

Reimbursement and Leadership

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Today's reimbursement environment is what many would consider volatile; especially in late December and January when CMS and congressional changes seem to happen on a daily basis. Physicians and administrative leaders are sometimes criticized by clinical personnel for being more in-tune with the reimbursement world than is felt to be necessary. The expenditures for advanced technology and the latest cancer drugs, in addition to the cost of experienced health care providers, necessitate that leadership keep a constant eye on the economics of cancer treatment and the world of reimbursement.

Physicians and administrators begin their preparation for the upcoming year in July when the Proposed Rules for the Hospital Outpatient Prospective Payment System (HOPPS) and the Medicare Physician Fee Schedule (MPFS) are published. These proposed rules allow leadership in cancer facilities to determine such things as decreases or increases in revenue for the coming year, the return on investment for any new equipment that is being sought and whether any of the new technology have codes assigned that will guarantee reimbursement. While these rulings allow for budgeting and estimated revenue today's oncology leaders do not count on these proposed rules being finalized until November.

As many of you may know, the past few years have proven to us that "Final" isn't necessarily final! The Proposed Rule and the Final Rule for the MPFS stated a 10% reduction in the conversion factor that was overturned via Congressional action in December. Many physicians and administrators were left heaving a sigh of relief thinking maybe a bullet was dodged or did we just escape the inevitable? This act of Congress raised the conversion factor by .5% but with the lower budget neutrality factor and adjustments in RVU's some codes will still be paid less in 2008 than in 2007. Information such as adjustments in RVU's, and the conversion factor have to be considered when an individual practice is determining what their financial impact will be. No two facilities will have the same decrease or increase in yearly revenue because utilization of procedures varies from site to site.

Beyond the research and preparation for budgeting for the coming years the day to day actions of leaders can have a huge impact on facilities and/or physicians long term viability. Appropriate reimbursement always begins with financial counseling for each patient and we are seeing these financial counselor positions being filled widespread, even in hospital settings. Leaders of cancer facilities today realize that a satisfied patient is an informed patient. This does not mean the patient is informed only on the clinical aspects of their treatment but also the financial impact of their treatment. The oncology specialty has come to realize that explaining the cost of the treatment, insurance coverage and patient financial responsibility not only eases most patients' frustration and worries but also increases the provider's chance of receiving the patient portion of the costs. Another important aspect of financial counseling is the verification of insurance and the authorization of treatment to ensure maximum reimbursement. While even an authorization does not guarantee payment; sites that execute these pre-treatment financial duties have an increased chance for appropriate payment which is why evaluating these services is typically the first item addressed by administrative leaders when starting up or stepping into a new practice.

Administrators don't think twice at ensuring that physicians and health care providers receive the required continuing education pertaining to their clinical work. Most clinical personnel and physicians are educated thoroughly during their required curriculum for certification but receive little if any Medicare Compliance and billing education. This makes little sense considering a clinician's first day on the job is spent providing a clinical service and documenting and billing for this clinical service. Reimbursement aware administrators allocate hours of reimbursement, documentation and coding curriculum in addition to this clinical curriculum to ensure total Medicare compliance and to maximize revenue. It is also critical for health care providers to understand the limits that are placed upon payment of certain technologies by insurance companies as well as Medicare. While no one wants to tell a physician you cannot treat the patient the way that you have prescribed, the providers do need to know the consequences of ignoring such policies. Education for the patient as well as additional documentation efforts on the part of the physician can be required in order for certain treatments to be approved for certain diagnosis.

The combination of the reality of reimbursement reductions coupled with the costs of more advanced technology in oncology treatment require diligence by leadership that in the past was not considered to be fundamental. Today's administrative and leadership roles require thorough knowledge of all aspects of reimbursement and the continuance of education throughout each practice in order to ensure profitability. Non-payment of patient treatments can determine profitability and success or failure of a practice.