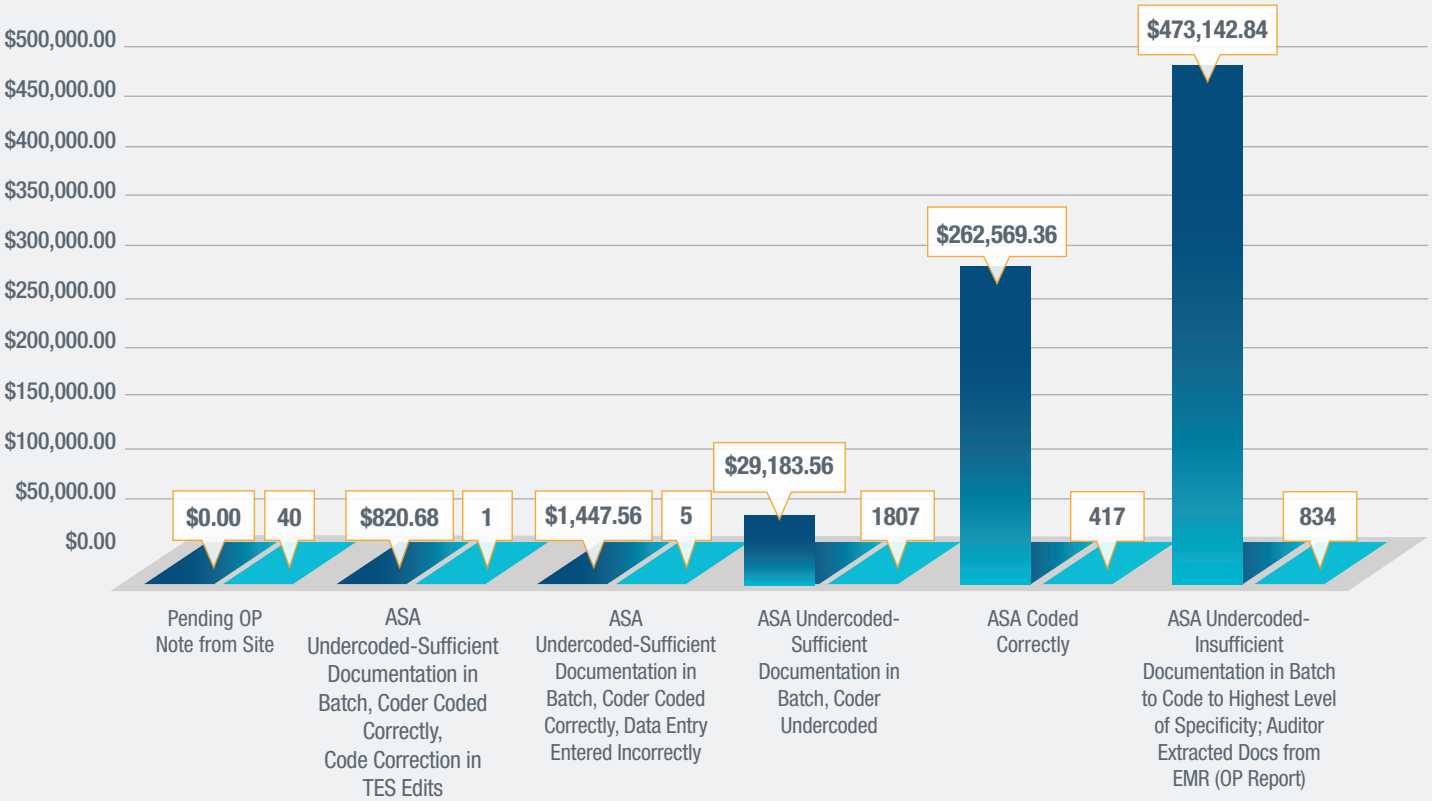
NAPA | Managed Services

White Paper

Closing the Gaps in Anesthesia Billing: A Proven Strategy to Recover Lost Revenue

How NAPA's Expert Internal Audit Teams Enhance Anesthesia Revenue for Our Partners

Revenue at Risk/Volume By **Root Cause**



NAPA's customized Revenue Optimization dashboards offer multifactor visibility into audit findings to drive improvement initiatives in clients' clinical documentation and revenue cycle management.

Problem »

Hospitals Are Losing Money on Anesthesia Billing

Hospitals and health systems that manage or contract for their own anesthesia billing services are too often unknowingly losing hundreds of thousands of dollars every year. Because the complex business of anesthesia revenue cycle management (RCM) requires superior knowledge and a highly nuanced understanding of billing and collections in this specialty, even experienced RCM teams regularly make errors in anesthesia procedure coding, clinical documentation, attestations, medical direction, and maintaining full compliance with diverse anesthesia-specific payor requirements and government regulations. The result is reduced reimbursements and significant lost revenue. As hospitals shift to various anesthesia clinician employment models, more facilities are facing financial risk in anesthesia billing.

