



# IMA Insights

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## Revised "Important Message From Medicare" Requirements: Are We Missing A Customer Service Opportunity?

To our Healthcare Clients and Friends:

Do hospitals pay a price for failing to effectively manage some administrative processes that may be viewed as bureaucratic burdens? In the case of the July 2007 revised form and requirements for the Important Message from Medicare form (IM), are we missing customer service opportunities because our delivery, explanation, and preparedness to address beneficiary questions and meet documentation requirements is inadequate and non-compliant? Can that lost customer service opportunity also contribute to increased exposure to financial risk through potential litigation and the inherent costs thereof?

Hospitals continually deal with a dizzying number of process changes required by outside agencies, including third party payers and state and federal government agencies. It is not surprising that in many instances new processes are hastily developed and implemented, without the benefit of fully examining the potential impact on some common hospital customer groups: patients, family members, employees, physicians, and payers. The revised IM form and the associated requirements are worthy of reexamination to ensure compliance and spotlight customer service opportunities.

### Background

The new Centers for Medicare and Medicaid Services (CMS) IM guidelines went into effect on July 1, 2007, with publication of Final Rule CMS-4105-F. They require the Medicare beneficiary's signature, or that of the beneficiary's representative, on a revised "Important Message from Medicare" form that explains the beneficiary's right to appeal discharge decisions through a quality improvement organization (QIO). The revised form, CMS-R-193, and associated requirements are designed to ensure that beneficiaries receive notice of their right to appeal, should they believe their discharge is premature. A beneficiary's signature on the form is intended to indicate he or she understands his or her rights, and can exercise those rights on a timely basis.

Hospitals are required to issue the IM within two days of admission, answer any beneficiary questions, and obtain the beneficiary's (or representative's) signature. Documentation of IM form delivery must be maintained within the patient record; and a copy of the signed IM must be provided before the patient leaves the hospital. If the patient signs the IM upon admission and is discharged within two calendar days, the copy of the notice need only be provided once. However, if the patient signs upon admission and stays beyond two calendar days of the actual inpatient admission date, a copy of the originally signed IM notice must be presented to the beneficiary as soon as possible (but no more than two calendar days) prior to the discharge date. Again, beneficiary questions should be addressed and the second presentation of the IM form documented within the patient record. CMS recognizes that hospitals cannot always anticipate discharge dates and requests, and as a result, may not be able to deliver the copy two days from discharge. In these instances, hospitals should deliver the follow-up IM copy as soon as the discharge date can be determined. Hospitals may

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not, however, establish policies that allow the follow-up copy of the IM to be delivered routinely to patients on the day of discharge, as CMS desires beneficiaries have adequate time to consider all their options, should a premature discharge date be a beneficiary concern.

### Key Considerations

After examining the basic requirements for compliance with the new IM implementation (initial beneficiary presentation, documentation and potential secondary IM copy presentation within two days of anticipated discharge), the key process issue seems to be, “who should own this responsibility?” Should it be Patient Access, Nursing Services, Case Management, or some combination of the three? In keeping with our Customer Service Opportunity theme, let’s look at the potential impact of the decision on three hospital customer service groups: patients/families, employees/physicians, and payers.

#### *Patients/Families*

The intended beneficiary of the new IM form and requirements, the patient and his or her family, are most impacted by the perceived inappropriate discharge and the medical/social consequences associated with that decision. The very foundation of the new IM requirements is the desire for beneficiaries to know their legal rights, including the process to appeal discharge decisions when they believe a discharge may be premature. The patient and family members may associate the need for additional hospital recovery time with perceived hospital/caregiver error(s). Patient/family dissatisfaction, and the increased potential for litigation, associated legal costs, reimbursement delays, and lost revenue may be fueled by a process that places ill-informed and disinterested staff in the position of presenting the IM form and inadequately responding to patient/family questions. This may reinforce the impression that something did go wrong with the patient’s care, and unnecessarily escalate patient/family suspicions and the potential for litigation.

