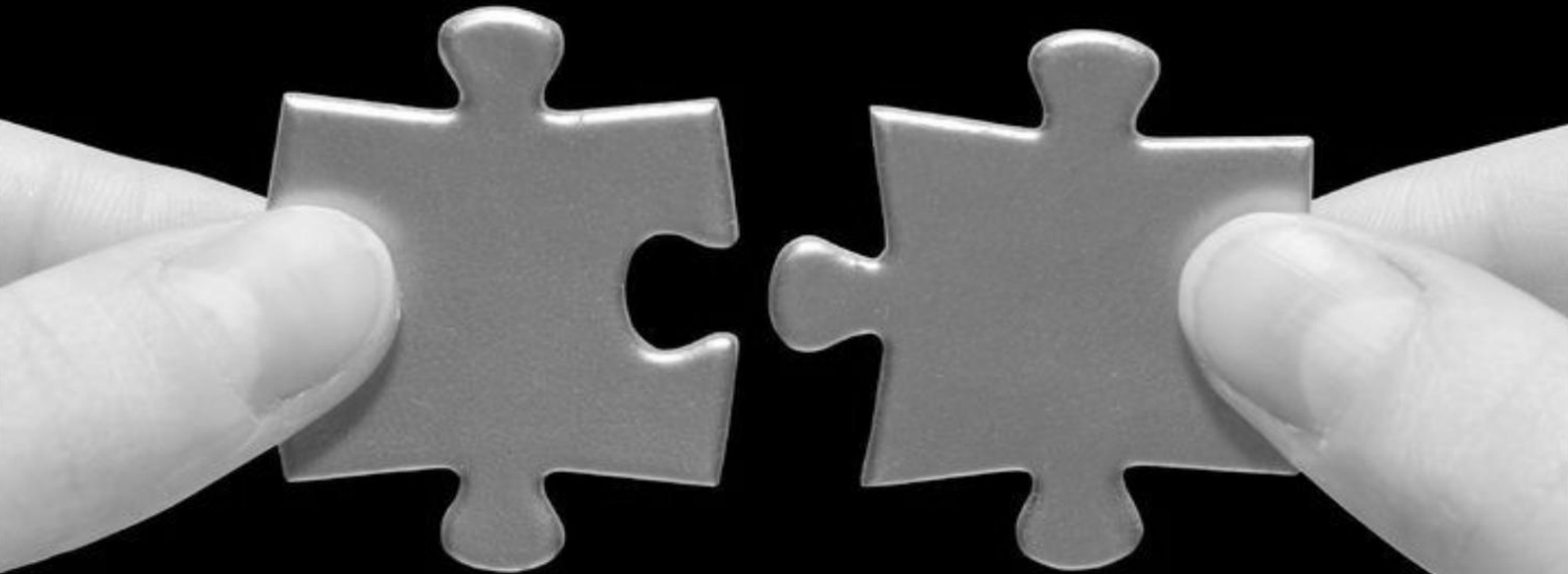


“HYBRID” CENTER THE BEST OF BOTH WORLDS

***HOW TO SUCCESSFULLY COMBINE
IN- AND OUT-OF-NETWORK REIMBURSEMENT***



ASC Communications Teleconference – December 7, 2010

*Introduction by
Scott Becker, Esq.
ASC Communications*

- *Definition of in-network*
- *Definition of out-of-network*
- *Trends*

Presented by

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and

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CENTER OVERVIEW

- *ASC located in Millburn, New Jersey*
- *Established in 2005*
- *AAAHC Accredited*
- *Medicare Certified*
- *Licensed by State of New Jersey*
- *Billing outsourced to two companies (in-network and out-of-network)*

CENTER OVERVIEW

- *65 physician-owners*
- *700 cases/month*
- *10 Specialties represented*

<i>ENT</i>	<i>Orthopedics</i>
<i>General Surgery</i>	<i>Plastic Surgery</i>
<i>GYN</i>	<i>Pain Management</i>
<i>Spine</i>	<i>Podiatry</i>
<i>Ophthalmology</i>	<i>Urology</i>

SCB'S ROLE IN CHANGE-OVER

Assisted with:

- *Developing fee schedule*
- *Selecting clearinghouse*
- *Selecting collection agency*
- *Establishing process for in-network documentation for maximized coding*
- *Transfer from previous billing company*
- *Meeting Medicare requirements for dual enrollment / two billing companies*

SCB'S ROLE IN CHANGE-OVER

Assisted with (continued):

- *Setting up billing software for in-network, such as:*
 - *ledger codes*
 - *modifiers*
 - *insurance contracts*
 - *providers*
- *Establishing business office financial policies, such as:*
 - *self-pay*
 - *in-network / out-of-network*
 - *Medicare / other government payers*

The background of the slide consists of several interlocking puzzle pieces. The pieces are rendered in a grayscale style with a glowing, ethereal effect, appearing to float or be slightly offset from each other against a dark background. The overall aesthetic is modern and abstract.

