



3M™ Ambulatory Revenue Management Software



“The 3M ARMS has been a great solution for our medical necessity-related claims denials. It has helped us decrease the number of denials, the amount of rework, and the number of calls to patient accounting.

Plus, we saw a 25 percent decrease in Medicare adjustments for lab and a 22 percent decrease in adjustments for x-ray claims.”

— 3M ARMS client and HIM manager for a 400-bed acute care hospital

- Improves throughput of accurate claims data to help decrease back-end correction times, write-offs, and A/R days
- Helps reduce DNFB days by facilitating workflow changes designed to help you achieve a clean claim the first time
- Helps measure and monitor changes in the revenue cycle process, can validate medical necessity, and captures health information management (HIM), chargemaster, claim, and remittance advice codes

One-time improvements are not enough

The challenges of outpatient reimbursement create major hurdles for healthcare organizations. Many healthcare financial executives point out that their early success in solving the most noticeable problems in outpatient revenue has given way to the need for sustainable improvements from the beginning to the end of the revenue cycle.

Hospitals are looking for revenue cycle solutions that address and integrate three key components: **people**, **processes**, and **systems**. They need solutions that can improve the flow of accurate, compliant patient data along each step of the revenue cycle, ultimately leading to the generation of a clean claim the first time through. For a long-term, measurable impact, each step of the revenue cycle needs to be addressed.

What are your people and process costs?

Typically, problems occur because multiple departments and staff work independently using their own specific software applications and systems. Communication between departments can also break down, creating additional complications. At 3M, we take a comprehensive approach to address revenue cycle problems. With a combination of software and services, 3M helps hospitals to:

- Define clear objectives to help improve the billing process from the front-end to the back-end of the revenue cycle
- Identify the bottlenecks that are preventing a clean claim from going out the door the first time
- Quantify the time and money your organization is losing as a result of write-offs and rework
- Pinpoint the departments responsible for the largest share of payment denials

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Where and how to begin?

As with any quality or process improvement program, the first step is to **define** the scope of the problem. Next, you need to **measure** when and where gaps occur and then **analyze** and verify the root cause and size of the problem. Finally, you need to implement a solution to **improve** processes and tackle the issues you've identified, and develop a **control** plan for ongoing improvement.

Lay the foundation

To analyze your current processes, 3M experts deliver the **3M™ Workflow Engineering Program**, a process analysis and improvement program. This comprehensive program begins with you and the 3M experts developing an “is” map of how your processes are working today. Next, we collaborate with you on developing a “should” map of the ideal process workflow that can address the shortfalls.

The 3M Workflow Engineering Program does not produce a one-size-fits-all solution, because our team knows from experience that each organization's revenue cycle presents its own unique challenges and opportunities.

Software and targeted education

With key areas for improvement identified, the **3M Ambulatory Revenue Management Software (ARMS)** can be installed and implemented. Your organization's personnel now receives focused training on using the software to meet the top priority objectives.

We design implementation services to meet specific needs as identified in the 3M Workflow Engineering Program. 3M understands that organizations need ongoing support and education to sustain performance and productivity through all the regulatory upheavals inherent in the healthcare industry. As a result, our implementation services include:

- Onsite system configuration
- For first-time users, we provide four days of onsite Reporter training so your staff can learn how to run reports and create *ad hoc* reports as needed
- Onsite Outpatient Compliance Edit (OCE) and Local Coverage Determination (LCD) edit education. The goal is to help users at all levels of the organization understand what the OCEs mean and how they are corrected. This is especially important for edits coming from chargemaster codes that are now being monitored in the HIM department.
- Onsite annual return visits:
 - One related to process and report issues
 - Another for review of the UB-04/remittance advice (RA) reports (*only when the 3M™ Claim and Revenue Management Software is purchased*)

3M ARMS and its modules

When your organization selects all of the components available with 3M ARMS, you are purchasing a comprehensive outpatient data management solution. This solution merges coded data from the chargemaster, health information management (HIM) department, UB-04, and remittance advice with industry-standard and 3M-proprietary edits into a central database.

The software provides a means with which to measure and analyze front-end data to help improve process control at critical points in an organization's outpatient workflow, from the physician office to patient access, to point-of-service, to HIM, to billing. 3M's software uses pre-bill data, post-scrubbed bills, and remittance advice data so you can monitor data accuracy, validate medical necessity, and audit for compliance purposes throughout the entire revenue cycle.

Works with 3M's industry-leading coding products

3M ARMS works in conjunction with:

- 3M™ Codefinder™ Software
- 3M™ APCfinder™ Software
- 3M™ HCPCS/CPTfinder Software

3M ARMS and the 3M™ Enhanced Ambulatory Patient Grouping System

Some states and third-party payers are beginning to adopt the 3M Enhanced APG System (EAPGS) as their outpatient prospective payment system. The standard components of 3M ARMS now work in conjunction with **3M™ Enhanced APGfinder™ Software**. If you currently rely on multiple groupers, 3M ARMS can provide the same kind of value described for APCs for 3M Enhanced APG codes. To find out if 3M ARMS currently supports 3M EAPGS in your state, please contact 3M.

