



Closing the gap on trauma center ROI

A trauma center is required to provide extensive services in a rapid, continuous and uninterrupted fashion to ensure that patients suffering from trauma such as falls, motor vehicle collisions, or gunshot wounds receive the highest quality care. With this comes the burden of providing a broad variety of twenty-four hour surgical, medical, and ancillary services.

The expense of maintaining a trauma center is substantial. Yet properly managed, trauma centers at any level can be profitable. Whether designated Level I, II, III, IV or V, the trauma center can be very important to the financial viability/stability of the hospital. Recent trauma center consulting efforts by Philips Consulting Services demonstrate this reality.

Financial diligence

Trauma centers can be a key driver of hospital financial performance. However, historically, trauma center revenues were not covered by service fees and hospital billing codes. Trauma Center Association of America (TCAA) successfully lobbied the National Uniform Billing Committee (NUBC) to approve trauma response fees and critical care code revenue. The Trauma patient type "Type 5" went into effect on April 1, 2002, followed by the 68x revenue code in October, 2002.¹

While effective use of a standard billing system is vital to the stability of a trauma center, unique trauma billing codes are often not properly utilized. This can result in trauma centers not collecting all the reimbursement money to which they are entitled. To ensure a positive revenue stream, every effort must be made to maximize proper coding and billing processes. The goal is to get the right level of care to the patient when they need it and do it cost-effectively.



Philips assessment efforts

Philips Consulting assessment methodology includes review of data provided by the facility, interviews with key stakeholders and observation of day-to-day processes to gain a comprehensive understanding of opportunities within the organization. A Philips trauma center financial consultant assesses the situation and presents recommendations for proper adherence to coding and billing as well as revisions to processes/procedures.

During the past twelve months, Philips Consulting has conducted more than 10 trauma finance assessments in North America involving trauma centers at every level. In each instance significant revenues were left behind – averaging between \$1M and \$5M per trauma center.

These results are consistent and independent of the trauma center level, trauma center volume, or region of the country.

Common issues identified

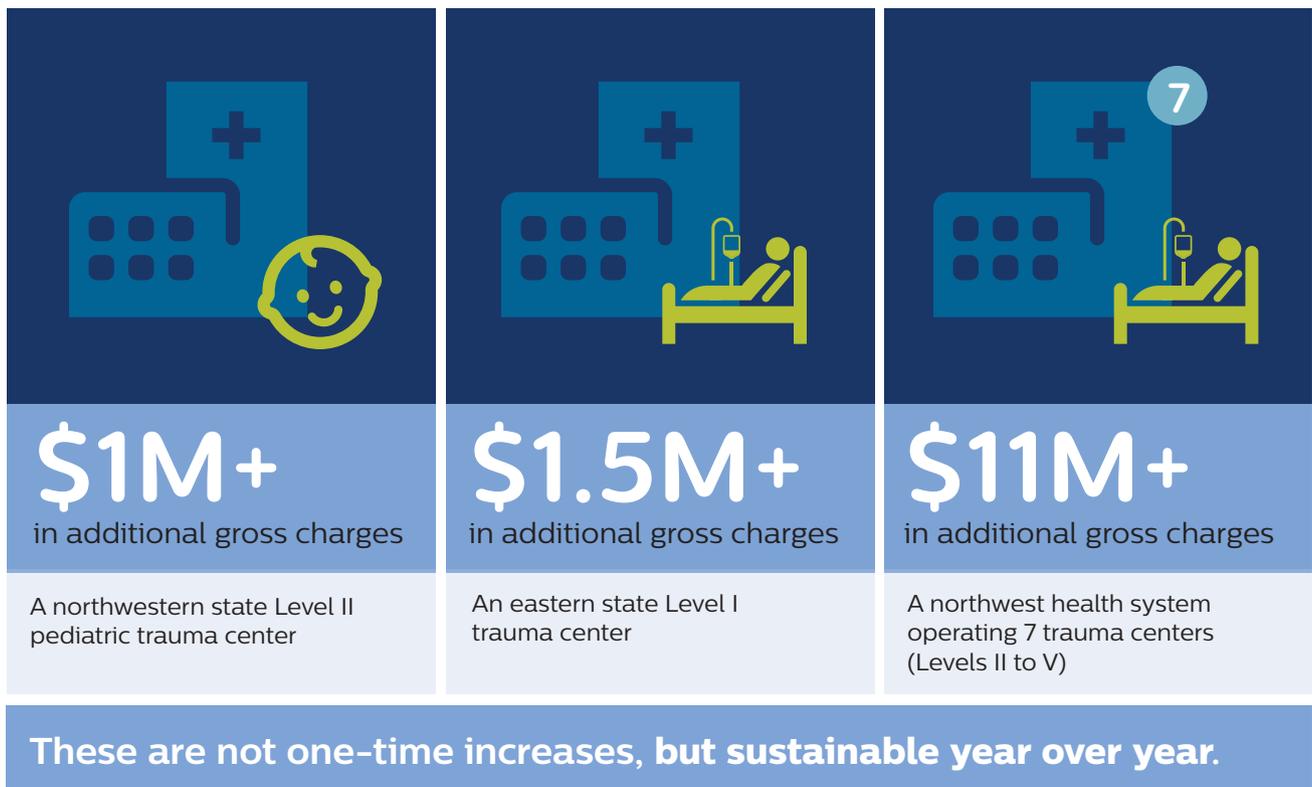
During these engagements, a pattern of common issues and challenges became apparent. While there are important differences between a Level I and Level V trauma center, aspects of each of the following concerns were found to be relevant across the group:

