Maintaining a High Functioning Revenue Cycle



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Organizations are facing a new health care landscape post-pandemic and traditional methods to manage and improve revenue cycle performance have become antiquated

While these practices still offer value, they fall short at optimizing revenue cycle

Recognition that rural health facilities must react quickly to survive financially is evident

New strategies are required to achieve optimal performance and these strategies are critical to the foundation of both short- and long-term success

Agenda

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- Understanding the Revenue Cycle
- Analyze and Identify the Opportunities
- Revenue Cycle Shared Responsibilities
- Revenue Integrity and Reimbursement Strategy
- Denials Management
- Data Analytics and Benchmarking

The Rural Environment

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Market

One in five Americans live in rural communities

Barriers

Highly fragmented provider community with various clinic designations

Entrenched need for autonomy and cultural resistance to change -- coupled with trust issues

Complex, arcane and fluid regulatory environment tied to optimal reimbursement

Opportunity

Organizations must take steps to improve their operational performance, service delivery, and financial position: specifically looking at the alignment and designation of each rural practice to improve performance

Rural markets are built on relationships that strengthen trust, honor legacy models and provide the type of innovation and expertise that is not present in the current, inefficient industry

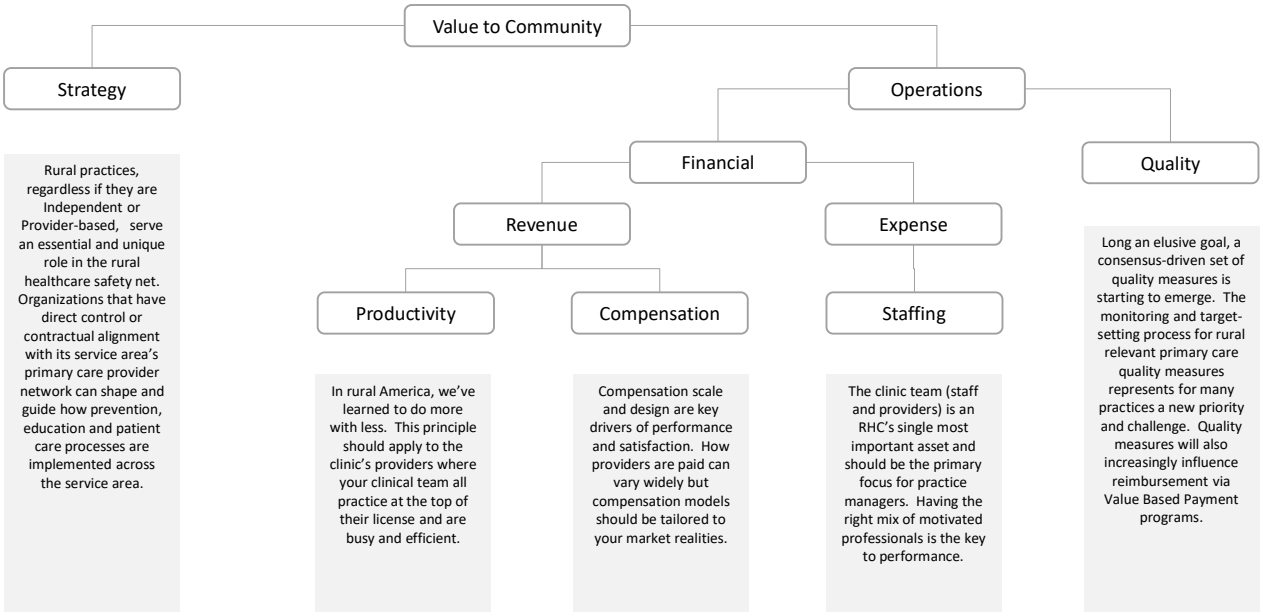
The Current Landscape

- Rural providers continue to experience cost increases, while having to address staffing shortages, outmigration, and significant policy/legislative changes
- The past few years have fundamentally changed how many patients receive healthcare services
  - Organizations must take a proactive approach to address these changes



