

HACKENSACK INCREASES CMI AND ACCURACY WITH QUADRAMED CODING AND COMPLIANCE

CASE STUDY

Hackensack University Medical Center
Hackensack, New Jersey

SOLUTIONS USED

Facility Coding
Inpatient/Outpatient Compliance
QuadraMed

Abstracting
SoftMed ClinTrac™

Imaging
SoftMed ChartView®/
Scan

Clinical
IDX Last Word®

Financial
Siemens InVision®

Hackensack University Medical Center is a non-profit, 781-bed acute care facility in Hackensack, New Jersey. The institution is a teaching hospital research center with the following payer mix: Medicare 41%; Managed Care 30%; Medicaid 3%; Private 20%; Other 6%.

There are 76,868 inpatient and short-day stay admissions, 70,000 emergency/trauma department visits, and more than 240,000 ambulatory visits annually. Of the ambulatory visits, over 160,000 are coded by the Health Information Department.

Challenge:

The Health Information Department at Hackensack University Medical Center (HUMC) evolved with system implementation in its vision for the future. As late as 1999, the Health Information Department had few computers, and therefore no encoder system. Staff members were coding to paper abstracts. The Health Information Department, which reported to the Finance Department, had too few coders to meet benchmarks.

Senior leadership concluded a change was needed. First, the reporting structure changed, making the Health Information Department responsible to the Vice President of Patient Care Services. The department began contracting with outside coders. At the same time, workflow was redesigned, and productivity standards were established and monitored. Hackensack started investing in technology to

improve the department's performance. This process began with the purchase of the QuadraMed Encoder. Complementary HIM products were acquired from a second vendor. Also, QuadraMed MPIspy® was implemented for medical record management, ending the ongoing problem of creating duplicate records.

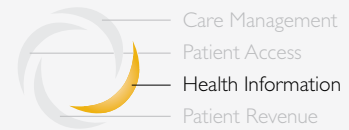
The Health Information Department faced many challenges as it began the implementation of QuadraMed Quantim Coding.

These included:

- Inconsistent case mix index
- High percentage of denials

Hackensack's inpatient coding accuracy increased from 76 percent to 93 percent, while outpatient accuracy increased 11 points to 96 percent.

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- Low coding accuracy
- Inadequate resources for coders
- Double coding and charging from outpatient areas
- High A/R days, 91.8 as of December 2000

Barbara Siegel, Health Information Director as of 2001, stepped up to face these challenges and determined it would take a multi-prong approach to solve them. Her approach included creation of a training program for new coders and continuing education for current coding staff. Monthly in-services have become an important part of Hackensack's program along with a full-time educator for the coding staff. Specific coding guidelines were developed and built into the QuadraMed Coding system.

Two other new positions, inpatient and outpatient coding managers, were created to help guide the major departmental changes. Internal and external monitoring and auditing programs were developed, and weekly DNFB (discharge not final billed) reports were submitted to the executive team for review and follow-up where necessary.

Solution:

The implementation of QuadraMed Quantim® Coding directly impacted coding challenges by providing a solution to the long-term problems. The knowledge-based methodology enabled coders to continuously increase their proficiency. It also provided constant feedback through the LCD and DRG tools such as weights, rates and re-sequencing ability. Additionally, it provided the tools needed to post policies and coding guidelines online, improving coder access to these references.

Installing QuadraMed Quantim Inpatient and Outpatient Compliance further enhanced the process. Hackensack chose to implement compliance self-review, which provides real-time feedback to coders. The detailed management reports help managers to effectively monitor productivity and accuracy to meet compliance requirements.

The institution's quality initiative included development of a break-through process whereby outpatient, SDS and minor OR

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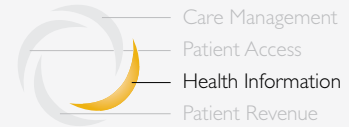


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coding actually drives charges. The CPT codes assigned by the Health Information Department are received by the financial system triggering the correct CDM charges to be posted to the patient's bill. This process ensures all charges are correct and eliminates duplicate charges, as well as missing charges. In the future, this process will be expanded to other hospital services.

Results:

These important process and system changes have produced dramatic results. The DNFB decreased from 650 cases totaling more than \$40 million dollars in July 1998, to 136 cases valued at \$8 million in April 2006. \$1.2 million of that was attributed to health information improvements and the remainder attributed to other departments.

Implementation of self-review ensures immediate corrections for compliance and reduces denials. The improved coding consistency and accuracy are a direct result of the online references available.

Hackensack also learned some valuable lessons: prior to implementation, the Health Information Department must ensure that all PCs meet required specifications and that a full-time coding educator be hired. A professional, dedicated to coder education, working with a designated "super user", can quickly bring new coders up-to-speed, provide continuous education for the coding staff, and help ensure long-term retention. This is key for overall departmental success due to the continuing shortage of trained coders.

CODING ACCURACY BEFORE AND AFTER QUANTIM CODING

1999	2005
Medicare CMI 1.6	Medicare CMI 1.7
Inpatient Coding Accuracy – 76%	Inpatient Coding Accuracy – 93%
Outpatient Coding Accuracy – 85%	Outpatient Coding Accuracy – 96%