



## LYNX Reporting Services

# Outpatient Facility Charging Assessment

Prepared for:

General Hospital  
Facility Services



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\*LYNX Medical Systems is capable of performing a Facility Charge Assessment for outpatient clinics in addition to emergency departments. For sake of brevity, this sample report’s scope is limited to an emergency department facility charge assessment.



## Introduction

LYNX Medical Systems is pleased to present the *Outpatient Facility Charging Assessment* which consists of a Benchmark Analysis and an Onsite Chart Audit.

### Benchmark Analysis Report

The purpose of this report is to see if there an opportunity for LYNX Medical Systems to provide value to your organization. This report compares the information we collected from the *ED Profile Sheet* to LYNX Medical Systems' extensive benchmark of healthcare facilities of similar acuity. It contains a visit-level analysis and a financial opportunity summary for the emergency department.

### Onsite Chart Audit Report

The Onsite Chart Audit Report goes beyond the Benchmark Analysis Report by comparing the performance of your organization's current E/M visit-level methodology to those found in LYNX E/Point. This was accomplished by identifying 157 unique outpatient records and entering the patient encounter details into LYNX E/Point in the same manner as a typical system user. This report consists of a visit-level analysis and a financial opportunity summary for the identified records.

Our experience has shown that a sample size of roughly 100 records provides a reasonable estimate of the potential value of a LYNX Revenue Management solution. The results presented in this report should not be interpreted as a guarantee of future performance.

LYNX Medical Systems appreciates your interest in our products and is looking forward to a continued business relationship with your organization.

