

Reimbursement and revenue generation by actually increasing expenses

— Ron DiGiaino, MBA

The recent years have brought about a very cost-conscious environment in radiation oncology. Many hospitals and physicians are trying to curb costs and some are even bringing in consultants that specialize in streamlining efficiencies in operations to reduce operational expense. This is certainly appropriate in many situations

Cycle recently did a similar unofficial poll through the Society of Radiation Oncology Administrator's mailings list and found that one RN to a range of 35-40 on-treatment patients was the norm. You may be surprised to find out that you in fact are understaffed or that your concerns of overstaffing have been confirmed. There are several excellent

You may be surprised to find out that you in fact are understaffed or that your concerns of overstaffing have been confirmed.

where staffing has not been increased or decreased to keep in line with current and projected volumes, or where redundancies and inefficiencies have been the norm. I would encourage anyone to poll their peers with questions, such as number of registered nurses, physicists, dosimetrists, and all other positions, to compare regarding workload and complexity level. Revenue

mailing lists available in our community that are quite valuable with respect to getting real-time information on how other facilities and physician's office maintain operations, staff, document, and a host of other information.

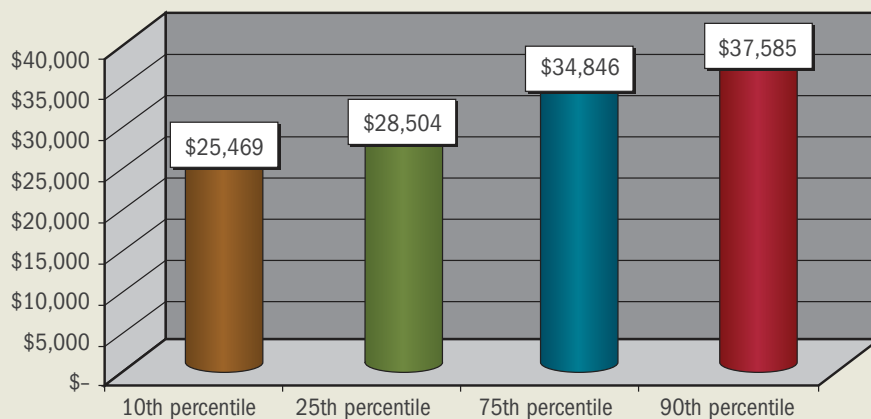
In particular, I wanted to focus on a sometimes overlooked area that affects the entire revenue cycle. From first hand experience, there are a large number of oncology

centers, based in hospital and freestanding settings, which still do not have dedicated financial counselors. The expense is not budgeted for that type of full-time employee. In some situations, lack of money may be due to lack of volume of patients. It is then recommended that the duties of financial counseling be executed as a portion of one of the facility's present full-time employees. During visits to numerous sites, some hospitals tell us that they have two or three financial counselors that are available on an as needed basis. I often hope my eyes are not as wide as dinner plates thinking how on earth can this number of financial counselors adequately meet the needs of this busy cancer center, much less the entire hospital's patient population. I think part of it may be the disconnect from a clinical setting to a business setting. Obviously, the concentration in a clinical department is patient care, good treatment, and patients' well being. However, a person dedicated to sorting through the sometimes complicated insurance world can be a relief to many confused patients who do not fully understand their benefits and responsibilities. Some are unaware of the assistance they may qualify for from Medicaid, pharmaceutical companies, or charitable organizations.

Financial counselors may serve as:

- ▶ Resources for insurance benefit explanation in an ever increasingly difficult environment
- ▶ Essential personnel for the financial health of the oncology provider
- ▶ Both patient and business office advocate and educator
- ▶ Member of the marketing team through compassionate but professional discussions regarding payment plans
- ▶ Reliever of anxiety for patients concerned about their financial situation

Figure 1. Salary.com national base salary range



Drug denials have been and continue to be an increasing area of administrative review due to reimbursement reductions.

- ▶ Verifier of insurance information
- ▶ Obtainer of necessary authorization/coverage requirements/communicator to physician provider with potential obstacles for payment regarding a particular treatment plan
- ▶ Collector of deductibles, co-insurance and co-payments

Salaries range greatly from experience, geography, and job duties; however, we

have seen that the benefits of having these services available to your patients can pay for themselves in many and various ways. According to www.salary.com, national base salaries range from \$25,469 to 90th percentile of \$37,585, with benefits and possible bonus included (see figure 1).