Solution »
A Unique Approach to Revenue Optimization

NAPA's industry-leading, single-specialty anesthesia management services include a robust RCM engine that annually achieves a 98% success rate in out-of-network reimbursements and outperforms competitors by more than 2%. A critical component of our RCM system is our exclusive internal audit team, an unparalleled and proven approach to revenue optimization.

Our unique **revenue optimization and clinical documentation improvement (CDI)** system leverages the singular expertise of a highly specialized team with innovative advanced technologies to perform comprehensive internal audits that reveal gaps and flaws in our clients' anesthesia billing processes. Built on our broad experience in RCM, these tools and proprietary dashboards help our NAPA Managed Services clients identify and correct deficiencies in their billing workflow. Beyond uncovering problems, our expert auditors and analysts add value by providing specific and actionable recommendations to optimize revenue.

EXAMPLE: At a leading New England hospital, NAPA auditors uncovered a hospital IT error that systematically excluded specialized cases from the RCM process. NAPA's revenue optimization team partnered with the hospital's IT team to implement strategic change management solutions, enhancing claims processing and ensuring accurate case inclusion. These improvements resulted in an annual revenue increase of more than $250,000.

EXTRAORDINARY EXPERIENCE » Delivers Proven Results

NAPA's revenue optimization team is led by a certified coding instructor and auditor with special expertise in CDI and compliance for anesthesia and pain management. With four highly experienced functional teams comprised of revenue optimization auditors, reconciliation auditors, CDI and EMR support specialists, and revenue optimization analysts, this group is dedicated to maximizing revenue through coding and compliance audits. Their proactive approach has been instrumental in streamlining processes and enhancing overall revenue performance for NAPA Managed Services clients.

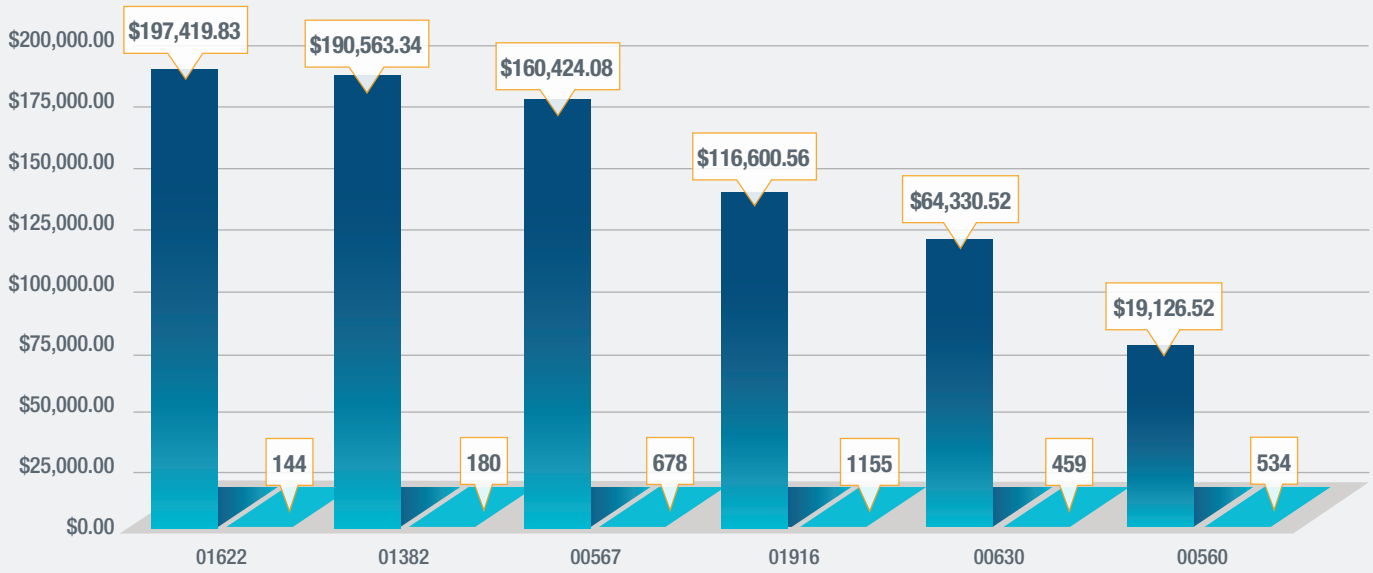
Revenue Optimization » Audit Team

NAPA's certified auditors specialize in anesthesia and pain management auditing, root cause analysis, and coding instruction to support RCM with sophisticated audit services that achieve billing accuracy. This highly skilled team ensures integrity in the end-to-end reconciliation process by perfecting the reviews, audits, documentation, and analyses that reveal and remedy systemic flaws, while also routinely auditing our coding support services for quality and compliance.