Benefits for the revenue cycle manager and team

- Effectively address outpatient billing issues, such as identifying the outpatient services that are experiencing the most frequent adjustments or payment denials
- Detect and correct outpatient billing errors before the bill is dropped
- Support physician and staff education targeted at reducing claims rejection and monitoring corrective actions
- Document the workflow and referral process to ancillary departments responsible for the charges or to the physicians responsible for documentation

Reporting

Data collection is worthless unless reports can be generated to provide usable and actionable information. 3M provides standard reports that can help identify problem areas; monitor and trend edit corrections by responsible department; and, ultimately, help reduce claim denials. Use the standard reports to examine:

- Profit/loss reports with charges
- Physician profiling reports
- Claims analysis
- Error or unpaid services report
- Type-of-visit summaries
- Most and least profitable APCs

Examples of other available reports include:

- APC hospital service analysis (charge department, physician)
- APC attending physician analysis
- APC payment analysis
- Observation summary
- OCE by revenue code, OCE and medical necessity edits by service, and OCE summary report
- Open LCD edit referral listing
- Outstanding LCD edits by CPT® code and by physician
- Customized and *ad hoc* reports

3M™ APC Editing and Compliance Software with 3M medical necessity content

3M APC Editing and Compliance Software provides a means of performing complete editing for OCE, CCI, and LCDs for all codes on the claim, both hard-coded chargemaster codes and soft-coded CPT® procedure codes that the HIM department provides. It seamlessly integrates with the **3M medical necessity content** to provide coders with edits for LCDs and for the National Coverage Determinations (NCDs). With this module, coders can also monitor the charge information that eventually goes on the claim. Charge data detail is accessed with the 3M ARMS through an interface that provides the HCPCS/CPT® codes from the chargemaster, corresponding charge department codes, revenue codes, units, and other key data elements.

3M believes that HIM should check medical necessity at the point of coding. When the coder retrieves a record to review it for accuracy, the medical necessity (LCD/NCD) edits and OCE edits can be invoked to correct any error that may be present. If necessary, the coder can also access and review the actual LCD/NCD or NCCI policy to see the details of the

3M™ Claim and Revenue Management Software (optional module)

The 3M Claim and Revenue Management Software lets you compare coded data from the HIM department, chargemaster, UB-04, and remittance advice (RA) to identify the front-end revenue cycle processes that need improvement. This module imports both UB-04 print images or 837I (HIPAA) data from a post-scrubbed claim and the 4010 X12 RA. The import utility matches patient data stored by HIM coders with data submitted on the UB-04.

When the RA is downloaded, another match is made to the appropriate claim for comparison between the UB-04 and the RA.

The revenue management team can monitor billing changes made in patient financial services and identify changes affecting revenue. This allows you to look for the differences between pre-bill data and the bill itself. UB-04 data is matched to RA data to help you determine if the fiscal intermediary (FI) made changes, and if reimbursement and contract adjustments were calculated accurately. Multiple claims and RA elements for each claim are stored in the database to provide a complete picture of how the FI responded to the claim.

After the first set of UB-04 claims and remittance advice has been loaded, 3M revenue management experts arrive onsite to review the data from the combined reports and identify trends and areas for improvement. Thereafter, your organization receives an annual return visit to continue support for analyzing and using RA and UB-04 data (*if this module is purchased*).

Benefits

- Allows you to track inconsistent payments, underpayments, or overpayments from the FI
- Helps you analyze your charge structure in relation to fee schedules and APC reimbursement
- Provides an aggregated overview of problem claims to support education and training efforts throughout the revenue cycle
- Supplies a benchmark for denials management to help identify potential areas for improvement and monitor corrective action
- Provides an audit trail for back-end revenue cycle review
- Allows the revenue cycle management team to monitor accuracy and process improvements in appropriate departments

Reports

- Top 10 OCE line item edits from the UB-04
- Top 10 LCD edits summary from the 837I/UB-04
- Claims submission disposition analysis
- UB-04 edit summary by revenue code
- Payment analysis by APC service line, APC, and CPT® code (to compare differences between the pre-bill, UB-04, and RA)
- Payment analysis by APC service line and attending physician
- Monthly comparison between OCE and LCD edits (*a trending report*)
- Customized and *ad hoc* reports

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medical necessity regulation. To inform other departments of medical necessity or OCE edits, a referral notice can be generated and e-mailed using standard Microsoft® tools.

Hospitals can analyze which CPT® codes from both the chargemaster and HIM department failed to meet medical necessity requirements. Since the check is done in the HIM department, where contacting physicians to clarify documentation is routine, efficiency and billing accuracy can be greatly improved. The software allows personnel from a variety of departments to access chargemaster and medical record coded data to understand the scope of the error and take corrective actions.

3M™ APC Editing and Compliance Software benefits

- Can help reduce payment rejections and claims denials
- Improve efficiency in creating an accurate claim
- Facilitate communication with physicians, ancillary services, and billing
- Document the coding and billing compliance program
- Conduct physician profiling and monitor documentation improvement efforts
- Provide a secondary review of medical necessity when documentation is complete
- Research and handle medical necessity issues during the normal “bill-hold” time frame
- Identify claims for services that are routinely reworked or going unpaid

Follow the road map to success

Developing a plan for ongoing revenue cycle improvements doesn't have to be overwhelming. Implementing a solution to define, measure, analyze, improve, and control outcomes provides an approach that can help you succeed.

Choosing software and services from an experienced vendor who can strengthen and complement your own internal processes lets you focus on delivering quality patient care. 3M Health Information Systems is committed to service before, during, and after our software is implemented.

We listen to our customers and employ best practices based on 25 years of healthcare industry experience. We want to partner with you to deliver sustainable, powerful improvements for managing your organization's revenue cycle.

Call today

For more information on how 3M solutions can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **www.3Mhis.com**.



Health Information Systems

575 West Murray Boulevard
Salt Lake City, UT 84123
U.S.A.
800 367 2447
www.3Mhis.com

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