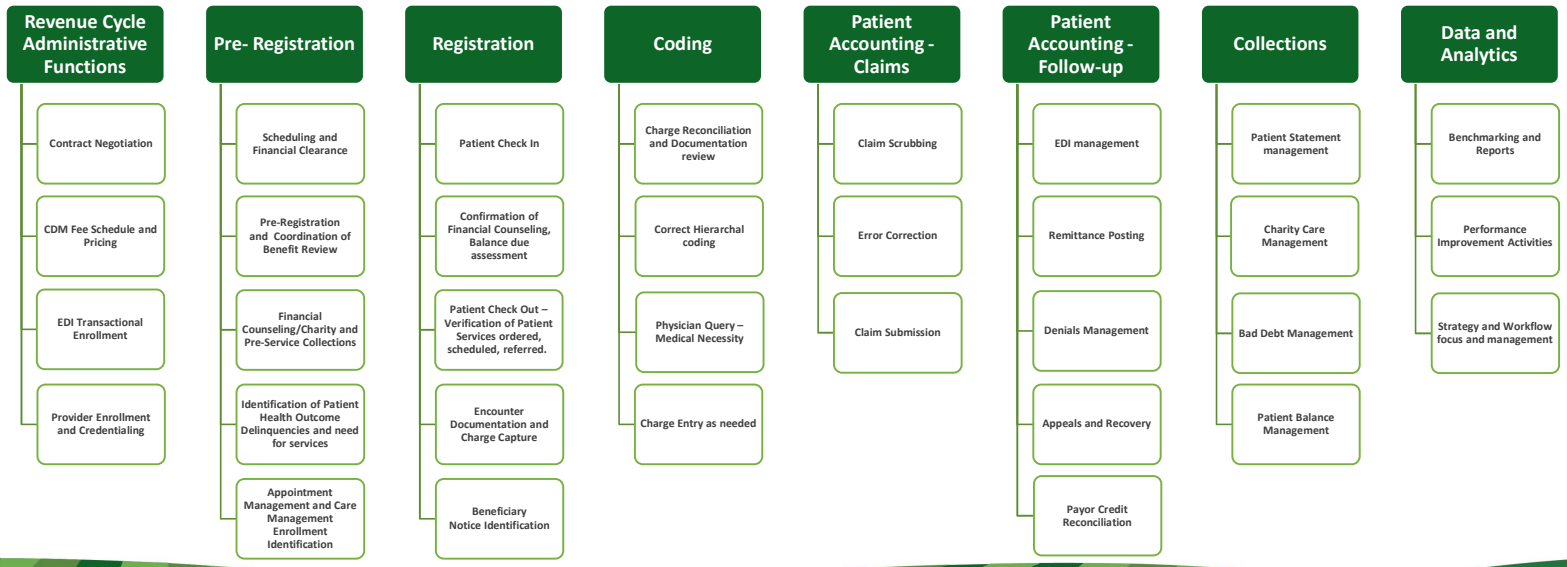
Understanding the Revenue Cycle

Performance Improvement Model



Optimize Revenue Cycle Tasks and Functions

- Evaluate and improve revenue cycle functions by ensuring a fair distribution of work, clearly defined roles and task automation or improvement
  - Make sure no matter how tasks are divided among departments, core task elements are incorporated and monitored



Analyze and Identify the Opportunities

Analyze Current State and Identify Opportunities

- An analysis must be performed to identify the strengths, weaknesses, opportunities, and threats associated within the current Revenue Cycle Operation
  - The analysis must involve staff beyond revenue cycle and is really an opportunity to identify shared responsibility mapping
  - For example, organizations could use a SWOT analysis or other methodology to assist facilities in identifying priorities on an individual basis

- Establishing workflow priorities, task distribution, etc. is the first step in both identifying pitfalls and optimizing Revenue Cycle processes

Key Areas of Focus During Analysis

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- Identify Short- and Long-term goals and then define responsibility
- Organizations must ensure the analysis includes the following:
  - **Contracting**
    - Immediately identify if there are payors who offer incentive contracts and request amendment.
    - Identify services in which the adjustment is more than what was paid. Are your charges too high or is your contract costing you money? Most payors are required to renegotiate terms at the request of the hospital if there are negative financial impacts to serving the payor's membership. Inflationary expenses must be identified and considered in our contract management.
    - Costs associated with service delivery, including both salary and non-salary expenses are often poorly managed/considered in contract review.
    - Anything coming via paper, checks or remittances. EDI transactions are the new norm and expanding. Anything you are doing via paper MUST be eliminated and these changes have a significant impact on cash flow.

Key Areas of Focus During Analysis

- **Roles and Responsibilities**
  - Identify tasks that could be automated or tasks that could be expanded to avoid labor lift
  - Often two roles are doing very similar work, or the process is manual and outdated
  - Identify solution for automation to make the most effective use of subject matter expertise

- **Schedule Resource Utilization**
  - Is your organization making the most of the time that it has, are provider preferences for appointment times driving lower than standard volumes, etc.?
  - Finding a way to make optimal use of scheduled hours and staff is an extremely important revenue growth initiative
  - Use telehealth opportunities and Care Management as means to mitigate no show lost revenue or underutilized hours

- **Expense Reduction or Reassignment**
  - Often eliminating duplication of software doing the same tasks or similar tasks can be identified through the analysis and the expenses related to software can be reinvested into revenue generating software or contracts