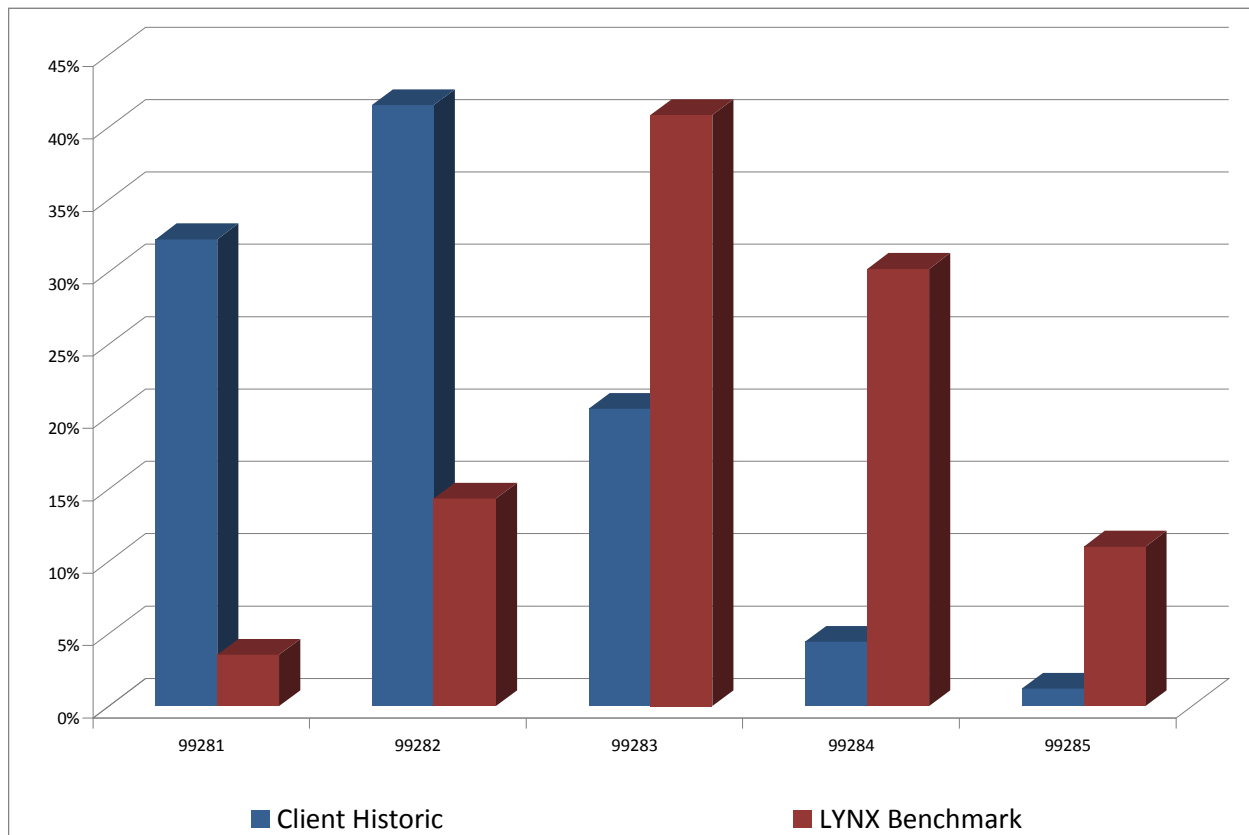


# EMERGENCY DEPARTMENT BENCHMARK ANALYSIS REPORT

## E/M Visit Level Analysis

The purpose of this report is to verify an opportunity to improve visit-level distribution in the emergency department. The chart below compares the outpatient visit level distributions between your emergency department's historic results and the LYNX Benchmark of emergency departments with similar acuity and admission rate.

The facility visit level evaluation and management (E/M) score accounts for 85% of facility charges for emergency department patients and is calculated by accounting for all of the resources to treat the patient. Visit level is determined by a combination of the presenting problem (reason for visit) and additional resource categories. Implementing LYNX is anticipated to shift your visit level distribution to more closely represent the expected acuity of the patient population.



### Conclusion:

*The current frequency distribution shows over 73% of the emergency department outpatient cases are charged as low-acuity services (Level 1 and level 2). Based on our experience many of these services are likely to be undervalued by the facility E/M coding approach currently in place.*

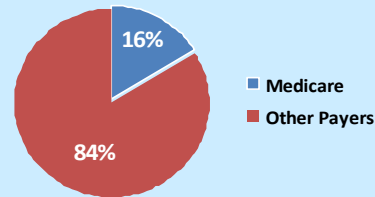
## E/M Visit Level Financial Summary

This report is a summary of the financial opportunity for your facility's emergency department. The opportunity is measured by comparing your facility's historic performance against the LYNX revenue projections.

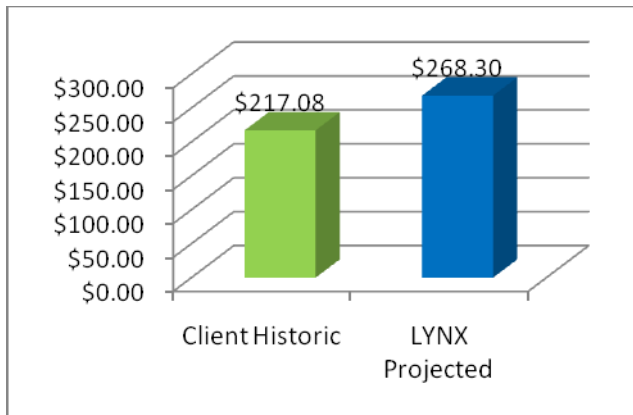
### Key Report Parameters

- Average non-Medicare collection rate: **38%**
- Estimated annual patient census: **37,376**
- LYNX Benchmark: **Medium Acuity**
- Hospital admit percentage: **21.9%**