If a particular chemo drug is off label and a compendium-approved clinical equivalent is not identified prior to the start of treatment, it can be costly and time consum-

ing to work appeals, to get pharmaceutical drug replacements, or in some unfortunate cases, to write off total losses to the medical oncologist or facility. In several cases it can be the financial counselor that enrolls the patient in the vendor-sponsored drug replacement services for indigent or financially-struggling patients. Drug denials have been and continue to be an increasing area of administrative review due to reimbursement reductions. The increasing use of the model of co-management agreements between hospitals and medical oncologists in which some medical oncologists may have guaranteed salaries that have to be met in addition to the margins for daily operations is also a contributor.

In a radiation oncology example, a financial counselor may allow for the radiation oncologist, who is convinced that intensity-modulated radiation therapy (IMRT) is the best clinical course for a patient, even though it is not on the approved list of pay-

Example 1. Freestanding

CPT HCPCS Code	CPT description	Quantity billed	Per unit Medicare allowable professional	Per unit Medicare allowable technical	Per unit Medicare allowable global	Medicare total professional est. collections	Medicare total technical est. collections	Medicare global total est. collections
99244	Consult Level 4	1	\$179.01	\$0.00	\$179.01	\$179.01	\$0.00	\$179.01
99213	Followup Visit	1	\$59.80	\$0.00	\$59.80	\$59.80	\$0.00	\$59.80
77014TC	CT Guidance	1	\$0.00	\$142.45	\$142.45	\$0.00	\$142.45	\$142.45
77263	Treatment Planning, Complex	1	\$152.35	\$0.00	\$152.35	\$152.35	\$0.00	\$152.35
77470	Special Treatment Procedure	1	\$100.17	\$258.61	\$358.78	\$100.17	\$258.61	\$358.78
77280	Simple Simulation	0	\$33.90	\$153.11	\$187.01	\$0.00	\$0.00	\$0.00
77290	Complex Simulation	1	\$74.27	\$383.54	\$457.81	\$74.27	\$383.54	\$457.81
77300	Basic Dose Calculation	8	\$29.71	\$46.85	\$76.55	\$237.66	\$374.78	\$612.44
77301	IMRT additional Planning	1	\$382.01	\$1,633.17	\$2,015.18	\$382.01	\$1,633.17	\$2,015.18
77334	Complex Treatment Device	8	\$59.03	\$112.36	\$171.39	\$472.28	\$898.85	\$1,371.13
77418	Radiotherapy/IMRT per session	38	\$0.00	\$599.11	\$599.11	\$0.00	\$22,766.12	\$22,766.12
77370	Special Physics Consult	1	\$0.00	\$131.40	\$131.40	\$0.00	\$131.40	\$131.40
77336	Weekly Physics	8	\$0.00	\$84.55	\$84.55	\$0.00	\$676.43	\$676.43
77427	Weekly Management	8	\$177.10	\$0.00	\$177.10	\$1,416.84	\$0.00	\$1,416.84
77014-TC	CT Guidance Technical	0	\$0.00	\$142.45	\$142.45	\$0.00	\$0.00	\$0.00
77014-26	CT Guidance Professional	0	\$40.75	\$0.00	\$40.75	\$0.00	\$0.00	\$0.00
77421-TC	Stereoscopic Guidance Technical	38	\$0.00	\$110.45	\$110.45	\$0.00	\$4,197.19	\$4,197.19
77421-26	Stereoscopic Guidance Professional	38	\$18.66	\$0.00	\$18.66	\$709.18	\$0.00	\$709.18
Total for Medicare only						\$3,783.56	\$31,462.53	\$35,246.09
Total with payer mix						\$4,619.73	\$38,415.75	\$43,035.48
Adjust the quantity billed amounts to reflect the facilities & physicians typical course of IMRT and appropriate image guidance.								

able diagnoses, to search for medical necessity arguments to prove the case to insurers on that patient's behalf. I find it interesting and troubling that Medicare—generally the largest payer in oncology—sees it as appropriate care for many diagnoses, yet several publicly traded insurance companies do not agree with that stance while many insurers are enjoying healthy profits. While researching for this article, I found numerous insurance companies that bring in revenues and are having class action lawsuits filed against them for non-coverage of diagnoses. Although I was tempted to post their names here, I would suggest you simply do a search on health care insurance company profits and lawsuits. You will be surprised at the volumes you will discover.

