

## Achieving Accurate Commercial Reimbursement with CDI



In 2014, the average hospital profit margin fell to 2.2%,<sup>1</sup> driven in part by declining Medicare reimbursements following CMS' Two Midnight Rule.<sup>2</sup> To offset this reimbursement loss, providers are exploring ways to increase their hospital's top line. Many solutions to address this challenge require growing volume, changing payer mix, or renegotiating contracts with commercial health plans. Although these can be effective levers, these strategies can also be time-consuming and difficult to achieve.

At the same time, hospitals strive to optimize operational processes, both in terms of accurate documentation and cooperation among departments. These factors are no less critical, as poor clinical documentation can produce imprecise DRG assignments, inaccurate quality measures (Severity of Illness, Risk of Mortality), and unnecessary and inappropriate denials. Improvement efforts can be thwarted by ineffective communication, particularly as a result of unanswered Clinical Documentation Improvement (CDI) queries.

Increasingly, hospitals are taking a new look at their current commercial cases and are realizing an untapped potential for addressing both of these challenges: CDI review of commercial cases.

### **The Costs of Ignoring Commercial Cases**

Typically, CDI activities at most hospitals focus on Medicare Fee-For-Service patients. According to the 2015 CDI Trends Survey from the American Hospital Association, in conjunction with Executive Health Resources, nearly two-thirds of respondents (65.5%)

<sup>1</sup>Moody's Investors Service, 2014.

<sup>2</sup>Centers for Medicare & Medicaid Services, *FY2014 Hospital IPPS Final Rule CMS-1599-F*, October 2013.

target cases based on the payer type. Most hospitals (82.8%) are unable to ensure that all complex cases go through CDI review. Within the CDI programs of respondents, only 24.6% specifically target commercial health plan cases for review, focusing instead on Medicare Fee-For-Service (58.5%) and Medicare Advantage (46.1%). Only 37.5% of respondents indicated that their CDI program is able to equally review all payer types, including commercial health plan cases.<sup>3</sup>

Certainly, focusing only on Medicare claims is understandable given the importance of accuracy, potential downstream coding denials, and increasing focus on quality and outcomes. With limited resources requiring CDI teams to make choices, reviews on commercial cases are typically given a lower priority. In even more resource-constrained scenarios, hospitals are unable to conduct any first-level reviews on commercial cases. Care coordination, DRG assignment, and hospital and physician quality measures all depend upon having accurate documentation. Leaving commercial cases out of your review process can hamper the quality of this data.

The financial consequences of such a low commercial review rate are significant. Without hospitals reviewing commercial case statuses, the hospital is at significant risk for claim denials. Many of these denials are errors that result in medical charts failing to provide enough clinical support for diagnoses and billed services. CDI reviews can improve the accuracy of your commercial cases and potentially prevent many denials.

## Challenges

The challenges to successfully implementing commercial case reviews don't stop with limited resources. Securing accurate payment requires more effort than simply clarifying and submitting the claims. An overwhelming number of respondents (78.4%) to the CDI Trends Survey deem physician involvement the most important requirement for maintaining a successful CDI program, yet 95% recognize the need to improve physician engagement at their facility.<sup>4</sup> Understanding the reasons for this disparity requires a deeper look at the root causes behind these physician documentation challenges.

Part of this challenge comes from differences in perspective. Physicians sometimes unintentionally omit information from a patient's medical record that is essential to accurately represent the complexity of the case. A physician may look at several pieces of information and see the cause as self-evident, yet if they neglect to include full specificity in the notes, coders cannot record that diagnosis accurately. From the physician's perspective, the diagnosis was clear. From the CDI specialist's perspective, the physician failed to document as accurately as possible. Documentation improvement and query processes need to first identify and then address these instances.

The issue extends beyond differences in expertise and perspective. Among CDI professionals, 66.5% felt their physicians didn't understand the importance of strong documentation, while another 47.7% believed physicians simply lacked the time to give CDI enough attention.<sup>5</sup> Demands on physicians' time are significant, and without understanding the reasons why clear documentation is important, CDI is not getting the mindshare it requires.

More alarmingly, nearly two in five CDI professionals (38.1%) reported that their hospitals' physicians simply have no interest in improving documentation.<sup>6</sup> Some physicians suggested that every minute wasted on documentation is a minute they could have spent on patient care. One physician expressed this belief in a Rand survey:

<sup>3,4,5,6</sup> 2015 Clinical Documentation Improvement Trends Survey from The American Hospital Association in conjunction with Executive Health Resources.

*“Every meeting there’s new things added to the list... now we have to figure out how to do it so that they can count it and get credit for it—which is really frustrating. That’s not why I went to medical school. I just want to take care of the patient.”<sup>7</sup>*

*- Rand Physician Survey Respondent*

According to CDI Week’s 2013 Industry Overview Survey, only 17% of hospitals have policies in place to mandate physician participation with CDI efforts.<sup>8</sup> Though the 2014 survey didn’t ask the same question, that survey found that 53.8% of respondents’ Medical Executive Committees do not have a policy requiring physicians to respond to queries or CDI clarifications.<sup>9</sup> Each unanswered query holds the potential for an incorrect commercial claim. Unclear medical records can potentially affect DRG assignments, result in denials, and skew quality measures such as Severity of Illness (SOI) and Risk of Mortality (ROM), all of which can affect financial integrity. The transition to ICD-10 will only exacerbate these issues, as cases will require greater detail and specificity than ever before.

