

HOME CARE LEADERSHIP

What Agencies Must Do to Survive

By: Nick Dobrzelecki, Founder CEO,
Daymarck

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As the debate over health care reform continues, home health agencies are facing an increasingly complex array of rules and guidelines that will dramatically reshape future business operations.

For many agencies, the new rules and guidelines can seem daunting. Recently, the Centers for Medicare & Medicaid Services released the Final Rule updating the policies and rates associated with the Medicare home health prospective payment system (HH-PPS) for calendar year (CY) 2010. In addition, the Department of Health and Human Services' Office of the Inspector General (OIG) has released its Work Plan for the fiscal year 2010, describing the areas and issues that the OIG will audit, evaluate and inspect in the coming year.

But even during these challenging times, home health agencies can not only survive but thrive by following several principals that have long helped agencies succeed. The core

fundamentals of operating a successful and compliant home health agency do not change with rule changes. However, agencies need to take proactive steps to assure that they are well-positioned for the years ahead. These proactive steps include developing and implementing a compliance plan, taking an interdisciplinary approach to patient care, and decreasing the complexity of their operational processes.

A Compliance Plan as the Cornerstone of Ethics

Although it has been more than a decade since the OIG first set guidelines for developing a compliance plan in 1998, these guidelines continue to serve as a cornerstone of an ethical agency culture. At its core, developing a compliance plan establishes a standard of behavior within a home health agency that promotes prevention, detection and resolution of practices that do not conform to Federal and State regulations; and Federal, State and private payer health care program requirements.

A well-thought out compliance plan establishes the organization's commitment to ethical conduct. When a compliance plan is put into practice, you don't have to think about it – it just becomes part of the way the agency does business.

Larger organizations should have formalized written plans but smaller agencies may not have the resources to do so. However, smaller agencies should be able to articulate and demonstrate their commitment to ethical conduct.

Whether large or small, agencies should decide who is ultimately responsible for compliance. Is there a dedicated compliance team? Or is this the responsibility of senior leadership? Whichever option you choose, remember that compliance is not an option.



A Compliance Plan as the Cornerstone of Ethics

When creating an effective compliance plan, we believe you should include several important components:

- A regular internal auditing and monitoring schedule – large organizations will monitor quarterly while smaller agencies can audit and monitor annually
- Compliance and practice standards, which should be clearly defined
- A designated compliance officer or contact – this individual is typically part of the organization, but should be at least one step away from the special areas of OIG concerns (the director, financial officer, their direct reports and members of the records department should not be included). This individual should also be experienced in home health and have a clear understanding of CoPs and OIG compliance programs.
- Appropriate training and education – all leadership, clinical and clerical staff should be educated and trained on the key aspects of compliance issues.
- A procedure for responding appropriately to detected offenses and developing corrective action -- document internally why corrective actions were needed and develop plans to prevent these errors from occurring in the first place
- Defined procedures for communication – every staff member, including leadership, clinical and clerical staff should understand that they are expected to report compliance issues without fear of reprisal. Compliance is everyone's responsibility.
- Enforceable disciplinary standards – what is the procedure for enforcing disciplinary standards and what are the consequences if responsible parties do not take responsibility for compliance?

An Interdisciplinary Approach to Patient Care

Another critical consideration for agencies, particularly in challenging regulatory environments is the commitment to implementing dedicated case managers to oversee and coordinate patient care. Effective case managers create a seamless system of patient care by managing multiple disciplines and preventing overlapping services. For example, if a patient is receiving physical therapy and home health aide services, the home health aide may be able to assist the patient with some basic physical therapy, eliminating an additional physical therapy visit and saving as much as half the cost of the visit to the agency's bottom line. Agencies that implement dedicated case managers can decrease the visit per episode average and serve more patients through freed up resources while improving the overall quality outcomes.

Effective case management can increase both clinical and compliance efficiencies through coordination with specialized trained staff who oversee the OASIS process and assignment of medical coding. When clinical staff and quality assurance staff work in

harmony, agencies are rewarded with consistent OASIS scoring, coding compliance and timely Medicare payments. An additional benefit with this coordination is improved quality outcomes, created by capturing the proper risk adjustment credit through accurate, consistent OASIS scoring and proper assignment and sequencing of medical codes. Agencies that use the proper sequencing of codes will often receive risk adjustment credit that raises their overall quality scores.

