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How healthcare organizations can leverage CDI to meet strategic goals amid times of financial uncertainty

Clinical documentation integrity (CDI) is and always will be about complete and accurate coding and documentation that captures the patient story. Yet as healthcare organizations have continued to confront unprecedented financial challenges during COVID-19, it has become imperative for their CDI programs to evolve to ensure they continue to have a maximum impact on patient care and revenue. Organizations that have not strategically reshaped their approach to CDI in the face of these challenges may find their programs unsustainable.

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COVID-19 has forced financial leaders to look for new and innovative ways to ensure revenue integrity. The need to take a hard look at their CDI programs to gauge whether a more data-driven and strategic approach could be more beneficial.

A CALL FOR DISRUPTIVE INNOVATION

CDI in today's market is a strong candidate for disruptive innovation to support financial sustainability. The changes required include strategically aligning it with immediate and long-term enterprise wide priorities, and making it more patient-centric, with CDI professionals championing patient safety, quality of care and clinical transformation.

Such disruption is a large departure from how CDI programs are run today. Efforts to perform a 100% Medicare review are common for traditional CDI programs, as are efforts to review every chart for every patient, with a focus predominantly on capturing only complications and comorbidities (CCs) and major CCs (MCCs). This approach may no longer be fruitful or even possible given that many CDI professionals have been pulled into direct patient care roles during the pandemic.

It also makes little financial sense during the pandemic to deploy dozens of CDI professionals to a care setting with perpetually low volumes or to review a payer that no longer provides a significant portion of the organization's revenue. In a disruptive CDI model, an organization uses key performance indicators (KPIs), based on predominant trends driving the need for a more strategic approach, to set priorities for how CDI resources are to be deployed so the organization is better able to accomplish enterprise wide strategic goals.

Such innovation is necessary at a time when every dollar matters. Organizations that maintain an attitude of, "This is how we've always done it," could find themselves spinning their wheels without seeing a true financial ROI. By adopting an agile approach that accounts for ever-changing priorities, organizations can give CDI professionals flexibility to pivot quickly and maximize ROI.

6 TRENDS DRIVING THE NEED FOR STRATEGIC CDI

Following are six recent trends that support strategic CDI along with critical questions for finance leaders to consider as they make the shift.

1 Growth in outpatient volumes. Some organizations have had the good fortune to see a stable volume of outpatient visits throughout the pandemic. Others have seen a steady increase in outpatient volume during the latter portion of the pandemic. A recent study by TransUnion Healthcare found that outpatient cases actually increased 5% year over year between July-December 2019 and the same period of 2020. Another study, by Deloitte Center for Health Solutions, found that even before COVID-19, outpatient revenue for Medicare-certified organizations grew at a rate of 9% while inpatient revenue grew by 6%. The Deloitte study also found the aggregate outpatient share of total hospital revenue grew from 28% in 1994 to 48% in 2018. These changes likely reflect consumer demand, a shift to value-based care, advances in technology and more.

Questions for finance leaders:

- Has the organization seen a growth in outpatient volume during COVID-19?
- Does it anticipate a surge in preventive care after months of patients forgoing and delaying these non-urgent services?
- If so, has it expanded its CDI program to the outpatient arena to ensure capture of hierarchical condition categories (HCC) that affect risk adjustment?

Such questions also could help identify an opportunity for the organization to refine its strategy even further. For example, if there is a specific physician practice with a growing volume of patients, can it allocate additional CDI resources to assist with the 2021 evaluation and management (E&M) changes?

Relevant KPIs:

- Variance analysis year over year of outpatient to inpatient volumes, surgeries, revenue and associated denials
- Percentage of revenue at risk in value-based contracts by payer by practice market

2 Rapid adoption of telehealth. At the beginning of the pandemic, telehealth adoption skyrocketed across organizations nationwide as CMS instituted a variety of waivers that lifted restrictions based on the originating site of the telehealth services. CMS also added more than 80 new services to its list of telehealth-approved services. The rapid adoption of telehealth also largely reflected consumer demand at a time when many people did not feel safe seeking in-person care. Over time, consumers have grown somewhat accustomed to the ease of virtual care and may continue to demand it. Seventy-six percent of consumers are highly or moderately likely to use telehealth going forward post-pandemic, a recent survey by McKinsey & Company found.