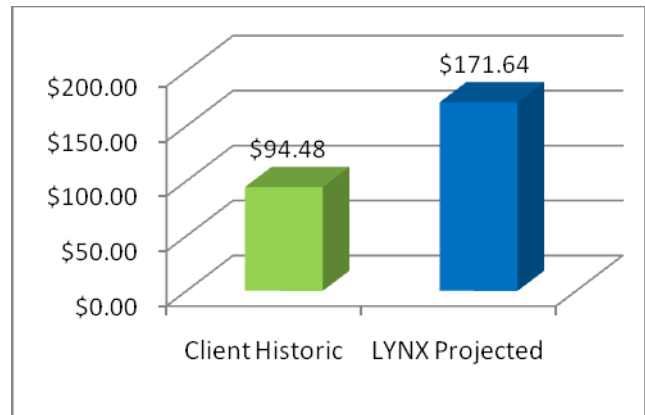
### E/M Payer Mix



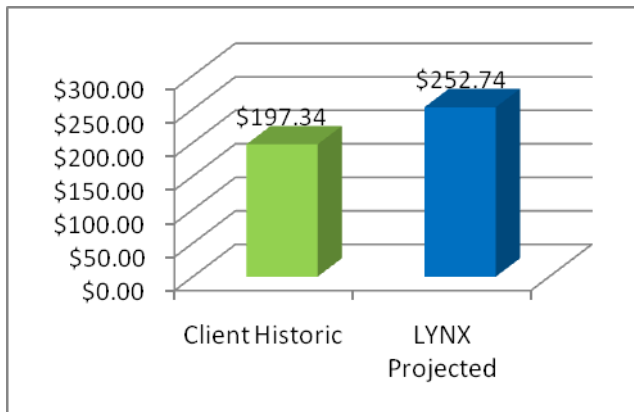
### Key Financial Measurements



*Net Revenue – non-Medicare*



*Net Revenue - Medicare*



*Net Revenue - Blended*

Using the information collected on the profile sheets, LYNX estimates an average incremental net increase of **\$55** for outpatient emergency department outpatient visits.

The average **gain** summarized in this report is weighted across the *payer mix* and *facility level distribution*.

**Annual Estimated Increase: \$2,072,051**



## E/M Visit Utilization Financial Detail

This section provides a more detailed analysis of the incremental revenue opportunity that could be realized in the emergency department.

The E/M information in the table below includes reported fee information and the differences in the visit-level distribution between your facility and the LYNX Benchmark. Your facility's distribution and the LYNX Benchmark are expressed as a percentage of the total ED outpatient census.

Description	Procedures	Client Fee	APC Fee	Client Distribution	LYNX Benchmark	Distribution Δ
Visit Level 1	99281	\$466.00	\$52.66	32.26%	3.55%	-28.71%
Visit Level 2	99282	\$571.00	\$86.14	41.54%	14.36%	-27.18%
Visit Level 3	99283	\$674.00	\$136.70	20.54%	40.85%	20.31%
Visit Level 4	99284	\$779.00	\$217.91	4.45%	30.21%	25.76%
Visit Level 5	99285	\$878.00	\$323.90	1.21%	11.03%	9.81%

The *Facility Level Distribution Improvement* table below summarizes the key revenue opportunity components. Note the separation of Medicare from other payers.

- The *Medicare increase in average APC payment per visit* is the difference between the average Medicare APC payment per visit under your current outpatient facility level distribution and the average Medicare APC payment per visit from LYNX's outpatient visit-level benchmark.
- The *Other Payers increase in average payment per visit* is the difference between the average charge using your facility's visit-level distribution and the average charge from LYNX's outpatient visit-level benchmark.
- *Annual Net Revenue Gain* is the product of ED Outpatients and increase per visit
- For the *Average Collection per visit*, your facility's and LYNX Benchmark distribution differences were normalized to your ED Outpatient Census and multiplied through the respective APC payment rates and an average of the Other Payer collection rates
- The *Annual Average Increase in Net Revenue* is the sum of the values in the Annual Net Revenue Gain column

### E/M Facility level Improvement

Payer	Calculation Components	Annual Net Revenue Gain
<b>MEDICARE</b>	Increase in average APC payment per visit	\$77
	Annual ED visits by Medicare patients	6,018
	Medicare ED visit census as a percentage of total patients	16.10%
<b>OTHER PAYERS</b>	Increase in average other payment per visit	\$135
	Annual ED visits by other payer patients	31,358
	Other payer ED visit census as a percentage of total patients	83.90%
	Estimated average facility collection rate	38.00%
<b>Total Annual Increase in net revenue:</b>		<b>\$2,072,051</b>
<b>Average collection per visit:</b>		<b>\$55</b>

