Preventable Hospice Billing Errors:
A Clinical and Compliance Improvement Initiative

Our agency identified an operational gap in monitoring for compliance with processes related to hospice admissions, including verifying insurance and confirming receipt of compliant Election of Benefit forms prior to patient admission. In 2019 and 2020, we lost an average of 103 billable days per year due to administrative errors in the admission process – accounting for 0.65% of our total billable patient days. Although the direct financial implications of these losses were manageable, they were also entirely preventable. In the fourth quarter of 2020, we initiated a series of targeted interventions designed to address these issues. We conducted high-level billing training with all clinical and administrative staff involved in any aspect of the admission process and initiated a series of compliance checkpoints to ensure that monitoring gaps were closed. In the four months since initiation of these interventions, we have documented a 96% decrease in billable days lost due to preventable errors in the enrollment process.

Calvert HOSPICE

Admissions Process and Team Members

Average Daily Census
40-45

Intake Department
2 dedicated employees

Admissions per Day
1-3

Billing
1 PT medical biller plus contracted billing staff

Hospice Consents/ Enrollment Visits
Completed by Nurses and Social Workers prior to or at the beginning of the Nursing Admission visit

Available 7 days per week, during or after normal business hours

Common Preventable Errors

Errors impacting payment occurred approximately 1-2 times per month prior to interventions.

Error types included:
- Failure to obtain appropriate authorization prior to admission for private payor patients
- Incorrect date of election on EOB form
- Incorrect physician name on EOB form
- Use of incorrect/outdated EOB form
- Incorrect insurance entered into EMR
- Failure to complete timely Certification of Terminal Illness

Operational Gaps prior to Interventions

1 Education

Team members did not demonstrate understanding of the consequences of EOB errors. Since Clinical Managers audited for errors and adjusted billing dates to ensure regulatory compliance, employees did not understand that there were still financial implications in the form of lost days.

2 Auditing

Clinical managers audited incoming EOBs and intercepted errors prior to submitting claims, but this process was often interrupted by weekends and holidays. EOBs signed on Friday evenings may not be reviewed until Monday, in which case an error cost 4 days of billing before a new EOB could be completed.

3 Monitoring

EOB errors were identified by clinical and authorization issues were managed by billing, but there was no centralized reporting and tracking structure.