A final but important benefit to effective case management is external agency coordination. Home health companies can increase their cost savings and prevent duplication of services by coordinating care between the home health agency, the patient's primary care physician and all other practitioners. As an example, if a patient goes in to the surgeon's office to have a wound examined, it would not be cost efficient for the home health nurse to visit and redress the wound. When the home health agency is committed to open and timely communication with physicians the process of patient care is more efficient, agency costs are reduced, and patient outcomes improve.

Streamlining Operations

Finally, successful home health agencies – large or small – must look at streamlining back office operations. Do what you do best and leverage experts and outside resources to your advantage. The primary focus of home health agencies should be quality patient care. If an agency does not have the staff to take on all needed administrative tasks, they should explore outsourcing to companies that have proven expertise in these tasks. Outsourcing to an organization you can trust provides agency leadership with peace of mind that they can meet all regulatory requirements in a timely manner.

Many healthcare areas such as hospital and physician offices have outsourced billing and coding services. This is a new concept within the home care industry but gaining popularity. With agencies facing significant changes with implementation of OASIS-C and ICD-10, home health agencies are finding peace of mind by choosing to streamline back office operations through remote coding. In fact, government studies demonstrate that choosing remote coding will save home health agencies approximately 10 hours per staff member on ICD-

education alone. several months to a year to develop proficiency in ICD-10. And educating and training clinical staff on ICD-10 results in fewer patient visits and reduced reimbursement for the agency. patient visits and reduced reimbursement for the agency.

The clinical staff should focus on caring for patients, and administrative staff should be dedicated to one or two specific areas of responsibility to develop proficiency at their primary jobs. I have seen agencies over cross train staff. These agencies typically have a reactive approach to solving problems. They move staff from one crisis to another. A coder is hired to ensure records are properly coded. The billing department is behind and the coder is pulled to do billing audits. The next day, the intake department is short and the coder is pulled to answer phones. They get behind on their work and are pressured to get the charts coded and do a subpar work.

Be proactive and know that end of month you need extra staff to help with bill; Fridays you need extra help with intake and so on. It may be better to hire an extra office worker who can float between positions. A coder needs to focus on coding to ensure that they properly assign the correct codes and are not pressured to blow through the charts. Agencies are finding that outsourcing coding responsibilities to an organization that has built a stellar

reputation in coding expertise is the lifeblood of the home health agency.

Finally, agencies must stay up to date on industry news, including understanding why the current guidelines are changing and staying abreast of future industry developments. For example, the OASIS assessment will be changing to OASIS-C (from OASIS B1) in January 2010 – the biggest change since the implementation of OASIS in 2000.

Center for Medicare and Medicaid Services CMS is already testing a new assessment called Continuity Assessment Record & Evaluation (CARE) for Congressional consideration in 2011, as part of current health care reform initiative to bundle payments. These changes along with implementation of ICD-10 in 2013 will have significant operational impact on agencies.

Historically agencies have managed all operations – both clinical and operational – internally. Particularly at small agencies – the director may perform homecare visits, develop marketing events, supervise staff and manage billing. Some of these functions should be outsourced. Too many agencies are struggling to survive. Agencies that outsource and increase their operational efficiency are well-positioned to meet regulatory obligations without sacrificing the quality and consistency of patient care. We can't lose sight of the fact that our shared

commitment to quality home care for patients is why we have chosen a career in home health.

Karl "Nick" Dobrzelecki is the founder and chief executive officer of Daymarck, a company dedicated exclusively to providing accurate, compliant medical coding and coding consulting services to the home healthcare industry. Dobrzelecki is a senior-level executive who launched Daymarck with nearly 20 years of experience in the home health care and healthcare industries.

ABOUT DAYMARCK

Exclusively focused on the home healthcare industry, Daymarck makes getting medical coding advice and service as easy and pain-free as possible. Founded by home healthcare veterans in response to the current and future major regulatory changes, Daymarck offers home healthcare agency leaders compliance, peace of mind, efficiencies and cost savings that help home healthcare agencies grow and provide the best patient care. Services include home health medical coding outsourcing, auditing services, enterprise coding software and coding education.

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e-mail: info@daymarck.com
Phone: 1.937.885.5918



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