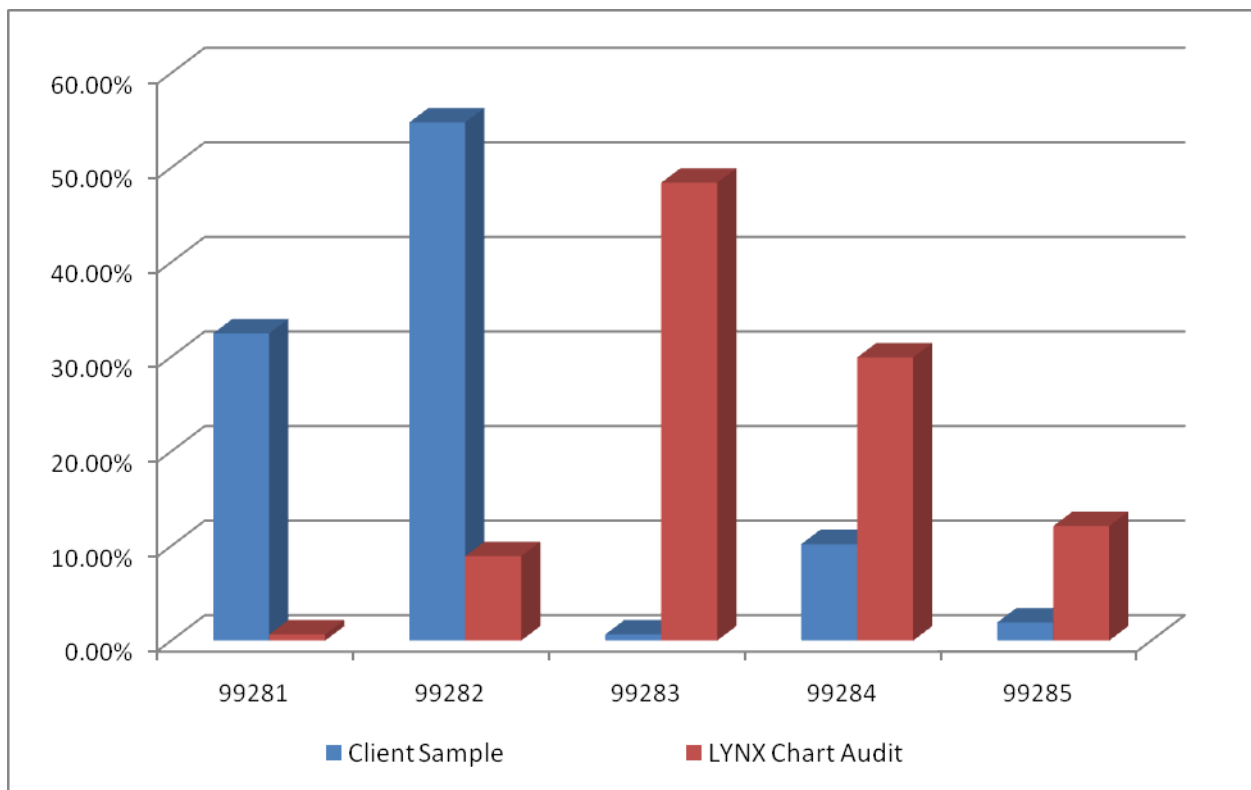


# EMERGENCY DEPARTMENT ONSITE CHART AUDIT REPORT

## E/M Visit Level Analysis

This report compares a subset of your emergency department’s visit-level distribution to what the distribution would be if the same set of patient encounters were to be processed by LYNX E/Point.

The facility visit level evaluation and management (E/M) score accounts for 85% of facility charges for emergency department patients and is calculated by accounting for all of the resources to treat the patient. Visit level is determined by a combination of the presenting problem (reason for visit) and additional resource categories. Accurate selection of the patient’s presenting problem and complete nursing documentation are essential components for an accurate visit level calculation. Implementing LYNX E/Point is anticipated to shift your visit level distribution to more closely represent the expected acuity of the patient population.



**Conclusion:**

*The distribution obtained from the onsite chart audit sample closely resembles the distribution that was presented in the Benchmark Analysis Report and thus validating the projected results.*

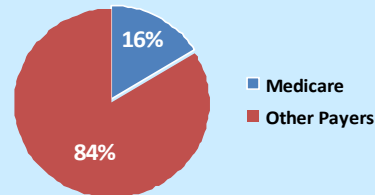
## E/M Visit Level Financial Summary

This report is a summary of the financial opportunity for your facility's emergency department. The opportunity is measured by comparing the financial performance of a subset of your facility's patient encounters to the same set of encounters if they were to be processed by LYNX E/Point.