#### *Employees/Physicians*

When inadequately trained employees with the wrong skill sets are put in the position of managing a process interaction with patients, the patient is poorly served and the employee may become angry for being put in an untenable position. The outcome may be resentment, decreased morale, and compromised interactions with other customers.

Physicians, typically the first to be confronted by angry patients or family members regarding a perceived premature discharge date, may escalate an already contentious interaction if they are not aware of the basic IM requirements and hospital resources available to deliver timely and thorough guidance to patients and families.

#### *Payers*

The Medicare program may account for 40% or more of a hospital’s inpatient revenue. With the clout to audit and investigate compliance, levy fines, and deny provider participation in the Medicare program, CMS is a customer that must be accommodated. If the process utilized to manage the revised IM form and requirements is inadequate in the eyes of CMS, a hospital will, at the least, be inconvenienced and incur the expenses associated with audits, investigations, and crisis-mode efforts to change processes to satisfy CMS auditors.

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Now that we are a little more than one year past the implementation date for the new IM form and requirements, a reexamination of the revised IM process is suggested. Here are some logical questions to ask of responsible leaders within your hospital:

- Is the current process documented? What department(s) and leader(s) are currently responsible?
- Are you currently auditing compliance? How often and by whom? What are your results to date?
- If Patient Access and/or Nursing Services currently own all or part of the IM process, are they the most appropriate process owners? Are they adequately trained for this responsibility? Is it feasible to educate all Access clerical staff and staff nurses on IM requirements and the appeals process? What is Case Management's current role in managing/owning the process? Is Case Management responsible for the coordination of the current beneficiary appeals process? If so, are they best equipped to own the IM process as well?
- Have attending and house physicians been educated on the basic elements of the new IM form and requirements? Can they adequately respond to patient/family questions and concerns about a perceived premature discharge date and the appeals process; or are they at least aware of the internal resources that can provide the appropriate response? What is the role of the Physician UM Director/Advisor in supporting physicians and the appeals process?
- Does the Compliance Officer have a role in monitoring the existing IM process to ensure compliance? Was Risk Management involved in developing the current IM process? Is there any recent litigation linked to patient/family perception of premature discharge dates? Have there been financial losses related to the litigation?
- Who oversees management of patient complaints within the hospital? What are they hearing from patients, families, employees, and physicians about early discharge concerns and the manner in which those concerns were addressed by staff?

To really get a handle on your current IM process compliance and the potential missed opportunities for customer service, conduct "process compliance drills." Similar to the widely accepted practice of fire drills to promote safety and employee preparedness, compliance process drills allow you the benefit of experiencing current processes via a hypothetical patient admission. Selected staff members take turns playing the role of the hypothetical patient, and give the remaining staff the opportunity to practice the IM process. This allows the hypothetical patients to see first-hand the IM presentation (initial and secondary when required), to pose scripted questions to the staff responsible for the IM process, and to hear the responses to those questions as an actual patient might hear them. This could very well be an eye-opening experience, helping the organization quickly discover where customer service opportunities related to IM compliance are currently being missed.



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### Summary

We believe customers maintain a higher degree of loyalty to hospitals that are perceived as helping the patient navigate the complexities of the healthcare system, and as protecting the patient's rights associated with care delivery. By managing customer expectations, particularly where it involves the perception of inadequate care (e.g., a discharge date thought to be premature), we can reasonably anticipate a reduction in patient complaints and in the potential for frivolous litigation (costs). With the stakes so high, wouldn't it make perfect sense to incorporate customer service opportunity thinking into the development and implementation of the IM process (and other processes)? It could be a very good time to reexamine the IM process from this perspective.

We are pleased to have the opportunity to present this information to you. If you have any questions or need assistance with the IM process, please contact either Jim Smith, Senior Consulting Manager, at 810-280-7608 or me at 610-517-1386.

Yours very truly,

A handwritten signature in black ink that reads "Kim Hollingsworth".

Kim Hollingsworth, Partner  
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