

Best Practices & Trends IME/GME Revenue Recovery Strategies

PRESENTED BY:

Jonathan Besler
President & CEO
BESLER

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*Smart about revenue.
Tenacious about results.*

Agenda

- Background – IME/GME Revenue Recovery Strategies
 - Why are Shadow Bills Missed
 - Best Practices
 - Trends

Background

IME/GME Revenue Recovery Strategies



M.A. and the Balanced Budget Act of 1997

Balanced Budget Act of 1997

- Omnibus legislative package (Budget) enacted by Congress under the Clinton Administration aimed at cutting \$160 billion between 1998 – 2002.
 - Medicare Cuts were responsible for \$112 billion
 - To reduce spending, the act reduced payments to health service providers
- Allowed Medicare beneficiaries the option to opt out of traditional Medicare plans.
- Beneficiaries now had the ability to receive benefits through private health insurance plans (Medicare Advantage; Option C)
 - These Plans included:
 - HMO's
 - PPO's
 - Private fee for service
 - Medicare Savings plans

Balanced Budget Act cont.

- **October 1, 1997:** Via changes adopted under the Balanced Budget Act, CMS creates an additional IME and GME payments for Medicare Advantage patients.
- In order to qualify for these payments, hospitals were now required to submit information only bills to the hospitals' Fiscal Intermediary.
- Thus, the name "Shadow Bill" was created. This term designates the no pay bills/information only bills required to receive IME payment for M.A. claims.
 - Shadow Bills are submitted using condition code **04** and **69**

Shadow Claim...What is it?

Medicare requires all providers to submit claims for all Medicare beneficiaries including stays that are covered by a Medicare Advantage (MA) plan

● This applies to:

- Acute-care facilities with nursing and Allied Health Education (NAH)
- Rehab units/hospitals
- Psychiatric units/hospitals
- Long-term care facilities
- Cancer centers and children's hospitals.



Shadow Claim...What is it?

- Track spell of illness and utilization for all Medicare Advantage patients
- CMS has changed their position on who is required to submit the encounter information
 - Managed Care companies initially held the responsibility
 - It now resides 100% with the provider
- Reimbursement
- These claims must be submitted whether a facility is teaching or not



What is the Purpose of No Pay Claims?



Accumulating the HMO information for inclusion in the SSI ratio.



This ratio is used in the DSH (**IPPS**) and Low-Income Patients (**LIP**) (Inpatient Rehab Facilities IRF PPS) calculations.



This also applies to Long Term Care Hospitals (**LTCHs**) even though they do not directly receive DSH, as an estimate of what the facility would have received under DSH if they were an Acute Care facility becomes part of the LTCH outlier calculation.

Direct Impact... To Pay!

Acute Care Teaching IPPS Facilities

- IME payment is triggered by the shadow claim submitted to Medicare
- If any of IME shadow claims are missed the direct IME payment is missed
- These are original claims and must be submitted timely
- Per claim reimbursement differs based on the facility

Direct Impact...Not To Pay!

- Non "Teaching" IPPS Hospitals
- IRF Hospitals or Units
- "Non-teaching" = Provider does not have any Graduate Medical Education programs (GME or IME) and they do not have any Nursing and Allied Health Programs (NAH)
- Required to submit informational only bills and must be submitted within a year

Direct Impact...Not To Pay!

- Non-IPPS Hospitals
 - (LTCH, Rehab, Psych, Children's, Cancer) that have GME and/or N&AH programs)
- Submit the claims in order to receive add-on NAH payments
- Required to submit informational only bills and must be billed within a year

Indirect Impact

For Teaching Facilities:

Cost Report/Reimbursement Impact

- ⦿ Additional days counted for Medicare
- ⦿ Increases the Medicare allocations
- ⦿ Graduate Medical Education (GME)
- ⦿ Claims are included in the Medpar for the SSI calculation as well on the PS&R (report 118)

Indirect Impact

No Pay Claims:

- CMS requires the MACs to reimburse certain items for MA recipients
- Done through the Medicare Part A cost report
- Accomplished by capturing additional days via shadow claims
- Traditional Medicare Part A (MACs) pay for include:
 - Disproportionate Share Hospital (DSH)
 - Graduate Medical Education (GME)
 - Nursing and Allied Health (NAH)

Why are Shadow Bills Missed?



Underpayments reasons:

- The inability to collect the Medicare Beneficiary Identifier
- The inability to produce a shadow bill
- Manual shadow billing processes
- Not having a process in place to track Return to Provider
- Failure to adhere to the twelve-month timely filing
- Submitting the appropriate TOB claim with the required condition codes to avoid a rejection.

Refresher on How To...

Teaching Facilities

- Bill type 111
 - Expecting payment
 - Condition Code 04 and 69

Non-Teaching

- Bill Type 110
 - No direct reimbursement expected
 - Condition Code 04

Best Practices





- Remove Silos!
 - Collaborate with Reimbursement and PFS to confirm the expected direct reimbursement for IME is being received
 - Collaboration with Reimbursement and PFS to confirm additional days on the PS&R are correct
- Audit Registration and Admission process to confirm Medicare MBI/HICN is being collected at time of service



- Review the plans in PFS/Billing platform set up to submit shadow claims
 - Do NOT wait for MA to pay to plan for the stay
- Perform a retrospective audit to confirm process of submitting shadow claims is working
 - Must be done within timely
 - Highlights any gaps in the process
 - Identifies any missed claims
 - MBI onset makes this difficult

Trends





% of MA payors on the rise but...

- Medicare advantage payors continue to use delay tactics which impacts payments...
 - Claim not on file
 - Rejected as a duplicate
 - Long wait on the phone for staff to resolve

Resources

[Case Study IME Revenue Recovery 1.pdf \(besler.com\)](#)

[White Paper: The Value of an Independent IME Review | BESLER](#)

Thank you



Jonathan Besler

President & CEO

Phone: (732) 392-8238

Email: jbesler@besler.com