Duke Orthopaedics DME Program

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Duke Orthopaedics
• Our Sports Medicine division was concerned about reductions in industry support for funding our Educational mission and wanted to research new sources of funding.
• We spoke to 4 companies who wanted to partner with us to implement a DME program. They all offered estimates of large potential profits.
• We approached Health System Leadership who did not support moving forward with a DME program as there had been an unsuccessful attempt to do so a decade earlier.
• Health System and Department leadership advised that if we chose to proceed any losses from Day 1 would be have to be covered directly by the Sports Medicine division.
Factors to Consider Before Implementing Program

- Ability to track all revenue and direct expenses tied to DME.
- Avoid a deficit at program inception.
- Make sure we understand all nuances to DME billing.
- Learn administrative burden related to dispensing DME.
- Determine a plan for choosing which products to dispense and what fees to charge.
- Timeframe for Revenue Management and IT to build necessary content in EPM/EMR systems.
- Explore whether hospitals will allow us to take over items they dispense.
- Timeline to implement across all Ortho sites.
- Administration of the DME Program once developed.
- CHOOSE THE RIGHT PARTNER to implement the program with.
Partnering with Breg

Breg provided an implementation manual with:

• Modifiers needed for each piece of DME for claim to be paid
• Documentation requirements for each piece of DME
• Examples of necessary content that can be copied and added to EHR solution
• Instructions to assist PRMO with setting up logic in Epic to get paid on Medicare and Medicaid claims

Breg also offered assistance with:

• Completing applications to obtain PTAN numbers
• Establishing a fee schedule for each HCPCS code
• Helping us to assess which HCPCS codes would be covered by insurance
• Finance set up separate DME fund codes to track all revenue/expense for each site and provider.

• Setup 90 day payment terms with all suppliers for all invoices for 3 months so we didn’t have to pay any expenses until we had receipts.

• Reviewed most used products of our Stock & Bill programs and asked each division what else they needed. Products had to be able to generate a profit to be added to our offerings.

• Created a superbill with all products listed.

• Our DME partner reviewed all modifiers needed for billing each piece of DME, necessary supporting documentation that should be present in provider progress notes and other administrative burdens.

• We decided on a workflow to verify that all necessary supporting documentation is in provider note prior to dropping charges for DME.
• Met with Epic Program Analyst to build Chargeable Orders in Epic Ambulatory for all HCPCS codes with necessary modifiers for all DME items we would dispense.

• Met with Physician Revenue Management leadership to submit application for DME PTAN number and to update the Charge Master with all the new HCPCS codes and fees.

• Met with Hospital leadership with request to take over all dispensing of DME. This was eventually approved and is key to a larger net profit.
• We decided to implement the program at our Sports Sciences Institute and monitor it for one year and then assess expansion further.
• We started with items we usually dispensed in clinic and then added items usually dispensed by the hospital on day of surgery.
• We hired an ATC in the role of DME Coordinator.
• Our first year profit was modest, but we were able to project large growth the next year due to the addition of more profitable products.
• A decision was made for steady expansion to all Ortho clinics which were not hospital based.
Growth of the DME Program

• Once we had established a solid foundation for operating our DME program, it was much easier to expand it.
• We filed applications for PTAN numbers for additional sites.
• We promoted the DME Coordinator at our original site to be the DME Program Manager for the Department.
• He then hired and trained the new DME Coordinators for each of the new sites to have consistent operations across all locations.
• We worked with IT to make sure any programming changes in Epic were completed for each location.
• We meet with all providers as we bring a new site live to review the list of products that will be available to dispense.
If a new product is requested, we:
• Determine whether the product is covered by insurance or would be patient responsibility.
• Verify with our DME partner whether we can make a profit on the product.
• Research whether the product is offering something not available in our current product catalog and if it is a “value add” and affordable for patients.
• If we decide to add the product after reviewing the information above, we would have the chargeable orders built in Epic.
• Only once we are able to charge would we order and stock the product. Our DME Coordinators at each site would review the new product with their providers.
• We have recently started added custom built products to our product offerings.
### Analysis of Net Profit to Date

#### DME Net Profit by Cost Center and Available Funds

<table>
<thead>
<tr>
<th>Location</th>
<th>Revenue FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>Totals To Date</th>
<th>Net Profit</th>
<th>FY19 Proj</th>
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<tr>
<td>DSSI DME</td>
<td>$17,559</td>
<td>$286,106</td>
<td>$547,785</td>
<td>$856,561</td>
<td>$1,708,011</td>
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<td>DME Expenses</td>
<td>$ -</td>
<td>$171,631</td>
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<td>51.50%</td>
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<td><strong>$1,831,871</strong></td>
<td>55.20%</td>
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SCALABLE SOLUTIONS

Consulting
Technology
Services
Products

Customer Focus

TOTAL SOLUTIONS
Fundamental Components of a Scalable Program

- Expense and Revenue Projections
- Compliance and Regulatory
- Credentialing
- Coding and Billing
- Staffing Requirements
- Work-Flow Optimization
- Policy and Procedure Manual
- Automated Documentation Requirements
- Inventory and PM/EMR Integration
- AR Specialist and Reporting
Health System Scalability

- Provider Office
- Revenue Generation
- Facility Out-Patient ER/Urgent Care
- Cost Avoidance
- Facility In-Patient
- Cost Reduction