# Mobile Charge Capture: Ready For Prime Time

*Handheld PDAs and Smart Phones Can Yield Major Revenue Enhancement For Your Hospital or Practice – With an ROI You Can Believe*

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Among the candid healthcare executives I've spoken with over my career, there's one quiet consensus few care to discuss – but one that lies safely beyond debate: hospitals and physicians are losing significant amounts of money by failing to capture physician charges in a fast, efficient, accurate, and complete manner. These lapses don't stem from willful non-compliance. They are the byproduct of outdated processes that lead to systemic failures that have a direct and negative impact on the institution's revenues.

However, new technologies are emerging to create a new discipline – *mobile charge capture* – that has evolved beyond the early-adopter phase and now stands squarely in the mainstream as a compelling mandate for healthcare executives looking to derive increased revenues while streamlining operations and workflows.

## THE CHARGE CAPTURE GAP

Over the past 10 years, the healthcare system has labored mightily (and, in most cases, successfully) to eliminate non-essential expenses in the delivery of health care. But a silent, hidden drag on financial performance has yet to be addressed: the lost revenue stemming from inefficient, ineffective capturing of charges. The fact is, physicians either fail to bill a significant percentage of patient encounters or create bills that are late or inaccurate. In large academic institutions, as many as 40 percent of patient encounters go unbilled and even in well-run private practices, 3 to 10 percent of inpatient visits go unbilled.

There are good reasons for this "charge capture gap." In paper-based charge-capture processes, there are numerous considerations and steps that must take place in an accurate, timely fashion:

- **Getting it on Paper --** The clinician writes down the charges and diagnoses, typically on 3x5 billing cards or patient encounter forms. Those entries must be complete, accurate, and legible (though they often aren't.) Some institutions will use "chart abstractors" – skilled administrative professionals who read the patient charts themselves to create accurate bills. While this is easier for the clinician, it's a costly process and often still requires additional information or clarification from the provider. Even when an abstractor is used, the physician is still ultimately responsible for the coding and charge.
- **Collecting the Cards --** A clerk must physically go through the facility to collect the cards, or the institution must put a process in place for shipping cards between facilities.

- **Not Losing the Card --** If a charge ticket is lost or misplaced, the hospital loses all of the revenue for charges recorded on that ticket – which can mean hundreds or even thousands of dollars per lost ticket.
- **Relying on Manual Data Entry --** A data entry professional then manually keys in those charges and diagnoses. Many organizations need to seek clarification from clinicians for 20 to 30 percent of their cards and charts before submitting charges. For example, beyond simple legibility, coders must often double-check referring physician names, tests, procedures, and diagnoses. The time lag from the date of service to the date of entry means the physician must remember the billable event to provide correct information.
- **Keeping it Accurate --** In many cases, a clinician will unintentionally enter an incorrect charge code. In so-called "downcoding," the institution foregoes revenue by underbilling for its services. However, over-charging creates other major vulnerabilities for the institution. Paper-based charge tickets are limited in their choices, don't change frequently enough, and can't offer useful guidance about the right coding choices. For example, if a clinician fails to check a proper box, a clerk will have to consult that clinician to verify a correction to the billing ticket. Often, the clerk will look at that individual charge and ask, "Is it worth the $50 for me to track this back to the clinician? Maybe I'll just code for a lower-intensity encounter."
- **Managing Charge Lag --** Even if the charge ticket successfully travels through the process from patient encounter to submitted bill, the time delay can be 20 to 40 days. That so-called "charge-lag" creates unnecessary cash flow pressure.

Given that clinicians' first focus will always remain – as it should – on delivering the highest possible quality of patient care, the charge capture gap is not surprising. And it's this fundamental, instinctual focus on the clinician that can actually point the way to a solution.

## ELECTRONIC CAPTURE, REAL-TIME BILLING

If you're like many health care financial executives, chances are you're studying or implementing various types of technologies to improve operations, decrease expenses, accelerate cash flows, and improve patient care. One of the most popular and pervasive initiatives lies in deploying any of a range of intelligent handheld devices such as personal digital assistants and so-called smart phones (such as those that use Palm OS and Microsoft Windows Mobile). While there can be clear benefits – through increased productivity, staff retention, and patient care/service – it is often difficult to quantify the hard-dollar savings from these initiatives.

However, mobile charge capture – shifting the capture of patient-encounter, diagnosis, and treatment coding from paper-based cards and sheets to handheld electronic devices – can deliver significant, measurable, and rapid ROI. That return can provide the entire payback for the hardware investment while providing a continuous stream of "found revenue" in the form of previously uncaptured charges.

With mobile charge capture, the clinician – the person with the most knowledge about the patient encounter – can record a complete and accurate charge that gets transmitted in real time to a billing system. Here's a closer look at the process:

### An Updated Patient List or Schedule

Whether you're seeing patients on an inpatient or outpatient basis, the charge-capture system downloads to your PDA an updated list of your patients and their locations for the day pulled directly from a hospital census system or outpatient appointment-scheduling system. This first step alone is a valuable time saver, preventing clinicians from walking through multiple floors and rooms looking for patients who have moved to other locations or have been discharged.

**A Smoother Patient Encounter**

In the hospital, the clinician can locate his patient, review charges from previous visits, and conduct a standard clinical encounter. Some mobile charge-capture implementations tie in clinical systems, lab results, clinical documentation, prescription orders, drug interactions, and similar functions, giving the physician a wider view of the patient's condition and progress.

