McBee's Secondary Transfer DRG Review Nets Additional Recoveries for Health System

CLIENT PROFILE

Multi-hospital health system in the Northeast region.

$152K

in additional underpayments

BACKGROUND

The multi-hospital health system operates across the northeast. The system includes hospitals ranging in bed size and various patient populations. The health system had a primary vendor in place for Transfer DRG Review services. The health system requested a secondary review to recover any additional revenue not captured by the initial vendor's review.

THE RESULT

McBee reviewed Medicare traditional discharges from CY 2021 through 2022 for each hospital in the health system. During this review, McBee recovered over $152K in additional underpayments, which were not identified by the primary vendor. With our customized and detailed reporting, we are able to seamlessly integrate into the hospitals current PFS and HIM processes, highlighting the benefits. McBee also identified opportunities for discharge status code correction, which did not have a recovery impact but accurately indicated the discharging location for patients. We continue to find additional recoveries with our ongoing secondary reviews.

THE SOLUTION

In McBee's Secondary Transfer DRG Review, we validate the primary vendor's review findings to confirm what has already been recovered. We cross-reference that information with our findings and then take a deeper dive into the remaining claims by contacting post-acute providers directly.

The benefits of a secondary review are not only to identify potential revenue recovery opportunities but also for a compliance review to ensure the correct discharge status assignment for the patient is accurately indicated. McBee has found that most vendors conduct Transfer DRG reviews shortly after a patient's discharge from the hospital. This may not allow sufficient time for post-acute providers to submit claims to Medicare and obtain a complete picture of a patient's continuum of care. Performing a review too soon may also result in an overpayment, or receipt of a full DRG payment instead of a per diem payment.

In addition to reviewing too early, some vendors may only focus on high dollar claims with significant underpayment recoveries or simply rely on the Medicare Common Working File (CWF) to determine whether post-acute care was provided. When focusing solely on home health discharges, all Transfer DRG eligible discharges can be overlooked. During the COVID pandemic, patients' discharge plans frequently changed, making validation of actual post-acute care services received challenging when seeking an accurate picture of all care received. McBee's Transfer DRG process includes contacting post-acute providers directly to assist with substantiating findings. The direct contact assists in determining whether discharge plans occurred, confirming the original plans and identify any changes not communicated between patients and

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post-acute providers. McBee's due diligence and detailed documentation bridge the communication gap that often exists between hospitals and post-acute care facilities. A secondary review is recommended following a primary or internal process review for Transfer DRG reviews. Completing a secondary review at least once a year is imperative to capture additional revenue opportunities and ensure compliant claims with the correct discharge status disposition.

THE MCBEE ADVANTAGE

McBee delivers financial, operational, and clinical consulting solutions to providers across the continuum of care. As the nation's premier independent healthcare consulting and services firm, our diverse team of experts and industry veterans position us to fully understand the technical requirements and challenges unique to your organization. Our clients are our partners and value the relationships we have established over the last 50 years. McBee takes a comprehensive approach to address each of our client's unique needs. Since the advent of the Transfer DRG Rule in 1998, McBee has been a trusted partner providing this recovery service to our hospitals and health systems clients. Our solution enables our partners to improve their net revenue and financial health. Our Transfer DRG team has recovered an average of 15% more than a provider's internal efforts, or those of other third parties.

Ready to Explore McBee's Transfer DRG Secondary Review?

Interested in learning more about our Transfer DRG Secondary review? Our process is simple and does not impact daily operations. Contact us and receive a free estimate today for our Transfer DRG Review services.

https://mcbeeassociates.com/services/financial/transfer-drg/transfer-drg-request-info/

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