



Case study—On Demand

Financial success with CAC in the emergency department

On Demand serves as the practice management company for a team of 35 emergency physicians who provide medical care to the Treasure Valley region of southern Idaho through local hospital emergency departments.

On Demand began as an in-house operation for the team of physicians, but in early 2006, leaders of the practice management component of the business ventured out on their own to provide services for other medical practices in the Boise, Idaho, area.

Initially, On Demand struggled with its largely manual operation for coding medical reports, with stacks of printed medical records and no system for organization. An awkwardly merged paper and computer system required coders to switch between multiple computer screens and paper throughout the day. The company could not track coders' work or the interactions between the coders and the emergency departments. All of the workflow factors threatened On Demand's future progress.

On Demand also faced a challenge common to many emergency practice management operations: determining appropriate service levels for procedures performed. For example, the level of treatment needed for a broken leg can vary greatly depending on how or where the bone is broken. Therefore, assigning appropriate reimbursement codes requires close scrutiny of the physician's report. On Demand found encounters were often coded conservatively, regardless of services provided and documented. Additionally, coding decisions were sometimes not based on records at all because of the cumbersome reconciliation process. This chronic undercoding

put physicians at risk of not receiving full reimbursement for the services they provided.

Bonnie Carns, an owner of On Demand, decided that for the company to be successful on its own, she had to streamline and automate processes to grow the coding division. Based on her research, computer-assisted coding held the most promise for reaching her goals.

"Between the various systems, printed reports and all the back and forth that's required in this business, I knew computer-assisted coding was the way to go. It was just too much information for us to corral and funnel," Carns said.

The CodeRyte solution

On Demand wanted a cost-effective, easy-to-operate, computer-assisted coding system that would eliminate its disparate paper and online systems, streamline coding for the busy emergency departments and help Carns build her business. The coding system also needed to easily interface with On Demand's billing system, CPU Medical Management Systems, Inc.

On Demand's search ended with CodeRyte, the healthcare industry's premier provider of computer-assisted coding solutions. Through natural language processing technology, CodeRyte identifies correct billing codes with statistical precision from clinical information in medical reports. CodeRyte's technology automatically captures every E&M element in the record to identify the correct service level and thereby maximize appropriate reimbursement. CodeRyte takes the same approach that an auditor would use so full compliance is assured.

Key benefits

- ◆ Increased revenue by 5 percent
- ◆ Captured 100 percent of physicians' procedures
- ◆ Decreased AR issues caused by coding-related backlogs

On Demand

- ◆ Based in Boise, Idaho
- ◆ Serves a team of 35 emergency physicians serving local hospital emergency departments
- ◆ Handles nearly 90,000 reports annually



"I truly believed in CodeRyte's concept from the very start," Carns said. "With checks and balances programmed throughout the process, we are assured that every record is captured and available to be coded. CodeRyte technology gathers the different components of the record necessary for coding and combines it into one record that is truly reflective of the visit. This gives the coder the time to spend capturing revenue the provider deserves."

CodeRyte began serving On Demand in the fall of 2006, quickly streaming medical reports from the emergency physicians into its natural language processing engine. At the same time, CodeRyte's team of certified, professional coders began to take on On Demand's manual coding.

"The first visible advantage of CodeRyte is that it brings together all of the electronic information and provides one source and one screen for patient demographics, payor information, chart information, medical histories and write ups of physicians' findings," Carns said. "Rather than printing on paper or toggling between multiple software programs, the information is all sent to CodeRyte and displayed in a unified format."

The old system of paper and computers, plus the overall lack of tracking capabilities, left On Demand struggling with aging accounts receivable. No mechanism existed to track the coders' work, leaving On Demand under pressure to document activities and daily progress.

On Demand now receives a monthly summary of everything CodeRyte's certified coders have done, complete with client-customized details on every note. Using this report, On Demand can cross reference its physicians' activities and chart various performance measures. The technology, for example, shows when physicians are not dictating complete reviews of service or sufficient history elements.

"We know exactly what's going on with our clients, month to month," Carns said. "The customizable report allows all parties to be active participants in the process, and it assures that compliance is woven into the fabric of coding operations at all levels. Transparency is key for us to maintain

trusting relationships with our clients."

Increased revenue by 5 percent

Alleviating administrative and accounting headaches was a big win for On Demand, but the most significant value CodeRyte delivered was increased revenue capture. The failures of the old systems meant many of the services performed in the fast-paced emergency rooms were not always captured. In addition, swamped coders frequently defaulted to applying codes that assumed midlevel service, even when higher levels could be justified.

CodeRyte's engine documents every procedure performed and helps capture procedures that the old system missed. By reading all of the language of the physician's notes, CodeRyte's engine cast out chronic undercoding of emergency service levels and assigned appropriate levels based on the rich language of physicians' records, noting all procedures performed. In all, OnDemand experienced a 5 percent revenue increase for its emergency physicians.

The quick rise in revenue initially caused the physicians to worry that CodeRyte was too good to be true and might raise their audit risks. To alleviate their concerns, Carns brought in an independent auditor to verify the coding accuracy. With CodeRyte, Carns said, audits are easy to perform. The system tracks all reports and classifies the information based on the user's preference, making concurrent and retrospective auditing and quality assurance simple tasks.

Carns gave the auditing team full access to the CodeRyte system, allowing them to review any report and examine the physician's language. Time and again, the reports showed the language justified the level assigned. Ultimately, the audit revealed CodeRyte's system was working well, capturing appropriate charges for its 35 emergency physicians.

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