Questions for finance leaders:

- Is telehealth expansion one of the organization's strategic goals to attract and retain patients as well as increase volume, reduce costs and support preventive care?

If the answer is yes, it might make sense for CDI specialists to build their knowledge in this area, particularly around federal and payer-specific regulations and requirements, and start focusing on documentation improvement-related activities for risk capture during telehealth visits. The organization may also want to consider investing in artificial intelligence analytics and leverage big data sources to identify care gaps and revenue opportunities during telehealth encounters.

Relevant KPIs:

- Telehealth utilization within organization by payer, service, specialty, practice size/location
- Percentage of telehealth revenue to same service revenue

3 Enhanced consumer awareness of quality. Transparency is part of the path toward value-based care because it drives accountability that, in turn, enhances quality. Publicly reported quality measures also increasingly affect the decisions that consumers make regarding where to receive care. An organization's revenue can suffer greatly if it's metrics paint a picture of poor care quality.

Questions for finance leaders:

- Does the organization experience revenue leakage due to its poor reputation for quality?
- Has the organization incurred penalties within the CMS quality programs (e.g., the Hospital Value-Based Purchasing Program, Hospital Readmission Reduction Program and Hospital-Acquired Condition Reduction Program)?

If the answer to either question is yes, CDI specialists should review documentation and coding that directly affects publicly reported outcomes data, including condition-specific cohorts and risk adjustment. Through data analysis, CDI can align care pathways to improve condition-specific outcomes.

Relevant KPIs:

- Year-over-year variance analysis of revenue loss/adjustment in pay for performance penalties by measure by cohort
- Hospital Specific Report analysis year over year trending
- Revenue leakage by market, by payer, by diagnosis or pay-for-performance cohort

4 Investment in alternative payment models (APMs). Prior to COVID-19, many organizations joined accountable care organizations (ACOs) or entered a shared-risk payment arrangement with a Medicare Advantage plan or commercial payer. Others became 'payviders,' meaning they partnered with or acquired a health plan.

Although these organizations could have seen shared-savings bonuses in the short-term, one disadvantage is that fewer office visits and elective procedures mean providers have had fewer opportunities to capture, identify and close risk gaps. The longer the pandemic continues, the harder it may be to establish accurate risk-based payments for future rate setting. It therefore is critical to maximize every touchpoint with patients when they occur; providers need to make the most of limited encounters by capturing and addressing HCCs whenever possible, including during telehealth encounters.

Questions for finance leaders:

- Does it make sense to shift CDI specialists away from fee-for-service contracts toward value-based ones involving APMs?

The CDI specialist could help establish accurate benchmarks and accurately capture risk, quality and utilization of care that enhances performance in APMs, for example. It also will be increasingly important for CDI professionals to capture and integrate social determinants of health into their workflow.

Relevant KPIs:

- Percentage of revenue at risk in value-based contracts by payer by practice market and associated covered lives
- Ratio of population (patient) RAF score to expenditures by practice market by payer
- Year-over-year performance in selected quality metrics

5 Increased number of COVID-19 admissions. COVID-19 is obviously a major priority now, and COVID-19-related hospital admissions have increased more than 30% since November, according to a recent report by Kaufman, Hall and Associates, LLCEnsuring accurate documentation is paramount, particularly because hospitals are eligible for a 20% increase in the MS-DRG weighting factor when there is a positive COVID-19 lab test documented in the medical record.

