

How to Turn an SUD Facility into a Thriving Mental Health Program



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CASE SUMMARY

Expanding the breadth and depth of services at any healthcare facility provides numerous benefits from both a business and patient outcomes perspective. With more service offerings at a single facility, patients can receive more of the treatment prescribed within their plan of care without requiring a referral to another facility or, as in crisis situations, without requiring expensive medical transportation. It also minimizes the friction involved in seeing multiple doctors at multiple facilities, improving continuity of care — which can result in lower mortality rates, better community functioning, lower severity of symptoms, decreased odds of hospitalization, and lower likelihood of suicide deaths in patients with mental health disorders.

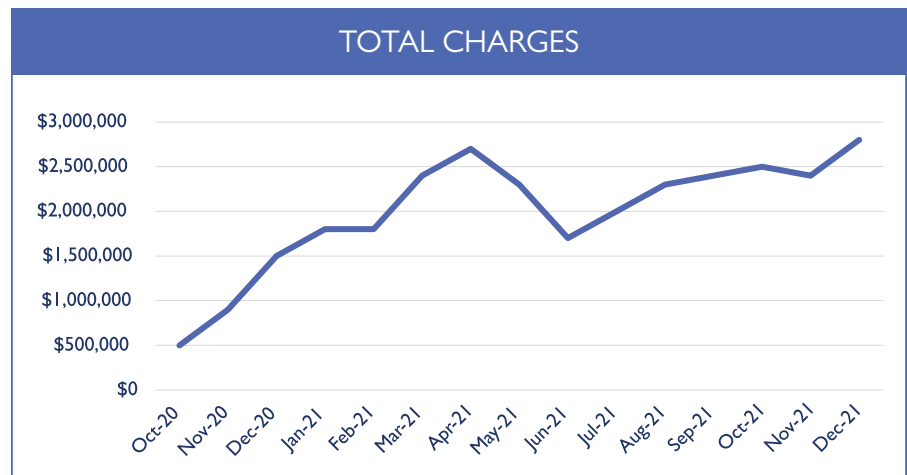
From a business perspective, offering more services translates into more patients staying within the facility and a subsequent expansion of profit margins through more beds filled and an increase in charge volumes. However, the cost of the expanding services also needs to be taken into account. More equipment, training, and licensing may be required, and the logistics of incorporating such changes can break a facility that is not prepared to handle the transition. A facility's revenue cycle is particularly sensitive to these changes, as it requires new contracts with payers, new business processes to handle new procedure codes, and potentially new software that can handle increased volumes, or at least a reconfiguration of current applications.

A strong example of a facility that can benefit tremendously from such an expansion of services is the substance use disorder (SUD) facility. Because substance abuse is often comorbid with different mental health concerns, expanding the mental health service offerings at an SUD facility makes sense from a patient care perspective while also contributing to higher potential charge volumes. In order to better understand what kinds of decisions are required to successfully transform such a program, we examined a 49-bed SUD facility that was receiving revenue cycle management services from SimiTree. Due to their involvement in the revenue cycle of the provider, SimiTree was able to provide unique insight into how to implement such an expansion.

Following an acquisition by a new management team in September of 2020, it was agreed that the facility and its patients would benefit heavily from mental health services. As such, the team quickly pursued licensing from the Agency for Health Care Administration (AHCA). Once licensed, they were able to begin changing services and training staff on all levels of service that would be provided. They also made sure their facility was up to date and inspected by The Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Luckily, because the facility had a third-party billing vendor, they did not need to worry about payment or billing interruptions and could instead focus on the quality of the facility and the care provided there. This allowed the facility to expand far more rapidly than one that did not have its revenue cycle processes outsourced; they were able to rely on SimiTree's years of experience in mental healthcare billing.



Indeed, our analysis shows that the SUD treatment facility expanded very rapidly. Starting in October with a charge volume of \$572,380, they were able to increase their volume in November to \$930,580, followed by \$1,531,750 in December, and continued to expand from there. Year-over-year



comparisons are extremely complex due to the ever-changing context of COVID-19; however, we would like to note that, despite the pandemic, the facility was able to increase their charge volume by 74.3% from January 2020 (before major lockdowns happened in the United States) to January 2021.

Because the facility had a third-party revenue cycle management company supporting them, they were able to focus on treating patients rather than on billing. When expanding a facility, there are many pitfalls that can result in severe revenue cycle disruptions. Inaccurate reimbursements, claim denials, and more can result in unnecessary write-offs and an even tighter operating budget. Instead, SimiTree was able to focus on these problems as they came up, providing an extra set of valuable resources and ensuring the facility was paid on time and in full, leaving patient care uninterrupted. SimiTree was also available to answer any questions the SUD treatment facility's management had and assisted with ongoing reporting to keep track of the expanding revenue streams. Thanks to the success of their expansion, the facility is now going to be opening a second location.

If you are a provider considering a quality revenue cycle management company, it might allow for greater focus on your core business of patient care while maintaining sustainable reimbursement.

