

The ROI of Staffing: How One Organization Made the Case for CDI Coverage

It's no secret: High-quality Coding and CDI Professionals are COSTLY

According to the American Hospital Association, labor costs account for more than 50 percent of a facility's total expenses.

But the right staff covering your discharges in the right proportions can also dramatically increase your return on investment.

While this may sound like a contradiction, one of our partners realized significant ROI through improved coverage rates.

[Read on to Learn How](#) 

THE PROBLEM

A small medical center lacked staff to review Medicare and its private payers, and as a result, **left significant revenue on the table and underrepresented patient severity of illness and length of stay.**

But because the hospital had a limited budget and tight margins, it was unable to gain approval for full-time hires.

The hospital contracted with Norwood for two CDI hires, working full-time on a contract basis to improve chart review coverage.

THE RESULTS

Five months into our work the hospital provided us with an impact dashboard of monthly data.

The dashboard tracks:

-  Case Mix Index (CMI)
-  Medicare Review Rate
-  Other Review Rate (Non-Medicare Payers)
-  CDS Days Worked
-  Number of Reviews (Initial and Re-Reviews Combined)
-  Queries
-  Query Rate (Of Cases Reviewed, % With Query)
-  Financial Impact: Total Dollars of Impact From Queries

January Data is Pre-Norwood; February - June includes the two additional Norwood CDI staff.

Here are the results:

-  Medicare Review Rate: 85% in January, 98% in June
-  Other Payer Review Rate: 11% in January, 57% in June
-  CDS Days Worked: 47 in January, 76 in June
-  Total Number of Reviews: 1,398 in January, 2,218 in June
-  Total Queries: 53 in January, 149 in June
-  Query Rate: 8% in January, 15% in June
-  **Total Financial Impact: \$198k (after deducting staff expense)**

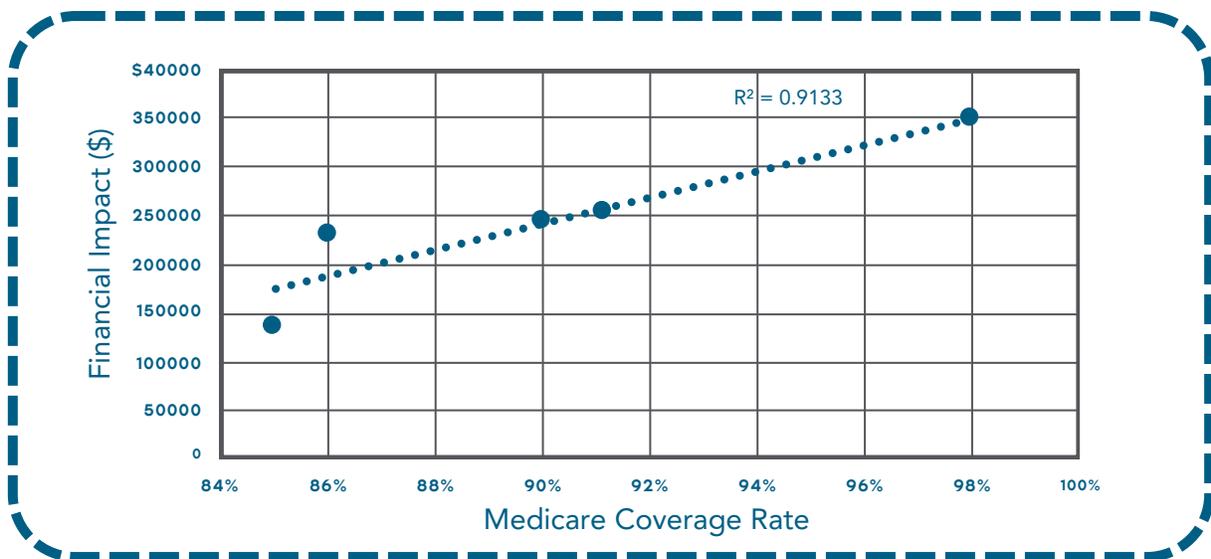
To illustrate why coverage rate matters, the graph below demonstrates the 5 months Norwood has data for coverage rate and financial impact.

The bottom line? **As coverage rate increases, so does financial impact. Seeing more cases drives more value.**

The R-squared or correlation coefficient demonstrates a near perfect relationship (1 = perfect relationship).

As a result, this organization is now seeking formal approval to have these two CDI specialists' contracts extended through the end the year.

Chart 1: Monthly Medicare Coverage Rate and Financial Impact



Contact us for a No-strings Conversation

We'd love to set up a no-pressure call to discuss your organization's unique needs.



CONTACT US AT
consulting@norwood.com

Norwood is out to change a Transactional Industry by Creating Meaningful People-to-People Partnerships.