

# What Makes A Surgery Center Financially Successful?

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Ambulatory surgery centers can prosper when their business and clinical processes are performing optimally. Without careful attention to these two process areas, an ASC can financially under-perform or fail.

This article addresses the business process of billing, which has profound impact on cash flow and the ultimate success of an ASC. The processes that keep our centers successful and cash flowing (so that our partners receive monthly distributions) is very simple and requires a team approach.

## In the beginning

The first step in the billing process begins before the patient enters the center. The scheduler works with the physician's office to obtain complete and accurate demographic information as well as insurance coverage data. Next, the scheduler must:

- verify insurance coverage and the patient's benefits
- call the patient to:
  - verify demographics
  - inform patient of benefits and estimated cost of visit
  - make arrangements to collect estimated co-pay and deductible

Making these calls benefits the ASC in the following ways:

- cash flow improves with collection of co-payment and deductible at time of visit
- verification of demographics:
  - decreases admission time
  - eliminates, or at the very least, decreases billing and collection issues
  - assists the patient in understanding financial responsibilities
  - assures the initial claim is clean, enabling timely reimbursement

## Next steps

The second step in successful billing occurs during the admission process. Here we ask the patient to verify all demographics printed on face sheet (corrections are made at admission if patient notes an error). Admission collects the co-payment and deductible or makes collection arrangements based on the ASC's policy.

## **Timeline is critical**

Next, we obtain the operative report and code the case. Having an expert coder who reads each operative report carefully and codes on the basis of that report is your biggest asset in the billing process. The coder who captures every code makes money for your center.

To complete the billing process, you must populate a UB92 or a CMS 1500. Most ASC software packages populate the forms automatically. Once the UB92 or CMS 1500 is populated, you electronically submit the claims to your clearinghouse. You will need to establish a process to verify that all claims were submitted clean and, if not, also create a process with a timeline for corrections.

Consider establishing your time line at 72 hours or less from case completion. You can meet this goal with good processes and cooperation from your surgeons. Key to your success is persuading surgeons to dictate their operative reports immediately following each case. Making the dictation process convenient and simple supports immediate dictation of operative reports. Work with your medical director, medical executive committee and board to resolve issues. This will generate trust and change as needed in your billing process.

## **Electronic processes speed cash flow**

Consider electronic payments and electronic explanations of benefits (EOBs) with every third party payor that offers the service. This process will have a dramatic impact on cash flow.

Good processes and teamwork will assure good billing practices, which will lead to good cash flow and a financially successful surgery center.

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