

REVENUE UTILIZATION REVIEW

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) directive provides information on Revenue Utilization Review (RUR) nurse functions within VHA Office of Community Care Revenue Operations (RO) Consolidated Patient Account Centers (CPAC) program.
- 2. SUMMARY OF MAJOR CHANGES:** This VHA directive has been revised to reflect the standard process for RUR within the CPAC organization.
- 3. RELATED ISSUES:** CPAC P-007-01-01 Service Connection and Special Authority Eligibility Validation Review Process.
- 4. RESPONSIBLE OFFICE:** The Office of Community Care (10D) is responsible for the contents of this directive. Questions may be referred to CPAC Revenue Utilization Review at occrocpacnurseexec@va.gov.
- 5. RESCISSIONS:** VHA Handbook 1601C.02, Revenue Utilization Review, dated May 10, 2012 is rescinded.
- 6. RECERTIFICATION:** This VHA directive is scheduled for recertification on or before the last working day of February 2024. This directive will continue to serve as national VHA Policy until it is recertified or rescinded.

CERTIFIED BY:

**BY THE DIRECTION OF THE UNDER
SECRETARY FOR HEALTH**

/s/ Kameron L. Matthews, MD, JD
FAAFP, Deputy Under Secretary
for Health for Community Care

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NOTE: *All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.*

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REVENUE UTILIZATION REVIEW

1. PURPOSE

This Veterans Health Administration (VHA) directive provides the procedures required for Revenue Utilization Review (RUR) functions within the Department of Veterans Affairs (VA), Office of Community Care, Revenue Operations (RO), Consolidated Patient Account Centers (CPACs) program. **AUTHORITY:** 38 U.S.C. 501, 1729, 1729B, and 7301(b).

2. BACKGROUND

a. Revenue Operations is a business line under the VHA Office of Community Care that uses innovative business solutions to continually improve clinical care. This commitment to excellence in revenue practice strengthens our nation's ability to meet Veterans health care needs.

b. Revenue Operations includes the Consolidated Patient Account Centers (CPACs), 7 regional centers that serve the 18 Veterans Integrated Service Networks (VISNs) and associated VA medical facilities across the country to support their revenue program. The value of the CPAC model is fully achieved through strong collaboration among CPAC, VISN, and VA medical facility leaders and staff. The CPAC model uses standardized methods, tools, and processes to improve efficiency, effectiveness, and accountability in revenue operations. CPACs state-of-the-art business processes ensure that VA collects revenue from third party payers for non-service connected/special authority (NSC/SA) care provided to insured Veterans. These funds go back to the VA medical facilities to provide health care services for Veterans.

c. RUR is a process of systematic evaluation and analytical review of clinical information to optimize recovery of funds for the provision of health care services while facilitating improvements in the provision of health care services. RUR is a prominent tool for controlling costs in today's health care environment and is designed to optimize revenue and provide customer service to the Veteran. Some insurance companies, depending on the type of service, require contact from a RUR nurse to support third party payer reimbursement when the Veteran has billable health insurance. The RUR nurse provides clinical information as documented by the provider in the Veteran's health record to the third-party payer to support medical necessity. Third party payers have clinical medical necessity criteria, treatment protocols or clinical guidelines. Insurance companies employ registered nurses (RN) and physicians to conduct aggressive RUR activities and monitor conformance with current standards of practice, so it is essential that VA has a strong RUR Program to optimize reimbursement potential. If VA does not obtain approval for care in a timely manner, the third-party payer may impose a penalty or refuse to pay altogether.

d. Within the health care industry, the physician or provider is recognized as the key figure in determining utilization of health care services. The provider is responsible for justifying and documenting medical need for services and for obtaining medical

necessity certification for the service(s) to receive adequate reimbursement. CPAC RUR staff serves as the critical link among clinicians, staff, patients, administration, and insurance companies.

e. RUR positions require advanced clinical knowledge, communication skills, and management abilities; therefore, registered nurses (RNs) are appointed to the revenue review program and are responsible for interfacing with each part of the core business cycle functions through the management of clinical information. The duties performed by the RUR nurses have a foundation in the nursing process, as do other clinical activities performed by nurses. RUR nurses are located at either the VA medical facilities and/or the CPAC sites to comprise the CPAC RUR team. CPAC facility-based RUR nurses located at a VA medical facility are organizationally aligned under CPAC.