Focus on Education

After identifying the gaps in our practice, we determined that education for all team members had been inconsistent. We recruited our contracted billing professional to perform a two-hour deep-dive into hospice billing for everyone involved in the process from start to finish, including:
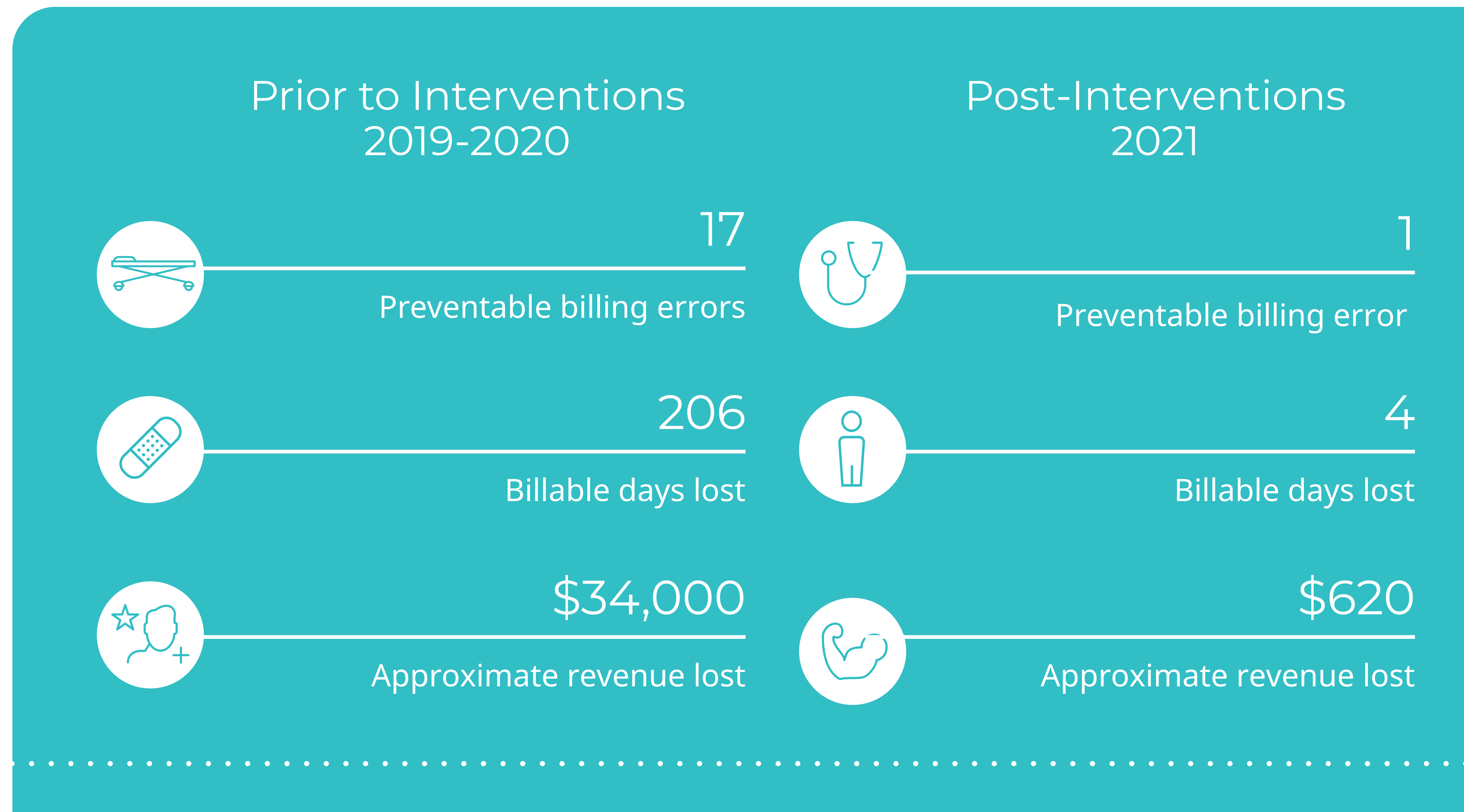
- Finance
- Intake
- Clinical Managers
- Nurses
- Social Workers

Education focused on:

- NOE submission requirements
- Regulatory review of EOB forms
- Authorization requirements for private payors
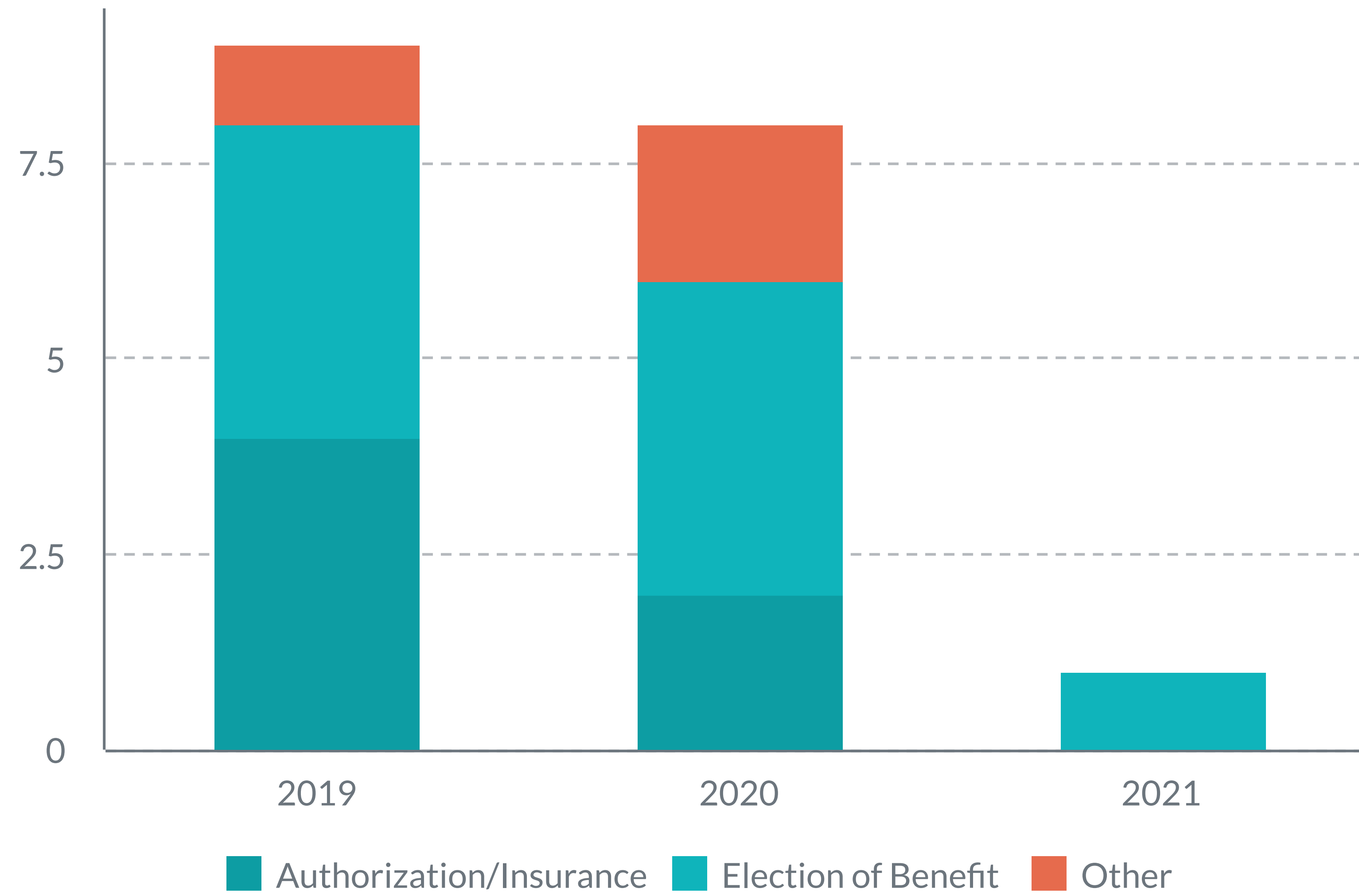- Financial consequences of billing/EOB errors

Auditing and Monitoring

- **Real-Time Review** - Clinicians scan and upload EOBs into the patient record immediately after completion, and send an email alerting the clinical manager on call. The manager then logs in and reviews the EOB for compliance at time of service - even on weekends and holidays.
- **Resource Allocation** - Clinical and billing worked together to dedicate additional personnel resources to obtaining private payor authorizations - a timely, labor-intensive process with substantial financial implications.
- **Monitoring** - All errors are reported and tracked by Compliance, and reviewed at a monthly billing meeting. Errors are tracked and trended by type, department, employee, and days/amount lost so that further interventions can be specifically targeted.