Audit Types

- **High risk audits** identify missed revenue opportunities due to under-coding high-risk American Society of Anesthesiologists (ASA) codes and missed ancillary procedures
- **Quality matching audits** compare quality data to billing data to capture unmatched cases for billing
- **Full site audits** include a baseline review to assess and identify risks and opportunities for maximizing revenue, a comprehensive root cause analysis, a summary of findings, and recommendations for corrective actions
- **Payor audits** facilitate effective claims reimbursements by providing payors with a prepayment review of documentation for compliance and coding accuracy, preparing and submitting supporting documentation to payors, and performing claims corrections as appropriate

Revenue at Risk/Volume By **CPT Code**



Most medical specialties have similar and standardized billing factors. Only anesthesia uses specific coding, making anesthesia billing unique and complicated.

Reconciliation » Audit Team

Our highly skilled audit team has worked for nearly a decade to ensure integrity in the end-to-end reconciliation process—from healthcare facilities to the billing system—by perfecting the reviews, audits, documentation, and analyses that reveal and remedy systemic flaws. The team utilizes a rigorous, multistep audit, coupled with systems and workflow root cause analyses, to identify and address potential issues early in the revenue cycle.

Our Five-point Reconciliation Process Includes:

1 | **Clinical documentation review** to ensure all necessary billing documents are received

2 | **Documentation indexing** to verify that documents are properly indexed for coding

3 | **Timely coding review** to confirm that coders complete their work within defined timeframes

4 | **Invoice generation check** to validate that invoices are generated for all provided services

5 | **Claim submission verification** to confirm that all claims have been successfully submitted to payors

2024 Estimated QZ Revenue Loss: $267,608

Payor	2024 Case Count	Units	100% of IAA	QZ Rate	Estimated Reimbursement for AA or Medically Directed Cases	Estimated QZ Reimbursement	2024 Estimated QZ Revenue Loss
BSBS Texas-Commercial	808	17665	$95.00	$80.75	$1,678,175,00	$1,426,448.75	$(251,726.25)
BCBS Texas-Blue Advantage Medicare	22	220	$20.81	$17.68	$4,578.20	$3,889.60	$(688.60)
BCBS Medicaid *(CHIP & Star)*	15	152	$24.32	$20.67	$3,696.64	$3,141.84	$(554.80)
Superior-*Medicaid (Star Plus)*	230	6591	$25.05	$23.04	$165,104.55	$151,856.64	$(13,247.91)
Cigna Great West	1114	49	$189.23	$160.84	$9,272.27	$7,881.16	$(1,391.11)
							$(267,608.67)

EXAMPLE: In anesthesia billing coding "QZ" is a unique modifier signifying that a Certified Registered Nurse Anesthetist (CRNA) performed services independently without medical direction by a physician. Accurate anesthesia billing depends on correct coding; errors are often common and costly. At a southern hospital, our audit team's assessment revealed that substantial revenue losses were directly attributable to a lack of attestations to validate and support medical direction in the facility's anesthesia records.

CDI & EMR Support Team

Our dedicated experts in clinical documentation improvement and electronic medical records work continuously to optimize clinical documentation processes and ensure seamless integration with EMR systems, while driving process improvements in RCM and compliance.

Among the many critical services they provide, this team deploys specialized expertise to:

- Develop and maintain NAPA's Clinical Documentation Standards
- Create and implement CDI initiatives in collaboration with coding, compliance, IT, and clinical departments
- Manage EMR access at our partner facilities
- Provide implementation support to new facility partners
- Educate and support internal and external leadership and clinical teams
- Oversee NAPA's CDI resource center, offering tools, best practices, and guidelines to improve the accuracy of clinical documentation

Revenue Optimization Analytics Team

NAPA's powerful investments in data analytics include specialized analysts with deep expertise in RCM. This team is dedicated to supporting the revenue optimization team through cutting-edge data analysis and reporting, driving efficiency and informed decision-making, and ensuring that our revenue operations are based on the most accurate data and insights. Their proactive approach to audit reporting and root cause analysis enhances the effectiveness of our revenue optimization initiatives and empowers NAPA and client leadership with real-time analysis and decision support.

Key services provided by this team include:

- Ensuring data integrity across the entire spectrum of revenue optimization to maintain accuracy and consistency across all reports
- Supporting root cause analysis by helping to identify and resolve underlying issues affecting revenue capture and billing accuracy
- Creating forward-facing visibility of audit results
- Presenting clear and actionable insights to support ongoing optimization efforts
- Developing and maintaining templates, audit tools, and dashboards that enable the team to track, analyze, and act on key metrics
- Providing fast and accurate data analysis to RCM leadership, enabling timely responses to emerging trends and challenges in revenue performance

Internal Audits Produce Better Financial Outcomes

As an essential element of all surgical procedures, anesthesia is fundamental to hospital operations, but the business of anesthesia is distinct from clinical care. NAPA Managed Services offers hospitals, health systems, and academic medical centers an effective way to achieve better financial outcomes through internal audits that deliver real results.

We developed NAPA Managed Services to enable all healthcare institutions to benefit from our single-specialty expertise in RCM, data and analytics, recruitment, quality, and operational excellence. Whether you employ NAPA anesthesia clinicians or maintain autonomy over your anesthesia services, you can now access the same RCM and revenue optimization systems that have made NAPA the anesthesia industry leader for four decades.