An ASC fine-tunes its charge capture

When our ambulatory surgery center (ASC) identified some situations where supply charges were not being captured, it was apparent there were opportunities to streamline the process. We developed a quality improvement (QI) process that helped us improve our supply charge capture per surgical patient by 150% in 8 months.

Outpatient Surgical Services (OSS) is a freestanding multi-specialty ambulatory surgery center (ASC) in Plantation, Fla, owned by HCA and specializing in gastrointestinal, orthopedic, ophthalmologic, urologic, podiatric, gynecologic, plastic, and general surgery and averaging over 1,200 procedures each month.

The OSS business office had identified a few cases where some high-dollar supply charges had not been documented by the OR, coded by medical records, or billed by the business office. There were also delays in billing of up to a month for some supplies.

A closer look

We decided to take a closer look at how this process could be improved. We developed a QI team in September 2004 with key individuals, including the OR manager, medical records coder, biller, purchasing supervisor, business office manager, QI coordinator, and the administrator. We agreed that this issue had high priority and that the team should meet weekly to expedite problem resolution.

To understand the interdisciplinary process of capturing charges, we flowcharted the process (see chart p 26). We started with anticipating supplies needed at the time of scheduling and added each step until we ended with the billing of applicable supply fees. The flowchart was revised many times as we learned more about each department’s role.

A charge record—in neon orange

One of the first quick fixes was to ensure that each OR chart pack had a charge record in it. In looking at the process, we realized that the documentation of supplies used in the OR was inconsistent. The main reason was that the charge records were kept in a separate file and were not always available. Putting the charge record in each patient’s chart pack made it easier for the staff to comply with recording the supplies used. We also made the charge record neon orange so no one could miss it!

Which supplies are billable?

The next step was identification of billable supplies. We reviewed company contracts, HCPCS guidelines, and insurance policies to determine which supplies could be billed. This was an exercise we all learned from. For example, we found that Medicare and Medicaid do not reimburse at the same rate for some supplies as other insurers.

We realized early that there were many past cases with supplies that were not billed. Because billing those cases retroactively would be difficult at best, we decided initially to look at the high-dollar cases for the past year and bill them...
Flowchart of charge capture process

1. Patient scheduled for procedure with supplies.
2. Scheduling prints booking sheet and delivers to OR director.
3. OR director initials and dates booking sheet and delivers to Purchasing.
4. Is supply in stock?
   - No: Purchasing orders supply, creates PO, notifies OR director of order.
   - Yes: Supply charge sheet placed in medical record.
5. Purchasing writes PO # on booking sheet with date of delivery, sends original to accounts payable (AP) clerk.
6. AP clerk ensures name, date of service, and physician’s name is on PO, then files with invoice attached.
7. Biller files PO by date of service and references to determine charges.
8. Supply used in OR.
9. OR nurse places supply sticker and/or writes supplies used on supply charge sheet.
10. Medical record received and assembled in Health Information Management. Supply charge sheet placed in front of chart.
11. Coder reviews chart and supply charge sheet and enters supply code as appropriate.
12. Coder sends supply charge sheet and face sheet to Business Office biller.
13. Biller applies applicable supply fees to bill.

Source: Outpatient Surgical Services, Plantation, Fla.
based on regulations for filing claims. In addition, we agreed that the OR manager will forward the implant log to the biller monthly to ensure all implants are billed.

We bill for implants according to billing guidelines if they are over $75. All of our managed care payers except 2 pay at 55% of charges; the remaining 2 pay at cost plus 10%. Other commercial payers pay according to their coverage, usually 50% to 70% of charges. Medicare and Medicaid have specific guidelines for implants, which are provided by our corporate office.

**Coder is key**

The coder was another key person in this process. Unless the coder was given correct supply use information, the codes could not be entered into the system. The new charge record was the vehicle for this critical information. The charge record was updated by the OR manager and purchasing supervisor to make sure all supplies were identified so the billing office could review them and determine if they were billable based on regulations. As the coder reviews each chart, she makes sure each case has a charge record listing supplies used, and the supplies used match the procedure performed. Any discrepancies are brought to the OR manager’s attention. After the chart is coded, the coder removes the charge record and sends it to the biller.

Once the biller receives information about which claims are coded and can be billed, she again reviews the OR supply log and ensures that all supplies have been captured and coded. She also reviews the corporate billing regulations and determines if items meet the billing criteria. On a daily basis, the biller meets with the purchasing supervisor to verify the cost of supplies. Once correct prices are obtained, the biller proceeds with billing the procedures and supplies.

The purchasing supervisor is responsible for having supplies available for upcoming surgical procedures. She communicates with the OR manager about pending procedures and places orders accordingly.

In the event of special orders for patients, the purchasing supervisor forwards a copy of the order to the biller. The biller keeps these copies in a file to submit to payers that require this information.

**Efforts pay off**

The measure of success for our team was the increase in gross revenue from supplies. In the months prior to developing the QI team, OSS was capturing an average of $40 per surgical patient from supplies. Charge capture began to steadily increase after our QI project began. In January, average supply charges per patient were over $100. Clearly, our efforts were paying off! Needless to say, supply revenues fluctuate with patient volumes, case types, and surgical complexity. However, with our new controlled processes, we can be assured that whatever the case mix, we will be billing appropriately for all supplies.

Gathering an interdepartmental team for this QI initiative was essential to understanding the variables in the process and providing the necessary input to solve the problems identified. Getting constructive and creative ideas from the team members made this project successful and rewarding.
Continuous communication between the involved staff and departments will be essential to the ongoing success of our team. The team will meet quarterly to check the progress of the supply revenue capture and review how the new processes are working.

To celebrate our success, we presented a summary of the team’s progress to the general staff meeting. Kudos were given to all the members.

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