- Significant overhead costs
- Lack of financial/operational commitment
- Missed billing opportunities
- Over/under triage issues

Common recommendations offered

Like common issues, a set of common recommendations were identified across the trauma centers. While Philips consultants always tailor individual recommendations to suit each client, elements of the following were found to be pertinent for each:

- Proper implementation of a multi-tiered response
- Reconciliation of registry and finance data
- Establishment of a Trauma Finance oversight committee
- A commitment to ethical billing



Tangible revenue improvements

In the midst of a global COVID-19 pandemic, identifying sources of revenue becomes crucially important for every hospital. Trauma center financial assessments by Philips continue to show that there is money to be found in nearly every situation. Whatever the trauma center level, opportunities exist.

Highlights of projected increases in gross charges identified in recent engagements include:

- A northeastern state Level II pediatric trauma center able to find **\$1M+ in additional gross charges** by accurately applying 208 coding, reducing under-triage, reducing hours on divert, and by adding a lower tier activation fee
- An eastern state Level I trauma center able to confirm **\$1.5M+ in additional gross charges** by implementing a multi-tiered trauma team activation protocol to improve its over- and under-triage rates to industry standards
- A mid-west health system operating 7 trauma centers (Levels II to V) able to collectively realize an **increase in gross charges of \$11M+** by implementing recommended changes to the trauma coding and billing processes

One-week commitment

A well-run trauma center can contribute to the financial success of a hospital. Philips consultants provide strategic guidance and hands-on support focused on leadership, operations management, new program development, and site survey support to help trauma centers achieve operational, clinical, and financial excellence.

Specifically, Philips trauma center finance experts conduct short, one-week assessments focused on trauma-specific coding and billing to identify areas for operational improvement. The brief engagement results in a series of recommendations with detailed revenue opportunities.

The series of engagements discussed here, while small in scope, found significant lost charges. For a small assessment fee, the return on investment can be compelling.



Learn more

Through collaborative and people-focused engagements, Philips Healthcare Transformation Services can help develop innovative solutions to solve your most complex challenges of care delivery. We can help you achieve meaningful and sustainable improvements in clinical excellence, operational efficiency, care delivery, and financial performance to improve value to your patients. For more information, please visit www.philips.com/healthcareconsulting.