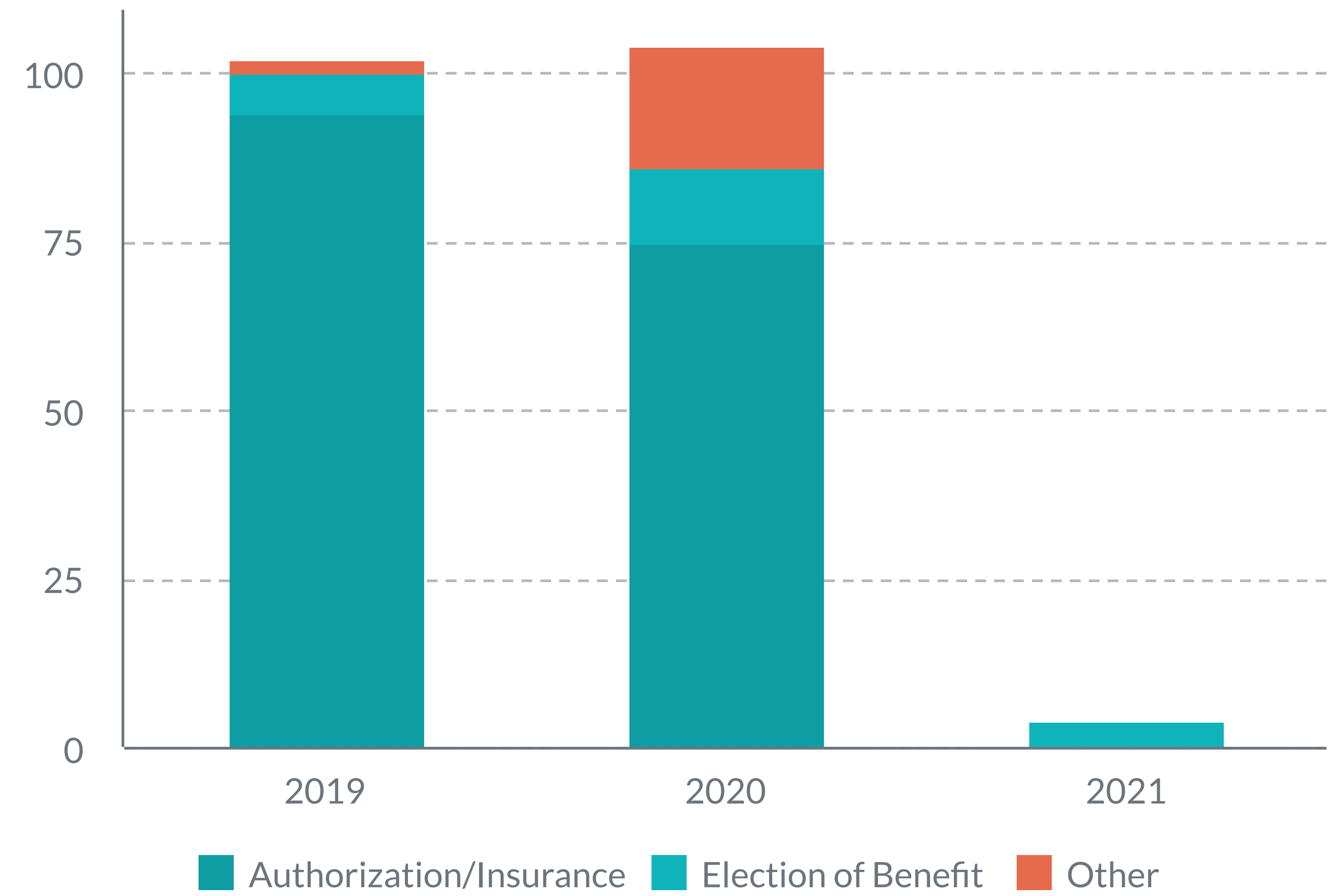| Prior to Interventions 2019-2020	Post-Interventions 2021
17 Preventable billing errors	1 Preventable billing error
206 Billable days lost	4 Billable days lost
$34,000 Approximate revenue lost	$620 Approximate revenue lost

Billing Errors by Type

Legend: Authorization/Insurance | Election of Benefit | Other

X-axis: 2019, 2020, 2021

Billing Errors by Billable Days Lost

Legend: Authorization/Insurance | Election of Benefit | Other

X-axis: 2019, 2020, 2021

Implications for Future Practice

The immediate benefits of these interventions have been clear:

- Improved understanding of the full admissions process for all team members
- Clear mechanisms for reporting, tracking, and remediating billing errors
- 96% decrease in billable days lost due to preventable errors

Moving forward, our plans to continue to improve these processes include:

- Implementing fully electronic hospice consent forms
- Researching additional/improved options for mobile scanning
- Incorporating more thorough billing education into orientation for all new employees
- Repeating in-depth billing training with team members annually

