



Physician Advisor Programs

A Pillar of Thriving Provider Organizations

Produced by



Sponsored by



Introduction

Today, hospitals face growing pressure from government and commercial payers to manage their utilization of services and provide justification for clinical decision-making in line with evidence-based practices.

Physician advisor programs have emerged as a way for hospitals to achieve their financial and quality goals by streamlining communication between clinicians, case managers, and other non-clinical staff. Physician advisors play a key financial role in utilization review (UR), clinical documentation improvement (CDI), and denial management by reducing administrative costs and ensuring providers are reimbursed appropriately.

Likewise, they improve the reporting of care quality by enhancing collaboration between physicians and case managers, preventing inappropriate patient status designations and service use, and poor clinical documentation.

Much is at stake. For example, an incorrect patient status determination (observation v. inpatient) can affect reimbursement by \$3,000-\$4,000 per claim.

Benefits of a Physician Advisor Program

Over the last decade, hospitals have increasingly turned to physician advisors to address regulatory changes focused on reducing the utilization of costly medical services while improving clinical documentation and the accuracy of care quality reporting. Physician advisors serve a vital role in ensuring that patient status is assigned correctly so the hospital can be reimbursed appropriately.

“More hospitals have brought physicians on as advisors largely in response to auditing pressures over the last ten years for advice on how to reduce denials for certain patient conditions and hospital stays, says Kurt Hopfensperger, MD, JD, Vice President of Compliance and Physician Education at Optum Executive Health Resources. “Lately, there has been more focus on managing proper medical necessity determination on the commercial payer side, which has seen an increase in denial activity.”

Physician advisors primarily work to maintain compliance with current healthcare regulations and policies governing hospital operations, such as preparing for retrospective audits conducted by the Centers for Medicare & Medicaid Services (CMS) under Quality Improvement Organizations (QIOs). Much of that work focuses on inpatient stays less than two midnights.

The Two-Midnight Rule governing Medicare reimbursement for inpatient admissions and the Medicare Outpatient Observation Notice (MOON) to inform Medicare beneficiaries in hospital

Establishing an effective physician advisor program presents its own share of challenges. An ideal physician advisor must possess a wide knowledge of both medicine and regulation to support UR and CDI activities. Variability in practice among physicians and physician advisors could undermine hospital efforts to improve the accuracy of quality reporting, especially where potential candidates for physician advisor roles are in short supply.

Additionally, a lack of access to reliable and accurate reference material could leave these medical professionals unprepared to justify medical necessity decisions and defend appeals. Lastly, many hospitals struggle with developing an effective in-house program with high levels of accountability and clear financial benefits.

Fortunately, external resources are available to hospitals to address these challenges in the development, implementation, and maintenance of a successful physician advisor program, leading to tangible improvements in care quality reporting and reimbursement.

of their outpatient status are two prevalent examples of CMS policies wherein patient status is a key factor.

What’s more, they have a significant effect on the policies of commercial payers, which historically follow CMS precedence. A competent physician advisor must understand the unique regulations and policies for each of the commercial payers with which the provider organization is contracted.

This is where a physician advisor can oversee utilization review objectives and allow hospitalists to focus on care delivery. These medical professionals are able to bring their medical and policy knowledge to bear on payer interactions, which is especially important with commercial payers that issue denials upstream during pre-authorization and pre-payment stages or concurrently with inpatient stays. Physician advisors can train their clinical counterparts as well as case managers to prevent many denials from happening in the first place.

“The majority of physicians do not want to be distracted from delivering quality care with patient status determinations—inpatient versus observation. They do not want to be concerned with the nuances of commercial payer variation,” adds Hopfensperger. “The physician advisor has been at the forefront of both medical and regulatory changes, and the increasingly sophisticated conversations with the commercial insurers. And they are there to support these conversations with patients and attending physicians at the point of care.”

Building an Effective Physician Advisor Program

A physician advisor's responsibilities range from determining appropriate patient status and length of stays to championing CDI and managing complex clinical denial appeals. To complete these tasks, physician advisors work closely with hospitalists and case managers to ensure that patients receive appropriate care status and an accurate patient record, leading to proper reimbursement.

Developing an effective physician advisor program requires hospitals to address three common challenges.

Challenge #1: Finding physicians capable of commanding respect in both clinical and non-clinical domains.

The skillset of a capable physician advisor marries medical and regulatory knowledge with the ability to serve as an effective liaison between clinical and non-clinical staff. Onsite physician advisors can streamline communication between the two parties, most notably by serving as a trusted ally to physicians who allow their colleagues to focus on medicine rather than the policy.