***WHY WE CHANGED FROM
OUT-OF-NETWORK
BUSINESS MODEL***

***CO-PRESENTER
NANCY EASLEY-MACK***

CENTER HISTORY

- *Out-of-Network Business Model*
 - *Co-pays*
 - *Co-insurance*
 - *Deductibles*
 - *Patient financial responsibility*
 - *Payer responsibility*

REASONS FOR CHANGE

- *Legal and regulatory attacks*
 - *Garcia Case*
 - *Codey Bill*
 - *Criminalization of waiver of co-pays, deductibles and co-insurance*

REASONS FOR CHANGE

- *Reduced reimbursement*
 - *Capitation of out-of-network ASC reimbursement*
 - *Artificial fee schedules*

REASONS FOR CHANGE

- *Coercion from major payers*
 - *Payments processed to patient*
 - *Participating physician contract termination without cause or credentialing not renewed*
 - *Unfavorable quality review ratings*
 - *Alarming out-of-network disclosure forms to patients*
 - *Contract negotiation and renewal ban referrals to out-of-network ASCs*

The background of the slide consists of several interlocking puzzle pieces. The pieces are rendered in a grayscale style with a glowing, neon-like effect along their edges, set against a dark, almost black background. The pieces are arranged in a way that suggests they are being assembled or are part of a larger, complex structure.

***CONVERTING
TO
HYBRID CENTER***

HYBRID CENTER

- *Definition of Hybrid Center*
 - *Major payers are contracted and in-network patient and payer responsibilities follow contract allowances (65% of patients)*
 - *Non-contracted payers continue to be handled following the same out-of-network process as previously (35% of patients)*

CENTER CONVERSION

STEP 1 - CONTRACTING

- *Modeling*
- *Legal review of contract*
- *Physician buy-in*

CENTER CONVERSION

STEP 2 - IMPLEMENTATION

- *Meeting with payer*
- *Clean claims*
- *Payer-specific processing requirements*

CENTER CONVERSION

STEP 3 - ROLL-OUT OF NEW BUSINESS MODEL

- *Orientation of physicians' offices to new practices*
- *Up-front collections*
- *Referral and authorization requirements*

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***CHOOSING AN
IN-NETWORK
BILLING COMPANY***

WHAT TO LOOK FOR IN A BILLING COMPANY

<i>Reputation</i>	<i>Red Flag Policy</i>
<i>Longevity</i>	<i>Policies/Procedures</i>
<i>Industry References</i>	<i>Disaster Plan</i>
<i>Client References</i>	<i>Financial Policies</i>
<i>Employees Bonded</i>	<i>Data Protection</i>
<i>Certified Coders</i>	<i>Secure Connectivity</i>
<i>E&O Insurance</i>	<i>HIPAA Compliance</i>
<i>Specialty Experience</i>	<i>Auditing Program</i>
<i>Staff Qualifications</i>	<i>Understands APCs</i>
<i>Specializes in ASCs</i>	<i>State Reporting</i>
<i>Experienced IT Staff</i>	<i>Special Reports</i>
<i>Understands Managed Care Contracts</i>	
<i>Experienced with In and Out of Network</i>	

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***RESTRUCTURING
THE
BUSINESS OFFICE***

BUSINESS OFFICE CHANGES

PATIENT FINANCIAL COUNSELING

- *Payment calculator*
- *Calls to patients*
- *Up-front collections*

BUSINESS OFFICE CHANGES

CASE SELECTION

- *Gate-keeping*
- *Financial analysis of case cost versus reimbursement*

BUSINESS OFFICE CHANGES

COORDINATION OF BOTH BILLING COMPANIES

- *Accounting – merging data from both companies to manage and report accounts receivable*
- *Two-way communication between billing companies*

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***RESULTS OF
CHANGING TO
A HYBRID CENTER***

CHALLENGES

- *Claim adjudication / clean claims*
- *Reimbursement of services / supplies in addition to case rate*
- *Inconsistent information from provider services*
- *Referral and authorization requirements*

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- *Improved market position*
- *Predictable reimbursement*
- *Improved utilization of operating rooms*
- *Increase in case volume*
- *Maximized in-network revenue*
- *Reduced AR days*

ADDITIONAL INFORMATION?

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