



# Milliman USA STAR™ Program: Reducing Payment Denials and Length of Stay

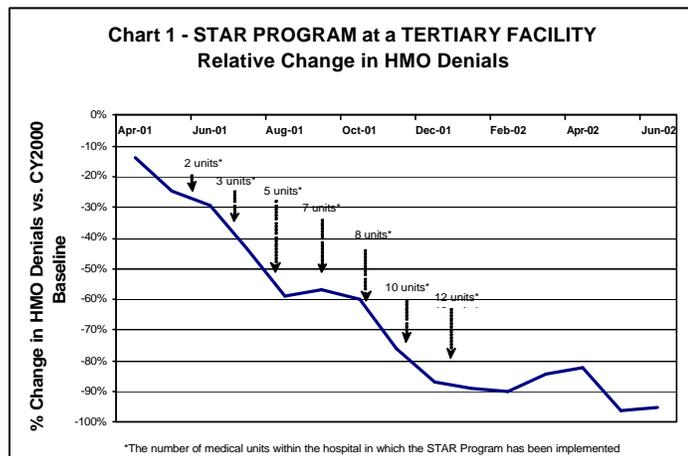
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**H**ospital case managers have always known poor documentation results in lack of care coordination, which causes needless waste of resources. Recent Medicare cuts and increased denials have hospital chief financial officers asking for help in addressing documentation issues. Milliman USA's STAR™ Program helps hospitals maximize their revenue with a new focus for case management: documentation improvement.

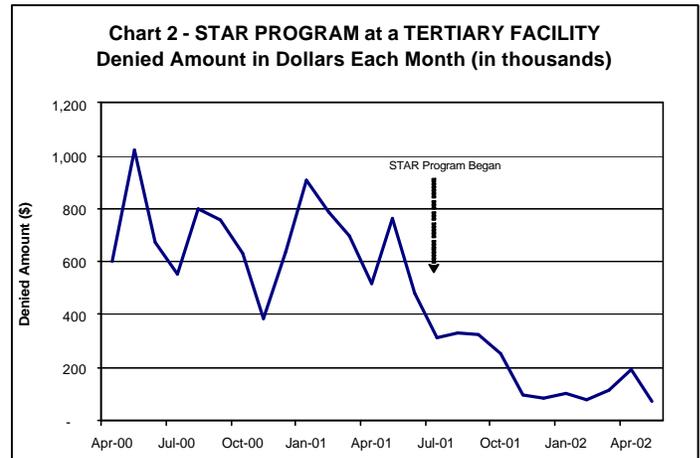
Milliman's STAR Program uses hospital case managers to identify and reduce documentation deficiencies and surrounding care delays. The program focuses on enhancing daily physician and other caregiver awareness of the pace of care, the need to comprehensively describe the daily acuity level of the patient and to document justification of appropriate admission and continued stay. This reduces unnecessary utilization of resources and associated expense for fixed diagnostic related group (DRG) case rates and decreases Medicare and managed care denials and downgrades. The focus on documentation allows for more productive and friendlier communications between case managers and physicians.

## Program Results

Since developing the program in 2000, Milliman has implemented STAR in six hospitals. Each of these six hospitals experienced immediate favorable results. All but one of the hospitals wanted to reduce denials. The other hospital was only focused on reducing length of stay. Where denials were an issue, the STAR Program reduced insurer denial outcomes significantly. Actual data from a large New York metropolitan hospital showing relative change in managed care denials is shown in Chart 1.

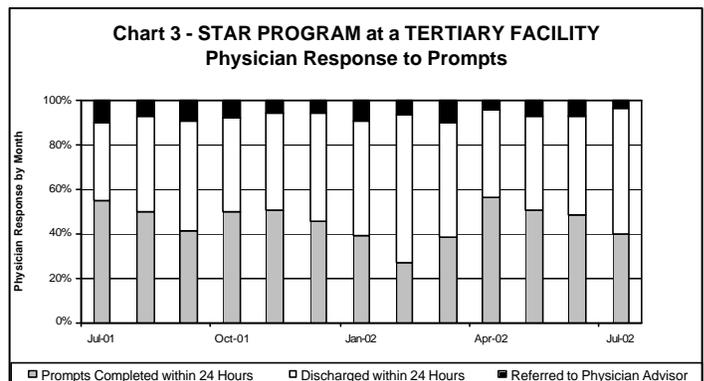


**We present the same hospital's monthly denied dollars in Chart 2.**



All of the hospitals lowered their length of stay. The hospital with the longest STAR experience lowered their aggregate length of stay one half-day in each of the two years since the program was put in place. Other hospitals are seeing similar results.