Calvert Hospice, 2021
Lindsay Falcone, RN, CHPN - Director of Clinical Operations
Sarah Simmons, RN, MSN, CHPN - Director of Quality and Compliance

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NHPCO Interdisciplinary Conference 2021

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Abstract

Calvert Hospice clinical management identified a compliance gap related to hospice admissions, including insurance verification as well as ensuring receipt of accurately completed Election of Benefit forms prior to patient admission. These errors caused a loss of billable days which resulted in preventable financial implications. To close these gaps and avoid future loss of revenue, we initiated new processes that involved both clinical and administrative staff.

Introduction

Calvert Hospice has an average daily census of 40 to 45 patients. Our team includes a full time medical director, two dedicated intake employees, one part time biller and contracted billing staff, as well as nurses and social workers, who perform hospice election visits seven days a week. We identified six individual, preventable errors in a short span of time that led directly to a loss in revenue. These error types included failure to obtain insurance authorization, incorrect date and/or physician name on the Election of Benefit form, incorrect Election of Benefit, incorrect insurance entered in our electronic medical record, and failure to complete timely Certification of Terminal Illness.

Materials

Materials included in our compliance interventions were electronic medical records, secure electronic communication including email and texting, and Microsoft Excel for tracking compliance audits. Personnel from both clinical and administrative teams were engaged in implementing and tracking interventions.

Methodology

In order to reduce our preventable errors, we developed and implemented a process improvement plan including education, auditing, and monitoring. We identified that our clinical team members did not fully understand the financial consequences connected to Election of Benefit and insurance errors. We also identified that auditing for compliance did not take place in a timely manner, which resulted in even more lost revenue. After identifying these gaps, we developed our plan of interventions. First, we began educating all team members. We recruited our contracted billing professionals to perform a two hour in-service, which included every team member involved in the billing process from start to finish. These team members included our finance and intake departments, as well as clinical managers, nurses and social workers. The education focused on Notice of Election submission requirements, regulatory review, authorizations process and requirements, as well as financial consequences of billing and/or Election of Benefit errors.

Once the education was completed we began auditing and monitoring for compliance. Our clinical and billing departments worked together to dedicate one person to obtain insurance verification

and submit for authorization to private payers, however, multiple intake team members were educated on the correct process as backup. Also, all Election of Benefits were brought back to the office immediately after enrollment or remotely scanned to clinical managers via secure texting app so that auditing for compliance could be completed promptly on all shifts. This resulted in the ability to identify errors immediately at time of service, so that clinical staff members could complete updated forms with patients without delay. This auditing process takes place during all hours, including evenings, weekends and holidays. This has allowed us to address earlier observations that many errors were occurring when hospice elections were occurring outside of normal business hours.

Results

As a result of educating our staff and continually auditing for compliance, we have identified a drastic improvement in lost billable days due to preventable billing errors. In 2019 and 2020, prior to intervention implementation, Calvert Hospice had seventeen preventable billing errors, resulting in 206 lost billable days and approximately $34,000 in lost revenue. After implementation, in 2021, Calvert Hospice has had one preventable billing error, resulting in 4 lost billable days and approximately $620 in lost revenue.

Conclusion

In conclusion, we found that a lack of education and the absence of a robust auditing process contributed to loss of revenue due to preventable errors. By educating all staff involved in the billing process, we found that all team members had an improved understanding of the process as well as the financial implications of noncompliance. We also were able to establish a process for reporting, tracking, and remediating billing errors, which still remain in place today. Each of these interventions directly contributed to a 96% decrease in billable days lost due to preventable errors.

Recommendations

For any hospice experiencing preventable billing errors, we recommend beginning with providing education to all staff involved in any aspect of the billing process during their onboarding, and to continue with this training on an annual basis. We also recommend using technology to your advantage, including full electronic hospice consent forms, mobile scanning, and secure texting to allow for immediate auditing of documents such as Election of Benefit forms.