3. DEFINITIONS

a. **Concurrent Review.** A concurrent review is an assessment that determines medical necessity or appropriateness of services during a patient's hospital stay or course of treatment, such as an assessment of the need for continued inpatient care for hospitalized patients. Concurrent reviews include continued stay authorization and discharge review.

b. **Denial Management.** Denial Management is a process whereby all denied claims are appropriately appealed or declared uncollectible and reported in a manner that provides optimal information flow. The process also includes a consistent approach to track and appeal denials and a reporting system that measures outcome and appeal status. Non-authorizing decisions may be based on medical appropriateness or benefit coverage.

c. **Precertification.** Also known as preadmission certification, preadmission review and precert. The process of obtaining certification or authorization from the health plan for routine hospital admissions/services (inpatient or outpatient). Often involves an appropriateness review against criteria and assignment of length of stay. Provision of information to support medical necessity based on clinical criteria from the physician, provider or health record to the third-party payer to obtain precertification often results in a financial penalty to either the provider or the subscriber. Failure to obtain precertification often results in a financial penalty to either the provider or the subscriber.

d. **Prospective Review.** Prospective review is the assessment of the appropriateness and authorization of an admission prior to a patient's admission, service, or course of treatment. Prospective reviews include preauthorization for inpatient and outpatient services.

e. **Retrospective Review.** A retrospective review is a review conducted after services have been provided and the patient has been discharged. Retrospective reviews include retroactive-reimbursement reviews, denial management, appeals, and UR data analysis.

f. **Revenue Utilization Review.** Revenue Utilization Review (RUR) is a formal evaluation (prospective, concurrent, or retrospective) of medical necessity, efficiency, or appropriateness of VA health care services and treatment plans for an individual patient for the purpose of authorization and reimbursement from third-party payers.

g. **Service Connection.** Adjudicated service connection (SC) means the facts, shown by evidence, establishing that a particular injury or disease resulting in disability was incurred coincident with service in the Armed Forces, or if preexisting such service was aggravated therein. The assignment of service connected percentages and disability code is based on the degree of disability as determined by the Veterans Benefits Administration (VBA) rating board decision following the submission of a claim that a Veteran's illness **or** injury was incurred in or aggravated by military service.

h. **Non-Service Connected.** (NSC) pertains to a Veteran who has no adjudicated service connection (SC) conditions- or to an encounter, episode of care, prosthetic or prescription that is not for an adjudicated SC condition.

i. **Special Authority.** Special Authority (SA) is a form of eligibility that is not subject to VA means testing or copayment requirements. There is no burden placed on SA eligible Veterans to prove that their health problems were related to their military service, or prove that they have low income to qualify for cost-free VA health care. Special Authority for cost-free treatment is granted for certain conditions related to the Veteran's military exposure or experiences.

j. **Utilization Management.** Utilization Management (UM) is the process of evaluating and determining the appropriateness of health care services across the patient health care continuum to ensure the proper use of resources. The UM Program strives to ensure the right care in the right setting at the right time for the right reason utilizing evidence-based practice and continuous measurement and improvement. UM strategies are applied to all patients without regard to payment source.

k. **Utilization Review Criteria.** Utilization Review (UR) criteria are a set of measurable clinical indicators, as well as diagnostic and therapeutic services, reflecting the need for hospitalization or treatment. Appropriateness is based on a patient's severity of illness and the intensity of the service being provided.