In order for the physician to make treatment decisions that fit within the scope of the particular payer rules or go outside those rules and argue on medical necessity; coverage limitation information is critical prior to the initiation of treatment whether it is chemotherapy or radiation therapy. A financial counselor works as a respected team member with the physician and staff to educate everyone as to the different payer rules, so that any potential patient financial liability is known. In many cases, the patient is able to support the physician through conversations and/or letters to their insurer. Most patients are willing to assist, especially if provided the education by a financial counselor on how to maneuver the system.

Our experience is that many physicians want to work with the facility, the patient, and the payer, but are not aware of how to go about it. They cannot keep up with the constantly changing rules. We have seen physicians get quite adamant while defending medical necessity and be quite successful in stating their position to the payer. Of course many of the so-called insurance experts are not oncologists, so they may not fully appreciate the particular situation with the individual patient. These successful interactions between physicians and payers help the entire oncology community improve payment

A financial counselor works as a respected team member with the physician and staff to educate everyone as to the different payer rules, so that any potential patient financial liability is known.

of appropriate care to patients, setting precedents for potential payment policy change, and in relieving patient's anxiety at a time when this only complicates their already troubled life. While it may be beneficial to have physicians involved at the patient level to debate the appropriateness of the care they are delivering, if the physicians are not fully aware of the process, they may suffer a financial loss, which goes back to justification of staffing for a financial counselor.

In today's world of transparency in pricing, it is becoming increasingly common for patients to shop around and make selections based on price. An educated financial counselor is able to provide cost estimates on a particular course of treatment. After insurance verification has occurred and

benefits have been obtained, the patient's out-of-pocket expense can be estimated.

The chart (example 1 on page 32) illustrates how just one patient course of IMRT in a freestanding setting for radiation oncology IMRT can pay for most of the cost of a financial counselor's base salary. The chart below provides similar data in the hospital setting.

You can see from the above that only a few cases of radiation or medical oncology that have full or partial denials that are avoidable or where the patient portion is left uncollected can allow for financial counselor intervention to help pay for themselves relatively quickly. As many of you are aware, medical oncology has expensive drugs and some can dwarf the radiation oncology examples provided. **H**

Example 2. Hospital

CPT	APC	CPT description	Quantity billed	National APC rate	APC payment per unit by location	APC payment
99214	606	Office visit/Est. pt. Level 4	1	\$84.24	\$84.24	\$84.24
77470	299	Special treatment procedure	1	\$369.40	\$369.40	\$369.40
77014	XXX	CT guidance for placement of rad	1	\$0.00	\$0.00	\$0.00
77290	305	Complex simulation	1	\$250.16	\$250.16	\$250.16
77334	303	Complex Tx device (immobilization)	1	\$183.94	\$183.94	\$183.94
77301	310	IMRT additional planning	1	\$863.82	\$863.82	\$863.82
77300	304	Basic dose calculation	8	\$99.21	\$99.21	\$793.68
77334	303	Complex treatment device	8	\$183.94	\$183.94	\$1,471.52
77418	412	Radiotherapy/IMRT per session	38	\$347.65	\$347.65	\$13,210.70
77014	XXX	CT guidance for IGRT	38	\$0.00	\$0.00	\$0.00
77280	304	Simple simulation (verification)	0	\$99.21	\$99.21	\$0.00
77421	XXX	Stereoscopic imaging	0	\$0.00	\$0.00	\$0.00
77370	304	Special physics consult	1	\$99.21	\$99.21	\$99.21
77336	304	Weekly physics	8	\$99.21	\$99.21	\$793.68
99213	605	Follow-up office visit Level 3	1	\$63.46	\$63.46	\$63.46
Total for Medicare only						\$18,183.81
Total with payer mix						\$22,202.43