The physician response is also positive, and surprising, as seen in Chart 3. Hospitals implementing the STAR program anticipate their physicians will not respond to the program or will respond negatively. Although the hospitals still have a few recalcitrant physicians, the following data from one hospital are representative of STAR Program results.



## Hospital Requirements

**There are certain hospital requirements necessary for STAR Program success.**

-More-

1. Senior administrative buy-in and physician leadership support
2. Adequate case management staffing
3. Clinical guidelines must be available to case managers as they conduct their rounds
4. Adequate support for real time outcomes reporting including 'prompt' outcomes and data on denials, downgrades and LOS

## How It Works

The STAR program is built on the philosophy that care management is part of everyone's job description. The case manager's role in STAR is project manager—anticipating what needs to happen, identifying when things aren't going according to plan and following up with the care delivery team to get the plan back on schedule. For most hospitals, case managers do discharge planning and concurrent stay justification. Therefore, this is a very different role for case managers and the care delivery team.

The program has case managers conducting daily chart reviews and using clinical guidelines as benchmarks to identify communication and documentation gaps and potential care delays. Once an issue is identified, they attempt immediate and direct communication with physicians and care givers. The case managers employ verbal and paper interactions that request potential missing clinical documentation and/or prompting essential care management efforts, including discharge. Outcomes are measured daily and maintained in a database capable of producing monthly reports.

## Program Implementation Steps

**Implementation of the STAR Program involves several steps.**

1. Assessment
2. Solicit physician leadership assistance
3. Refine or develop new forms and processes
4. Establish benchmarks
5. Training
6. Implementation

The assessment helps establish STAR Program goals. It helps identify potential barriers to success and infrastructure changes that will improve the likelihood of achieving the goals. The assessment often results in recommendations for case management staffing, organization, and communication mechanisms.

The assistance of formal physician leaders and champions is solicited early in the process. They provide invaluable insight into the hospitals unique clinical care dynamics and essential facilitation and support of the hospital's goals throughout the implementation process.

Examination of hospital documentation policies, procedures and forms helps identify obstacles to optimal documentation

and typically results in recommendations to enhance documentation. Very often it is adherence to the documentation polices rather than the policies themselves that are deficient.

Key staff members are involved in designing prompt forms and developing the system for prompting physicians and caregivers. This often involves refinement of case review and variance tracking processes.

Input from Case Management, Appeals and Medical Records departments helps identify additional documentation issues. Specific interventions are implemented to address issues such as timely history and physicals and discharge summaries.

Analysis of recent data helps establish denial and length of stay baselines. Summary by payer, hospital unit, service (e.g., medical, surgical), physician and common DRGs provides analytical depth. The historical data are used to benchmark outcomes after program implementation.

Case managers, physicians and ancillary staff are trained in the prompting process and their role in care management. For large facilities, this is often carried out using a "train the trainer" approach.

The STAR Program is "rolled out" by unit or case manager, depending on the case management model and facility goals. This involves intensive case management job shadowing, coaching and team rounds. On-site support for physician staff helps facilitate communication regarding care practices. Case managers learn to recognize care delays and inefficiencies, pull essential information from the chart efficiently, present prompts to physicians and other caregivers in a manner that promotes cooperation, and refer cases to advisors when prompting does not achieve the desired results.

## Conclusion

Hospitals can no longer afford to squander resources and write off legitimate billings. Through something as simple and as complex as improved documentation, the Milliman STAR Program helps hospitals make the most out of the resources available. To learn more about the STAR program, please contact your Milliman Consultant.

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