4. POLICY

It is VHA policy that revenue is collected from private health insurance carriers for non-service connected care provided to insured Veterans. These funds go back to the VA medical facilities to provide health care services to Veterans. **NOTE:** The purpose of Revenue Utilization Review is to ensure that VA receives appropriate reimbursement from private health insurance carriers. RUR nurses do not make clinical treatment decisions. Clinical treatment is based on the patient's clinical needs as determined by VA providers in conjunction with patients or their authorized surrogates. RUR nurses perform the clinical duties of the revenue cycle as outlined in Section below titled Procedures.

5. GOALS

a. VHA employs cost containment measures that include standardization of practice and policy in order to reduce variance and improve efficiency.

b. VHA provides guidance in conjunction with the CPAC RUR Guidebook, <https://vaww.cpac.portal.va.gov/Pages/Default.aspx> specifically for the RUR processors within the CPAC revenue cycle.

6. RESPONSIBILITIES

a. **The Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring there is appropriate establishment and implementation of this directive across the entire VHA health care system.

b. **The Deputy Under Secretary for Health for Operations and Management.** The Deputy Under Secretary for Health for Operations and Management is responsible for providing the necessary support and resources to Revenue Operations and Veterans Integrated Service Networks (VISNs) to implement this directive.

c. **VISN Director.** The VISN Director is responsible to oversee VISN/VAMC/CPAC leadership collaboration to provide exceptional revenue services by working in partnership to assess and improve all phases of the revenue cycle; and providing excellent customer service to Veterans.

d. **VA Medical Facility Director.** The VA medical facility Director is responsible for:

(1) Ensuring authorizations for care for reservists on Active Duty drill or Department of Defense (DoD) agreements are obtained by facility staff.

(2) Ensuring clinical providers and other staff participate in education on revenue-related topics provided by the CPAC RUR nurse.

(3) Ensuring CPAC RUR nurses are notified of billable cases (e.g., reimbursable insurance, workers compensation).

(4) Ensuring insurance verification, precertification, cost share, and co-payments of all TRICARE and Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) care is provided by VA medical facility staff.

(5) Ensuring VA medical facility pharmacy staff carries out duties to support third-party collection as outlined in the CPAC Service Level Agreement.

(6) Ensuring CPAC RUR staff are afforded the opportunity to attend facility sponsored professional development opportunities.

(7) Ensuring reasonable and adequate space and equipment are provided for facility-based CPAC RUR staff.

(8) Providing IT support for facility-based CPAC RUR staff.

(9) Providing the same benefits to facility-based CPAC RUR staff as VA medical facility staff in regard to employee health services, the Employee Assistance Program (EAP), and other benefits afforded to VA medical facility staff.

(10) Identifying Community Care cases that need other health insurance (OHI) precertification and providing information to the CPAC RUR nurse when pre-certifications are necessary.

(11) Collaborating with CPAC to develop a process to identify approved care that may require precertification in order to mitigate lost revenue due to payment penalties and or denials from third party insurance carriers.

(12) Overseeing all VA medical facility insurance verification, billing, pre-certification, cost share and copayments for TRICARE, CHAMPVA (non-MCCF), patients entitled under VHA Directive 1029 for Presumptive Psychosis, Individual Disability Evaluation System (DES), Sharing Agreements, Department of Labor cases (i.e., Federal Worker's Compensation & Black Lung Program), Allied Beneficiary, Fugitive Felons and ineligible Veterans.

e. **Consolidated Patient Account Centers (CPAC) Director.** The CPAC Director is responsible for:

(1) Ensuring the core duties of the RUR function are performed timely including but not limited to:

- (a) Third party payer precertification.
- (b) SC/SA validation reviews.
- (c) Clinical denial management.
- (d) Legal case relatedness reviews.
- (e) Self and other education.
- (f) Community Care reviews.

(2) Ensuring the supervision and proficiency report for the CPAC RUR nurse is compliant with the VA Nurse Qualification Standard process in VA Handbook 5005/27.

