

# 3M™ Medical Necessity Software

A COMPONENT OF THE 3M™ AMBULATORY REVENUE MANAGEMENT SOFTWARE

## PRODUCT OVERVIEW

Unite the CPT®-4 codes from your chargemaster with those coded by your HIM department

Integrate medical necessity (LMRP) edit review seamlessly into your coding workflow

Correct OCE and medical necessity edits before the claim goes to the billing department

Generate reports that document coding workflow and pinpoint problem areas to monitor for ongoing improvement

## THE PROBLEM: INCONSISTENT PRE-SERVICE PROCESS FOR VERIFYING MEDICAL NECESSITY

Managing the medical necessity editing process is challenging for even the most progressive hospitals. Medicare is concentrating on reducing overpayments attributable to claims that do not meet medical necessity requirements. To further compound the situation, Medicare's rules and policies are updated continuously, and they are also interpreted differently from state to state. To stay on top of these changes takes an integrated effort that spans departments, physicians, and fiscal intermediaries (FIs).

In many hospitals, either a task force is charged with conducting self-audits or an outside consulting firm is hired to address medical necessity issues. Often, problems are not spotted until a significant number of claims have been rejected, which can also lead to substantial compliance risk. Although medical necessity ought to be addressed during the pre-service phase, many health information management (HIM) professionals are being asked during the post-service phase to help correct claims that were rejected because of medical necessity errors.

Consider these questions:

- Is the increasing complexity of medical necessity regulations making it difficult for your organization to manage outpatient compliance and reimbursement?
- What percentage of outpatient records does your HIM department have to investigate and then rework?
- Is your coding staff constantly being called by patient accounts or registration staff to answer medical necessity questions?
- Do you have an efficient, integrated tool or process to solve this problem?

## THE SOLUTION: 3M MEDICAL NECESSITY SOFTWARE

3M Health Information Systems has created a software solution that addresses the medical necessity challenge. 3M has integrated proven LMRP edit technology into the **3M Medical Necessity Software**, a component of the new **3M™ Ambulatory Revenue Management Software**. In addition, access is also provided to the appropriate LMRP data dictionaries, which are updated every 30 days. By uniting the

By moving LMRP edits “upstream” from the business office to the HIM department, you can—

- Tap into the HIM staff's coding and patient documentation expertise to detect and resolve medical necessity issues
- Research and handle these issues during your normal “bill-hold” time frame, thus avoiding any additions to your hospital's outstanding A/R days
- Drop “cleaner” claim information into the UB-92, which can help you generate more accurate and compliant billing

CPT®-4 codes from both the chargemaster and the HIM coding process, this powerful new solution combines LMRP edit capability with 3M's APC editing expertise, which can help ensure that your organization has a cleaner claim before dropping the bill.

#### **AN INTEGRATED SOFTWARE SOLUTION AND HOW IT WORKS**

**3M™ Medical Necessity Software** works in conjunction with—

- 3M™ Codefinder™ Software
- 3M™ HCPCS/CPTfinder Software
- 3M™ APCfinder™ Software
- 3M™ Ambulatory Revenue Management Software

Charge data detail from the chargemaster is loaded into the 3M Ambulatory Revenue Management Software. The coder accesses a record to review it for accuracy and invokes the medical necessity edits and OCE edits to correct them. If needed, the coder can also access and review the LMRP or NCD policy to see the details of the medical necessity policy. Should other departments need to be informed of medical necessity or OCE edits, a referral template is used to make notification between departments more efficient.

Edits are designed to tell the coder what steps to take. For example, an edit may indicate that a procedure code is missing, or that additional documentation is required. All messages—those that pass and those that remain unresolved—are entered into the 3M Ambulatory Revenue Management Software database. Thus, an audit trail is created as the coder works, without slowing down the coding workflow.

The edits can be examined retrospectively by patient accounting, compliance, and HIM departments, or whoever needs to review the medical necessity process. The information can also be used to educate physicians and other clinicians, document compliance efforts, and monitor process improvements.

#### **BENEFITS**

The 3M Ambulatory Revenue Management Software and the 3M Medical Necessity Software can help your organization in its efforts to—

- *Reduce payment rejections and denials*
- *Educate staff about medical necessity documentation*

- *Facilitate communication with physicians*
- *Provide greater efficiency in creating a more accurate bill*

#### **POWERFUL REPORTS**

The 3M Ambulatory Revenue Management Software, together with the 3M Medical Necessity Software, generate reports that identify—

- OCE and medical necessity edits by service
- Expected payment versus actual reimbursement
- Physician profiling
- APC versus fee schedule payments
- Errors or unpaid services

#### **WORK SMARTER**

Increasingly, HIM coding professionals want—and need—the ability to review LMRP edits while they are coding, because that is the time when all documentation is available. They also want access to the bulletins that explain the rationale behind the edits.

A recent comment from a 3M Medical Necessity Software customer sums up the advantages: *“This is fantastic. I was able to see the edit, view the specific message related to the edit, launch LMRPs, and correct the codes without a hitch.”* As many healthcare organizations are discovering, the bottom line is that a significant number of dollars may be recovered by checking LMRP edits at the point of coding.

#### **CALL TODAY**

Medical necessity and related LMRP edit failures can greatly affect the financial picture of your hospital. Don't let rework and workflow interruptions continue unchecked. 3M Health Information Systems is ready to help you with your medical necessity needs. To learn more about the 3M Medical Necessity Software or other outpatient compliance and revenue management solutions, contact your 3M sales representative, call **1-800-367-2447**, or visit us on the Web at **www.3Mhis.com**. •



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