Fortunately, your facility can overcome these challenges through a robust commercial case review program. But the success of a commercial CDI program relies upon improving physician involvement and documentation habits.

### Successfully Engaging Physicians

The 2015 CDI Trends Survey was surprisingly clear on the most effective way of engaging physicians in commercial case review. Unfortunately, some of the most prevalent educational approaches simply aren’t very effective. Only 4.4% of respondents believe typical printed methods – posters, flyers, emails, and newsletters – are effective. Educational sessions such as seminars, lectures, and presentations fare only slightly better; 11.3% felt these methods were effective, regardless of whether physicians attended in person or via webinar.

But there is a bright side; **84% of respondents agreed that real-time, case-by-case, patient-specific conversations were the most effective way** to make physicians aware of the importance of and ways to improve their documentation practices. Not only do these conversations facilitate individual case reviews, but they also present an opportunity to teach positive documentation habits for treating physicians to apply in the future.

To be successful, your CDI program should include a few key characteristics:

**Design your program to address all payers and cases, including the most complex ones.** Complex cases and associated queries are the most challenging and time-consuming for CDI specialists to address and offer the greatest likelihood for imprecise or incomplete documentation. Certain health plan payers may require more detailed documentation needs, which in turn may require additional attention from your CDI team. These situations represent the greatest opportunity for improvement for both documentation accuracy and physician education.

**Review cases concurrently with a patient’s hospital stay.** Not only do concurrent reviews provide immediate resolution when it matters most – when the patient is still in your facility – but concurrent reviews also ensure that everyone involved discusses the case while the information is fresh in their minds. Reviewing cases retrospectively can require treating physicians to re-familiarize themselves with case details, which adds precious time to the query process and risks leaving the query unanswered. Concurrent review allows CDI programs to run more efficiently, both clinically and administratively.

<sup>7</sup> Rand Corporation, “Factors Affecting Physician Professional Satisfaction and Their Implications for Patient Care, Health Systems, and Health Policy, 2013”, p.99.

<sup>8</sup> CDI Week, “Industry Overview Survey”, September 15-21, 2013.

<sup>9</sup> CDI Week, “Industry Overview Survey”, September 14-20, 2014.

**Leverage Physician Advisors for physician-to-physician interactions.** If “doctors typically document for other doctors,”<sup>10</sup> then Physician Advisors are best positioned to reach out to treating physicians during a complex case query. The Physician Advisors you choose for this role should have significant experience reviewing charts in a wide range of specialties and receive extensive training in the principles of clinical documentation improvement.

**Provide feedback on specific cases.** CDI reviews depend on patient- and case-specific information. By providing feedback on individual cases, Physician Advisors can help treating physicians understand how to better communicate their diagnoses and improve the specificity of future case documentation. Physicians will be more engaged with cases that involve their own patients than sample cases. By making information specifically relevant, it helps them learn better and improve their documentation habits.

**Provide a written record of physician interactions.** The results of physician-to-physician interactions should be detailed in a written summary to the CDI team to help ensure that the chart documentation is complete prior to coding. Through the written documentation of the interaction, the CDI team can validate that the chart matches the treating physician’s final determination of the appropriate code.

**Educate physicians about how CDI is relevant to them.** With the increasing industry focus on quality metrics and outcome-based payments, demonstrating the vital role documentation has in ensuring that quality indicators are as accurate as possible is critical to securing physician support. Communicating the tangible benefits of proper documentation will deepen physician engagement.

**Complement your CDI team’s efforts.** A well-designed commercial review program amplifies the success of an existing CDI program. When Physician Advisors discuss case queries with treating physicians, their medical expertise reduces the burden for CDI specialists on complex cases or resistant physicians. By educating physicians on proper documentation habits, Physician Advisors improve the quality of documentation, providing CDI professionals with more accurate and complete information to start their reviews in the future.

## Remember Your Goal

With the average hospital profit margin standing at only 2.2%,<sup>11</sup> performing CDI reviews on commercial cases presents a significant opportunity for hospitals to influence their financial integrity and key quality metrics. The key to success, though, rests on establishing a dialogue between CDI professionals and physicians that will draw physicians into the process and fully address the opportunity for physician documentation improvement.

That’s a significant challenge, but one that can be made easier by reviewing commercial cases with physician-to-physician, case-specific interactions between treating physicians and highly skilled and experienced Physician Advisors. The benefits of clear documentation and strong physician engagement are far-reaching and can help assure the financial and clinical documentation integrity of your organization.

<sup>10</sup> Dr. John Zelem, *Physician’s Money Digest*, November 2014.

<sup>11</sup> *Moody’s Investors Service*, 2014