(3) Ensuring the administrative support necessary is assigned for acquisition of tools and resources required for CPAC RUR staff to perform assigned duties.

(4) Overseeing the monitoring and evaluation of CPAC RUR staff duties through Quality Assurance and Internal control monitors to improve processes and mitigate risk.

NOTE: *The Office of Community Care, Revenue Operations, Quality and Performance*

Internal Controls Department, maintains a robust internal control monitoring process, including: identification, development of controls, implementation, corrective action, monitoring, assessment and reporting.

(5) Ensuring qualified clinical back up is available to cover vital daily RUR activities during periods of scheduled or unscheduled leave according to standardized CPAC policy.

f. **CPAC Revenue Utilization Review (RUR) Nurse.** The CPAC RUR Nurse is responsible for:

(1) Performing clinical review activities together with associated planning, developing, coordinating, and monitoring in the implementation of VA's reimbursement program.

(2) Serving as a patient advocate providing accurate and timely clinical information to third party payers.

(3) Ensuring compliance with established third-party payer criteria for reimbursement and appeal of denials,

(4) Ensuring all RUR staff provides feedback as appropriate, for performance improvement, utilization management, and compliance related issues.

(5) Conducting precertification with third party payers including VA and Community Care as applicable.

(6) Validating SC/SA relatedness for revenue cases.

(7) Managing clinical denials for revenue.

(8) Performing legal case relatedness review for revenue billing purposes.

(9) Providing education to VA medical facility providers and other staff on revenue-related topics.

(10) Collaborating as needed for revenue cycle tasks with CPAC and VA medical facility staff, including but not limited to: Facility Revenue, Billing, Insurance Verification, Veteran Services, Compliance, Providers, Health Information Management (HIM), Utilization Management, and Community Care.

7. TRAINING REQUIREMENTS

a. All RUR nurses must complete mandatory education and annual competencies as outlined by VHA/CPAC. The RUR function requires knowledge of medical technology/terminology; health care management; effective communication techniques/tools; evidence-based and policy specific criteria; and requirements of third party payers (TPP). Due to the rapidly changing arena of medical technology,

healthcare insurance requirements, and disease management within the health care industry, RUR nurses must remain current and up to date by participation in educational opportunities designed to enhance their personal knowledge and understanding of the revenue cycle. These include, but are not limited to:

- (1) Successful completion of orientation activities and the Basic RUR blackboard course is required of new RUR nurses;
- (2) Successful completion of Advanced RUR blackboard course-recommended for RUR nurses with one year or greater RUR experience;
- (3) Review of VHA, CPAC, Office of Community Care policy and procedures to maintain current knowledge;
- (4) Satellite presentations;
- (5) Conference calls;
- (6) VISN and national conferences;
- (7) Peer level networking;
- (8) Continuing education;
- (9) Disease management, medical technology, medical terminology courses;
- (10) Web-based training (including designated electronic learning system);
- (11) Committee participation /staff meetings;
- (12) Medical journals;
- (13) Membership in professional organizations;
- (14) Third party websites and newsletters;
- (15) Provider relations/bulletins;
- (16) CPAC newsletters/communications; and
- (17) Education and Training sponsored courses.

NOTE: *The RUR nurse is responsible for self-education to maintain licensure, certifications and nursing practice knowledge as required by law/statute.*

8. RECORDS MANAGEMENT

a. Standard language: All records regardless of format (paper, electronic, electronic systems) created by this directive shall be managed per the National Archives and

Records Administration (NARA) approved records schedules found in VA Records Control Schedule 10-1. If you have any question to the regarding any aspect of records management you should contact your facility Records Manager or your Records Liaison.

b. CPAC Privacy Policy. This privacy policy complies with Veterans Health Administration (VHA) Handbook 1605.1 and establishes responsibilities and procedures for the privacy protection of information that is accessed, collected, maintained, used, disclosed, transmitted, amended and/or disposed of by the staff and systems of the Revenue Operations (RO).

c. The privacy program is designed to allow continued operation of mission-critical activities while ensuring the integrity, availability, confidentiality, and authenticity of data and information; minimum necessary access to protected health information; and a continuing awareness of the need for, and the importance of, information privacy within the organization.