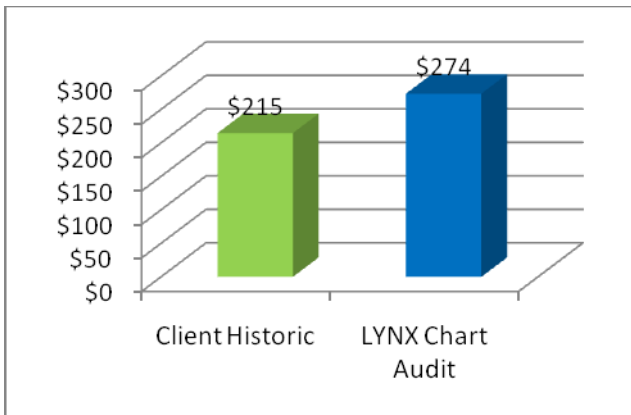
### Key Report Parameters

- Audit sample dates of service: **3/3/10-3/4/10**
- Average non-Medicare collection rate: **38%**
- Estimated annual patient census: **37,376**
- Chart audit sample size: **157**
- LYNX Benchmark: **Medium Acuity**
- Hospital admit percentage: **21.9%**

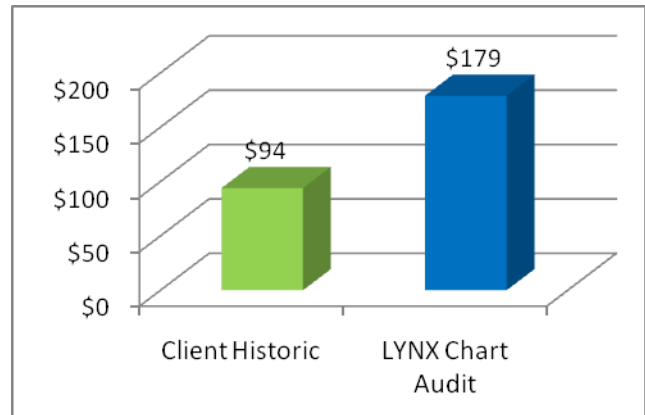
### E/M Payer Mix



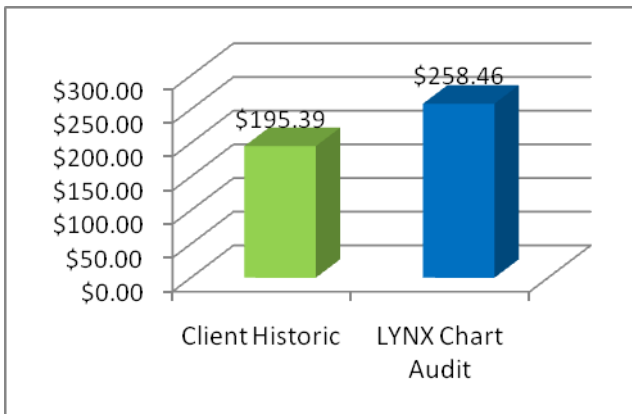
### Key Financial Measurements



*Net Revenue – non-Medicare*



*Net Revenue - Medicare*



*Net Revenue - Blended*

Using the information collected on the profile sheets, The LYNX Chart Audit estimates an average incremental net increase of **\$63.07** for the sample outpatient emergency department outpatient visits.

The average **gain** summarized in this report is weighted across the *payer mix* and *facility level distribution*.

**Estimated Increase – Onsite Chart Audit Sample: \$9901.99**

**Estimated Increase – Annual Census : \$2,357,304.30**



## E/M Visit Utilization Detail

The E/M information in the table below includes reported fee information and the differences in the visit-level distribution between your facility and the results of the LYNX E/Point Chart Audit. Both distributions are expressed as a percentage of the audit sample size.

Description	Procedures	Client Fee	APC Fee	Current Client Distribution	LYNX Chart Audit	Distribution Δ
Visit Level 1	99281	\$466.00	\$52.66	32.48%	.64%	-31.84%
Visit Level 2	99282	\$571.00	\$86.14	54.78%	8.92%	-45.86%
Visit Level 3	99283	\$674.00	\$136.70	.64%	48.41%	47.77%
Visit Level 4	99284	\$779.00	\$217.91	10.19%	29.94%	19.75%
Visit Level 5	99285	\$878.00	\$161.69	1.91%	12.10%	10.19%