"A physician advisor must have the right personality, experience, and rapport with medical staff," Hopfensperger explains.

While many hospitals would hope to find this individual internally, few are fortunate enough to be able to find a capable physician advisor among their own ranks.

"Finding a physician who will work hand-in-hand as a team member of case management and utilization review staff among an organization's existing medical staff proves difficult for most organizations."

Challenge #2: Adequate training on regulations and clinical risk models across specialties for accurate patient documentation with the goal of compliant hospital operations.

Physicians are highly trained medical professionals with specialization in specific areas. Few have ever received training on policies and regulations governing hospital operations. Even those physicians specialized in general medicine will struggle to come up to speed.

"Any internal medicine doctor transitioning to the role of physician advisor will face a significant learning curve. For example, a physician without proper training or access to the latest medical research is more than likely to face difficulty with identifying the factors determining whether a certain pelvic fracture is high risk. It's no small feat by any estimation," says Hopfensperger.

Challenge #3: Minimizing variability among physician advisors.

Without proper oversight, hospitals with physician advisors spread across facilities are likely to experience variation in their practice and difficulty in defending their decisions to auditors. What's more, this variability could prove problematic down the road during retrospective audits if those individuals are no longer members of the organization.

For hospitals struggling to build a physician advisor program, remote and onsite services give these organizations access to physician advisors extensively trained in the latest evidence-based medical practices, medical necessity, and utilization

Physician Advisor Use Cases

#1: MILFORD REGIONAL MEDICAL CENTER

The 145-bed, nonprofit, acute-care hospital in central Massachusetts serves a region of 20-plus towns with over 300 primary care and specialty physicians on staff.

- **Problem:** Significantly high observation rate and ineffective patient status designation were negatively impacting the quality and cost of care.
- **Challenge:** Repeated attempts by case management to educate hospitalists failed to lead to improvements.
- **Solution:** An internal hospitalist-cum-physician advisor educates physicians about proper medical necessity determinations and works directly with case management to make recommendations about length of stay and observation status during regular morning meetings.

"Many times the financial aspects of the physician advisor role truly affect the quality of the hospitalization. I didn't realize until I started this job how much discussion there is between case management, patients and families," says Paul Kenyan, Jr., MD, a hospitalist and physician advisor at Milford Regional Medical Center.

#2: PROHEALTH CARE

The health system in southwestern Wisconsin includes two critical-care hospitals with 377 beds that see an estimated 57,000 emergency department visits annually. Across its hospitals, clinics, and other facilities, the health system cares for 400,000 patients each year.

- **Problem:** Case management was unable to properly educate physicians about the meaning of various patient statuses which led to costly avoidable days in the hospital.
- **Challenge:** Training failed to take into account the various backgrounds and education levels of case managers, doctors, and nurses.
- **Solution:** An external physician advisor was hired who helped create a unique status of "outpatient in a bed" as part of training physicians to understand that observation status denotes the need for additional care and not basic recovery.

"When applying observation services, you're saying something went awry, something during the procedure or recovery—something is not normal or routine about what's happening here," explains physician advisor Juliet B. Ugarte Hopkins, MD. "You don't want the patient identified as appropriate for observation if everything is proceeding as planned without complication."

management. Onsite physician advisors provide the benefit of building stronger peer-to-peer relationships with the medical staff to create a frictionless environment that drives better results.

Whatever the approach to establishing a program, the end-result should come in the form of tangible improvements to denial, uphold, and overturn rates in the near term and the

Conclusion

Payers have increased demands on hospitals to provide support for their clinical decision-making in order to receive proper reimbursement. The ability to justify medical necessity has financial implications for these organizations in the form of increased administrative costs to resolve denied claims and appeal denials successfully.

Physician advisor programs can assist hospitals in ensuring the appropriate utilization of services, improving clinical documentation, and streamlining the process of denial

success of appeals in the long term with government and commercial payers.

management. However, establishing a program can prove a challenge and many hospitals struggle when developing their own in-house programs as a result of unavailable talent and resources and variability in clinical practice across medical sites.

By making use of external resources that assist in developing, implementing, and maintaining high-quality physician advisor programs, hospitals can improve their financial performance and ensure that patients receive the most appropriate care for their medical needs.

Published by



© 2017 Xtelligent Media, LLC

About Optum

Optum Executive Health Resources is the leading provider of medical necessity compliance solutions to more than 2,000 providers across the country. Our expert physician advisors provide highly defensible utilization review, clinical documentation improvement and clinical denials management solutions based on Medicare/Medicaid and commercial payer rules and regulations.