9. REFERENCES

a. Office of Community Care (OCC), Revenue Operations (RO), Consolidated Patient Account Center (CPAC) Service Connections and Special Authority Eligibility Validation P-007-01-01.

<https://vaww.cpac.portal.va.gov/qnp/Policies/CPAC%20Service%20Connection%20and%20Special%20Authority%20Validation%20Review%20Process%20P-007-01-01.pdf>.

NOTE: This is an internal VA Web site that is not available to the public.

b. VHA, OCC, RO, CPAC, Revenue Utilization Review Guidebook Version 3.1.

https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001029. **NOTE:** This is an internal VA Web site that is not available to the public.

c. CPAC Privacy Policy Revenue Operations P-04-04-03

<https://vaww.cpac.portal.va.gov/qnp/Policies/Privacy%20Policy%20P-04-04-03%205-2016.pdf>. **NOTE:** This linked document is outside of VA control and may not be conformant with Section 508 of the Rehabilitation Act of 1973.

d. Audit of Consolidated Patient Account Center Controls to Prevent Improper Billings for Service-Connected Conditions 16-00589-264

RUR NURSE PROCEDURES

RUR procedures consist of the following core functions:

a. **Approval Reviews.** The RUR nurse must pre-certify applicable revenue scheduled and non-scheduled inpatient and outpatient episodes of care as per third party payer policy requirements. In addition, the RUR nurse must also perform certification and continued stay reviews per third party payer requirements. This function is critical to identify scheduled and non-scheduled inpatient and outpatient cases with insurance requiring prior authorization and continued stay reviews to optimize prior authorization and backend reimbursement. Discharge reviews must be entered for cases requiring discharge notification and summarization. Documentation in claims tracking and other work tools is required per CPAC RUR specific process guide documentation standards.

b. **Denial Reviews.** RUR nurses conduct appeals for denied clinical claim payments as applicable. The RUR nurse is principally responsible for evaluating clinical claim denials and initiating an appeal or working with the third-party payer for a mutual resolution. The objective of the appeal process is to change a third-party payer's decision regarding claim denial and attempt to obtain payment for all or part of the clinically denied services. This may include prospective, concurrent, and retrospective reviews.

c. **Service Connection (SC) Special Authority (SA) Reviews.** RUR nurses must perform reviews to validate SC/SA care/treatments. Special authorities include: Agent Orange, South West Asia, Combat, Ionizing Radiation, Head or Neck Cancer, Camp Lejeune, Project Shipboard Hazard and Defense (SHAD/Project 112) or Military Sexual Trauma.

d. **Education.** To enhance the effectiveness of the revenue cycle, the RUR nurse serves as a resource to clinical and non-clinical staff for education about the revenue process. The RUR nurse is involved in ongoing education and training where problems or impediments have been identified with clinical issues related to the revenue program in which the results are documented and communicated appropriately. Lessons are shared with target audiences to help mitigate future issues. Having an effective education program establishes a systematic process for cross communication among coders, billers, revenue staff, multidisciplinary staff, clinical staff, and the RUR nurse to help ensure claim accuracy and optimal collection of revenue. Due to the rapidly changing arena of health care insurance requirements and disease management within the health care industry, RUR nurse participation in educational opportunities is necessary to enhance their personal knowledge and understanding of the revenue cycle.

e. **Community Care.** VA offers a variety of health care and services for Veterans through community providers and other partners outside of VA. These services are provided to Veterans based on certain conditions and eligibility requirements, and in consideration of a Veteran's specific needs and circumstances. The RUR nurse obtains precertification from third party payers for community care encounters with billable insurance as applicable.