Questions for finance leaders:

- Can CDI specialists work collaboratively with coders to validate the presence of a positive lab in the record upon admission or shortly thereafter?
- Is there a denial avoidance strategy to differentiate between active versus inactive COVID-19 infections as well as sequelae versus resolved infection with persistent positive test?
- How can CDI specialists also capture other chronic conditions that contribute to the medical necessity of a COVID-related inpatient admission?

CDI specialists are paramount in terms of revenue integrity both now during COVID-19 and in the future.

Relevant KPIs:

- Inpatient and outpatient revenue (claims) associated with COVID-19 diagnose codes (including history of) testing, procedures by payer with denial trends

6 Shift in the source of greatest net patient revenue. During the pandemic, some organizations may have found that their most significant source of net patient revenue is not the same as it was a year ago. For example, many have seen a shift from commercial payers to Medicaid and Affordable Care Act plans as unemployment continues to climb. A report published by the Commonwealth Fund found that, as of June 2020, 7.7 million workers lost jobs with employer-sponsored insurance because of the pandemic-induced recession. This insurance also covered 6.9 million of their dependents, for a total of 14.6 million affected individuals.

Shifting from traditional to strategic CDI: 3 questions to consider

- What are your organization's top five strategic goals?
- What is the effect, if any, of clinical documentation and coded data have on those goals?
- How can financial leaders work with physician advisers to align CDI resources with strategic initiatives?

3 reasons why strategic CDI makes financial sense

- Strategic CDI directly supports financial gains at a time when operating margins continue to take a hit.
- It enables organizations to do more with less — that is, use the same or fewer CDI resources to maintain or even increase return on investment.
- It provides agility to pivot as priorities change during the COVID-19 pandemic.

Questions for finance leaders:

- Can CDI specialists prioritize their efforts on payers with the greatest financial return?

To identify these payers, organizations must be able to drill down into their data for revenue by payer, denial by payer, successful overturn rate by payer and more.

Relevant KPIs:

- Year-over-year payer mix trends (government vs. commercial): net patient revenue, percentage of charges, percentage of discharges or outpatient visits, percentage of total inpatient days
- Denied charges by payer

THE PIVOTAL ROLE OF PHYSICIAN ADVISERS

Organizations cannot shift from traditional CDI to a more strategic approach without the help of a strong physician adviser program. A practicing physician adviser can help colleagues create the documentation-centric culture within care delivery to capture diagnoses, translate medical necessity within appropriate care settings and define preventable risk that ultimately drives better patient outcomes. Physician advisers also serve as the liaison among coders, CDI specialists and physicians and can navigate conversations with all three groups effectively.

Finance leaders can enact disruptive CDI innovation by partnering with physician advisers in four ways.

1 **Empower the physician adviser within executive strategy meetings.** The physician adviser can be enlisted to lead provider- and patient-centered initiatives that change documentation workflows for sustainable solutions.

2 **Collaborate to develop new KPIs that promote accountability, reflect performance and align with organizational goals.** Beyond case mix index and CC/MCC capture rates, KPIs should include payer-specific metrics such as net patient revenue and impact, denial rates with associated overturn rates and provider performance as it relates to the documentation of patient severity/risk, utilization, denials and longitudinal patient quality outcomes.

3 **Change the focus from query response to query avoidance and patient care.** A physician adviser can work with leadership to incorporate a culture change whereby the documentation of care becomes integral to every organizational initiative without the need for burdensome point of care reminders.

4 **Rethink the CDI strategy.** Organizations must be able to identify their biggest vulnerabilities by payer, service line, provider and diagnosis. They then can begin to identify the most at-risk patient populations for advanced care delivery. Reliable and accurate data is mandatory.

In an ideal scenario, hospitals would have enough CDI professionals to review every patient record every time. However, that is not the reality we face today. Increasing denials, decreasing payments and limited resources have forced financial leaders to rethink CDI strategies to ensure the financial health of the organization. Using a data-driven, strategic approach to CDI can help organizations meet important goals and improve patient care, all while ensuring revenue integrity. ∎

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