




Case for Outsourcing Home Health Coding & Clinical Documentation Improvement

Considerations for Outsourcing and What to Expect



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Change is the constant factor that home health agencies are faced with managing year over year. The implementation of PDGM in 2020, changes to the comorbidity adjustment subgroups in 2022, upcoming release of OASIS E, and the now twice a year updates to the overall ICD code set are just a few of the changes to the way home health agencies are reimbursed & operate their business. Within all these changes, is one consistent theme – it is more important than ever to ensure documentation and coding are complete and accurate. Home health coding, however, can be complex, time-consuming, and expensive when managed internally. These challenges lead many agencies to consider options for outsourcing aspects of documentation review and coding.

Given these challenges and the extremely important role accurate coding plays, it's a good idea to review current coding procedures and consider whether it is a good time to explore the benefits of outsourced coding and clinical documentation improvement (CDI). Accurate and complete documentation can position a home health agency competitively in a market where most agencies are trying to find their footing and create a plan that works.

Partnering with external coding professionals optimizes resources due to the advantages this approach provides. Outlined below are reasons to consider outsourcing medical coding.

Challenges of In-House Coding

Many home health agencies manage in-house coders to take on this critical task for the agency. Unfortunately, many times these individuals are siloed within the organization and have inconsistent managerial attention, or they are wearing multiple hats and juggling competing priorities.

Here are some common challenges that surface with an in-house coding model.

Lack of internal knowledge and oversight for the coder job function: Well-meaning management may not have the experience, time, knowledge, or ability to provide the support needed to internal coders. This highly specific job is steeped in regulations & guidelines and while administrators want these professionals to succeed, they may not have the time and resources to assist them in achieving this success.

No assurance that the latest CMS changes are known and followed appropriately: CMS seems to constantly be changing regulations and processes required of home health agencies. Coders operating in smaller environments can struggle to stay informed of these changes and may not know how to implement them correctly.

Inexperience is magnified: The challenges of coming up to speed are exponentially greater in a time of transition, such as PDGM revisions. Since home health coding is a specialized skill, recruiting, hiring, and training staff can be a challenge – not to mention retaining staff once the investment is made. As a result, many times the entire coding team is not experienced, which can impact the quality and accuracy of the coding.

Errors are repeated: Without a broad matrix of experienced supervision and training in place, errors made in independent environments will go undetected for long periods of time. The likelihood that these errors are repeated in the future then increases significantly, resulting in a significant impact on the home health agency's financial success.

Slower adaptability to changes: Requiring internal coding professionals to create their own systems to adapt to changes inevitably leads to slower coding and longer processing times. This leads to longer reimbursement times. When coding and processing times increase, so do billing and time to payment. Delays in cash flow make every other operational need more difficult.

Ongoing training costs: Maintaining a strong, trained team of coders takes regular, ongoing training to not only stay aware of industry changes but also implement them efficiently and effectively.

Individually, each of these challenges can be overcome with an interim opportunity. But taken together, they can present an insurmountable hurdle, particularly during a time of transition such as PDGM implementation.

The Case for Outsourced Coding

Trusting an outside entity to handle coding and clinical documentation improvement is a huge relief and an effective way to quickly enhance operations for many agencies. Outsourcing these functions has an immediate and palpable impact in these four significant areas:

- Access to expertise
- Improved accuracy and quality
- Better timeliness and efficiency

But one of the most immediate impacts that will be felt is an assurance that the complexities and increased workload brought about by PDGM are no longer an overwhelming challenge. While outsourced coding professionals help to relieve this pressure, the home health agency will be free to focus on patient care and clinical outcomes.

Expertise

The first big area that home health agencies will see a significant effect when outsourcing is the depth of expertise and knowledge the coding partner offers. Taking coding outside the agency means it will be handled by professionals who work on coding and CDI (Clinical Documentation Improvement) all day, every day, and the result is a team of professionals who are experts at home health coding and able to use this knowledge to optimize potential reimbursements and minimize potential problems.

Outsourced coding and CDI companies can provide consultation and feedback to the home health agency, which often leads to improvements in internal documentation processes. They are also able to educate the home health agency about CMS changes and better prepare them for changes in regulations. The result is solid coding services that protect the HHA from potential documentation-related problems.

Accuracy and Quality

One of the biggest headaches that stems from in-house coding is slow or inaccurate coding and documentation. Outsourcing this function means it will be handled by professionals who are experienced, certified, well-trained, monitored for quality and accuracy, and are focused on excellence. Availability of a team of highly-trained coders also reassures home health agencies that there are consistent processes and demonstrable excellence.

A reputable contracted coding partner must have proven hiring practices, professional training team, ongoing training, and a strong quality assurance program. A focus on quality assurance will speak volumes about the quality and accuracy of the work they will produce. Fast, accurate coding review can be accomplished by teams who specialize in coding and operational leadership that is experienced in achieving it, which is important since coding is the key to timely and comprehensive reimbursement.

Timeliness and Efficiency

Delays in coding and payment are minimized when outsourcing to a contracted coding service. An outsourced provider can accurately deliver coding faster than an internal coding team. The accuracy combined with the quick turnaround means home health providers will more easily comply with Medicare conditions of participation.

Additionally, this timely process means accelerated billing times, which then leads to rapid cash flow. When payments are not held up by inaccurate or improper coding, the home health agency can better plan and work toward its strategic goals.

It's Time to Trust Coding Professionals

Coding and documentation are too important to the survival of a home health agency to leave the job to underexperienced staff members in-house. By turning this critical job over to an expert partner, home health agencies awaiting the seismic shift that is coming with PDGM implementation can be sure their systems are ready to handle the extensive changes quickly and competently.

Only when the home health agency is fully prepared for PDGM can they truly forecast their potential for success and growth in the evolving home health market. Those who are ready are set up for a successful and profitable future.



Select Data Results

Independent and hospital-owned home health agencies have entrusted Select Data with coding, CDI, and OASIS reviews for years. The results delivered by Select Data have fueled success for home health agencies nationwide. The Select Data operations team has proven processes and innovative platform solutions for delivering accurate and comprehensive results that lead to higher reimbursement.

Average results include:

- Increased reimbursement per SOC episode
- Increased % of PDGM High Comorbidity score
- Reduction in reportable readmissions by 35%
- Turnaround time of 1.3 days
- 10.7 recommended codes per record



About Select Data

Select Data is leading the industry by leveraging the power of artificial intelligence (AI) with its SmartCare platform. Purpose-built for the challenges of post-acute care settings, SmartCare's AI data models and natural language processing (NLP) serve up key information to full spectrum of clinical teams from field staff to coders to clinical reviewers. Whether they are leveraging Select Data's outsourced coding services or using the SmartCare SaaS solution directly, Home Health and Hospice agencies trust Select Data to deliver high-quality coding, clinical documentation improvement (CDI), OASIS accuracy, and referral coding. With a commitment to quality and innovative data platform solutions, Select Data leads in driving successful outcomes.