HEALTHCARE 5 hospital, 892 bed system	In-house; 1 FTE, 2 part-time; internal hires, experience with medical group and payers	• Clinical appeals • CDI • HIM	• Utilization review • Peer-to-peer requests
SELF REGIONAL HEALTHCARE 1 hospital, 322 bed system	In-house; 1 FTE, hired from medical group	• Clinical appeals • Utilization review • Peer-to-peer request	• ACO oversight • Physician education • Clinical documentation improvement
NOVANT HEALTH 13- hospital, 2,500+ bed system	In-house; 4 FTEs and 4 part-time employees[1], hired from medical group and from external search	• Clinical appeals • Utilization review and chair UR committees • Peer-to-peer requests	• Physician education • Denials research • Medical care evaluation studies

SHARP
7- hospital,
2,000+ bed system
	In-house; 1 FTE at system level, 1 FTE at each facility	• System Level (1FTE):
		  • Clinical appeals
		  • Denials management
			• Facility CMOs
			  • Denials trends
			  • High level appeals
			  • Champion revenue cycle

ProHEALTH Care 2- hospital, 320 bed system	In-house and vendor-sourced; 1 FTE at system level, with advising from vendor for clinical appeals	• Utilization review • CDI and coding • Denials management	• Physician education • Case manager, office staff, and nurse education

Source: Revenue Cycle Advancement Center interviews and analysis.

Build, Buy or Both?

Organizations Deploy Physician Advisors Through Multiple Models

	Outsourced	Combination	In-House
Expected Benefits	• Faster program launch • Access to large bank of knowledge	• Access to large bank of knowledge • Non-clinical appeals responsibilities still handled • Allows for initial, on the ground reviews	• Control over appeals decisions • Strong organization-payer relationships
Capabilities needed	• Streamlined appeals process	• Strong physician candidates with payer experience/knowledge • Streamlined appeals process	• Strong physician candidates with payer experience/knowledge • Streamlined appeals process
Caveats for consideration	• Less opportunity to build relationships between organization and payer • Non-clinical appeals responsibilities of physician advisors not covered	• Potentially disjointed workflows • Have to manage a vendor and an internal department	• Requires established internal knowledge • HR burden; physician advisors may be a flight risk

Source: Revenue Cycle Advancement Center interviews and analysis.

The Right Answer for Each Organization is Different...

…And Can Change Over Time

St. Elizabeth Healthcare Brings Physician Advisory Services In-House

Service Outsourced

Engaged physician advisory vendor to help handle RAC audits, payer scrutiny

Shifting Priorities:

- RACs diminished
- Payer relationships hurt by vendors' approach to appeals
- Physician employees willing to take on physician advisory roles

In-House Program Developed

Developed physician advisory program. 1 FTE is focused on denials, while 2 part-time employees work on CDI, utilization, and peer reviews

12% → 7%

Initial denials before and after brining service in-house[1]

.9% → .5%

Denial write-offs as a % of NPR before and after brining service in-house[1]

Case in Brief: St. Elizabeth

- 5-hospital not for profit health system based in northern Kentucky.
- Brought all denials services in-house, including Physician Advisory services previously performed by a third-party vendor

1) Results impacted by other denials mitigation initiatives, including the in-sourcing of other denials management services.

Percent decrease was measured across a 2.5 year time period. Source: Revenue Cycle Advancement Center interviews and analysis.

Evaluate Dollars at Risk

Possible Incremental Savings Opportunity for Organizations

Key Cost and Potential Savings to Consider

Costs

# of FTEs needed (~1/200-250 beds)

x

Base salary

+

Benefits

+

Education and training

Potential Savings

Example Metrics:

- Reduced dollars at risk from Medicare FFS, Medicare Advantage, and commercial denials
- Reduced labor costs in appeals
- Reduced dollars at risk from audits (MACs, commercial auditors)
- Improved CDI
- Improved UR (reduction of hours in obvs, improvement of obvs to inpatient transitions, reduction of inappropriate clinical use)

Source: Lamkin, E. and Field, L., "**Modeling the Financial Benefits of a Physician Adviser Program**", *HFMA*, available at: http://www.hfma.org/Leadership/Archives/2017/October/Modeling_the_Financial_Benefits_of_a_Physician_Adviser_Program/; Revenue Cycle Advancement Center interviews and analysis.

This is an Advisory Board publication, one of the many resources available to members.

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As of November 17, 2017, Advisory Board research division has a new home within OptumInsight. While this marks an exciting new beginning, our commitment to objective research and member confidentiality remains the same. Learn how we can help you:

- Develop **market-leading strategy** with proven guidance to ensure your organization is taking the right strategic direction
- Accelerate **performance improvement** with personalized access to right answer, including how-to guidance for translating that strategy into action for all stakeholders
- Enhance **team effectiveness** with ready-made resources and on-call experts to enable leaders to do more with less

Preview resources available with membership

Advisory Board members have access to national meetings featuring new research and networking forums, research reports exploring industry trends and proven strategies, on-call expert consultations, forecasting and benchmarking tools, live webconference presentations and an on-demand webconference archive, expert-led presentations on the ground at your organization, and expert blogs on current health care topics.

Preview some of the other resources we've designed to support revenue cycle leaders and their teams.

Research report: Nine Revenue Cycle Integration Lessons from Progressive Health Systems

This report presents insights from Revenue Cycle Advancement Center research with health systems that are integrating different elements of their revenue cycles system-wide.

Meeting Series: 2019 Revenue Cycle Advancement Center National Meeting

Our 2019 Revenue Cycle Advancement Center National Meeting is designed to help Revenue Cycle Executives (CFOs, VPs of Revenue Cycle, and VPs of Finance) understand and address challenges such as ensuring revenue integrity, deploying an engaged revenue cycle workforce, and understanding the opportunities within ambulatory revenue cycles.

Benchmarking Tool: The Hospital Revenue Cycle Benchmarking Initiative

The Hospital Revenue Cycle Benchmarking Initiative provides a powerful combination of meaningful, actionable benchmarks, easy-to-access analytics, and insight from research experts.

Contact us at programinquiries@advisory.com or visit advisory.com/research/about-research to learn more.

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