**Capturing the Charges**

The charge capture occurs as an integral part of the normal provider workflow: immediately after the patient encounter, perhaps at bedside or out in the hallway. For outpatient clinics and private practices, the clinician can record the charges at the end of the appointment – just as he/she does with paper forms. With mobile charge capture, the clinician selects various on-screen diagnosis and procedure codes. There are no limitations – he/she can see and quickly access *all* CPT and ICD-9 codes. There are no handwriting-legibility issues. And there's a dramatically higher level of accuracy. One of the key advantages of mobile charge capture is the ability to leverage the intelligence of the smart phone or PDA to perform simple context-sensitive navigations and local data validation.

Not only are there no legibility issues, but the accuracy of the charges can be validated on the spot. For instance, if a physician enters diagnosis and procedure codes for a procedure, the mobile charge capture system can prompt the user to verify that the diagnosis is as accurate as possible. The system prompts the clinician for the diagnosis coded with the highest level of specificity. This is critical because hospitals reimbursements are diagnosis-driven.

### A Boost to Clinician Productivity

At the point of care, the clinician can also quickly copy charges from previous days. These systems can also “pre-populate” different fields based on the user’s preferences or usage patterns. Billing staff can view an inpatient stay and query the physician about services that appear to be missing. The goal is to make charge capture as fast, accurate, and painless as possible. Mobile charge capture is designed to dovetail into the physician’s traditional workflow. It accelerates and streamlines the workflow using a PDA or smart phone – devices that more clinicians are increasingly seeking to integrate into their daily lives.

### Real-Time Synching

Once the charge is captured, the device can wirelessly send it to the billing team, which can examine the charges, apply automated billing rules, and prepare it for transmission to payers. This critical step means that valid charges don’t sit in a physician’s coat pocket or, worse, get lost entirely.

## CAN YOU BELIEVE THE ROI?

In a word – absolutely. The buzz that has grown around mobile charge capture is well-supported because – like the hardware devices that charge capture systems run on – the discipline itself has matured from a cutting-edge innovation to a mainstream system. No longer solely the province of bleeding-edge institutions, mobile charge-capture systems are now coming online in community hospitals, outpatient clinics, and private practices. As we analyze the first wave of adoption, the return-on-investment is achieved through a variety of avenues. Mobile charge capture presents measurable savings in several areas.

### Increased Revenue

This is the primary reason to adopt a mobile charge capture solution: the ability to prevent legitimate revenue from "leaking" out of your paper-based charge capture system. By electronically capturing the diagnoses and billing codes, mobile charge capture virtually eliminates the possibility of losing, forgetting, or failing to submit charges. In my institution, we have seen a significant increase in revenue that we directly attribute to our mobile charge capture system. Our inpatient charge lag has dropped to less than four days. This, in turn, has totally eliminated rejections for "stale" claims. The effect of charge capture varies according to specialty and past experience in capturing charges. In some specialties, the increase has been more than 10 percent and the clean-claim rate for handheld captured charges is about 30 percent higher than paper claims.

These increased revenues also stem from the elimination of defensive downcoding – choosing codes for less-complicated procedures or less-intense patient encounters because of a clinician's uncertainty about proper procedures and documentation.

**Faster Billing Cycles**

Since mobile charge capture systems automatically sync up to wirelessly transmit billing information, hospitals can issue bills faster and receive cash sooner. At Mount Sinai, we have reduced our billing time to 24 hours, from receipt of a charge. This is completely unheard of for paper-based systems. Within one day of the chargeable service, we can issue a bill to a payer. That's reducing our working-capital needs and improving our collections rates.

This speed is also important when one considers new "prompt-payment" regulations from payers who often require payment within 90 days. Avoiding disqualified charges is an important step in recouping lost revenues.

**Increased Productivity**

Mobile charge capture can dramatically improve productivity for all billing participants. Our physicians – who are supplied with PDAs at no cost – can now better leverage these investments by visiting patients more efficiently, spending more time with them, and spending less time on paperwork or answering questions from the billing staff. We've had no pushback from our physicians because it makes their day easier. When you add other clinical components, such as the ability to write prescriptions, view lab and test results, and dictate notes, the integrated solution's value increases even more.

For billing staff, mobile charge capture systems mean no re-keying and far fewer hours tracking down physicians to clarify charges and ensure charges are properly substantiated. This enables the billing professionals to do what they are trained to do – get claims paid from third parties-- and not act as data entry clerks.

**Improved Compliance**

You can configure a mobile charge capture system to perform real-time code edits (i.e. rule checking) when the clinician enters information and alert physicians – there and then – if there are problems or discrepancies. That eliminates the common problems of missing or inaccurate information. You can check for accurate coding such as age, modifier, and gender appropriateness. Missing data, such a referring provider, injury date and type, and the time spent with patient can be required based on the charges billed. You can also use built-in checks for CCI and LMRP regulations or apply custom edits for your unique billing processes.

**Valuable Data**

Mobile charge capture records can provide a wealth of useful data for hospitals and clinicians. Aggregated data can shed light on coding practices and tendencies, offering us the opportunity to educate clinicians on how to improve their accuracy and improve their charge data. In addition, having all this data available to us so quickly, means we can deal with issues while the patient is still in the hospital. That means less effort and faster turn around times.

## CONCLUSION

With the arrival of virtually any technology, patience is often the prudent course for health care organizations. Today, however, given the maturity and proven benefits that mobile charge capture can deliver, the time for waiting on the sidelines is over. Mobile charge capture solutions are ready for mainstream adoption – given the many benefits they can provide, the prudent move now is to adopt solutions that can help recoup lost revenues, increase productivity, and yield a fast and measurable payback on investments.

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