Contract Analysis

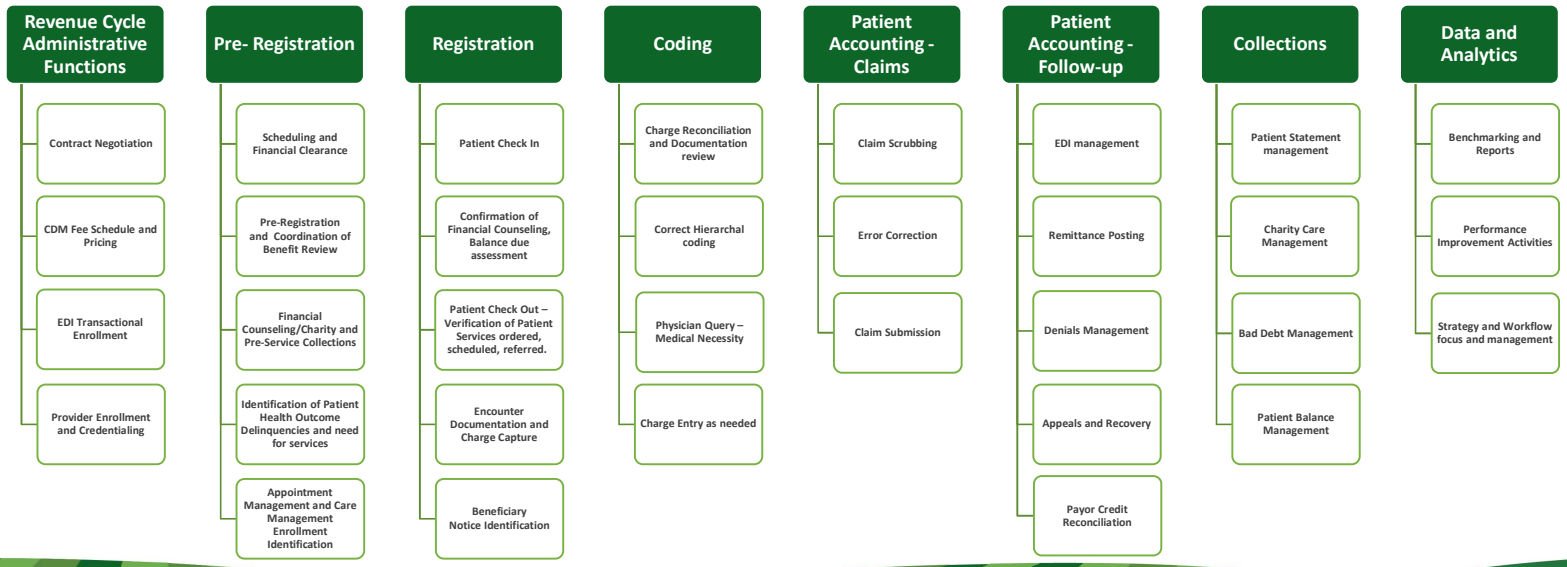
- Payor contracts contain fee schedules and reimbursement requirements, as well as the conditions payer must meet for timely reimbursement
  - Therefore, payer contract management is key to ensuring payors reimburse practices and hospitals the correct amount each time a claim is submitted
- In many instances the staff assigned to negotiating and reviewing the payer contracts are not always familiar with the reimbursement methodology and designation privileges that could be leaving money on the table
- Many third-party payer contracts have begun to specify revenue codes and impose increasingly difficult coverage guidelines and medical policies
- By performing an immediate review of the existing contract structure, you can help to improve net patient revenue

Revenue Cycle Assessment Key Discoveries

- Failure to identify afforded principals based upon designation
- Failure to amend contract with language that is nonspecific
- Failure to monitor and maintain provider services and demographics with payors
- Failure to appropriately identify pharmacy and supply reimbursement
- Failure to recognize provider-based departments/technical components

Optimize Revenue Cycle Tasks and Functions

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  - Make sure no matter how tasks are divided among departments, core task elements are incorporated and monitored



Identify Redundancies

- Optimizing organizational technology for clinical documentation templates, workflow automation and electronic record incentives have led to duplicity of people, processes and software performing or underperforming the same tasks
- The duplicity can have significant organizational expense
- Identifying key stakeholders such as department heads, information technology and software vendors to review task assigned roles, software implementation and failed or partially failed implementation, can help your bottom line

Start with a Software Analysis identifying software used and their functionality	**Engage software vendors to request an optimization assessment and report**	**Identify key stakeholders while evaluating processes to reduce costs**	**Establish routine monitoring and updates** **Look for enhancement priority downloads, etc.**

Revenue Cycle Assessment Key Discoveries

- Failed implementation – Lack of feature utilization, adding manual reporting lift as opposed to reevaluating or supporting the software
- Duplication of services – Eligibility Platform purchased when clearinghouse platform also had eligibility
- Same organization – Different EMR. Different Charges due to lack of software updates.
- Similar reporting across multiple organizational roles that could be streamlined

Revenue Cycle Shared Responsibilities

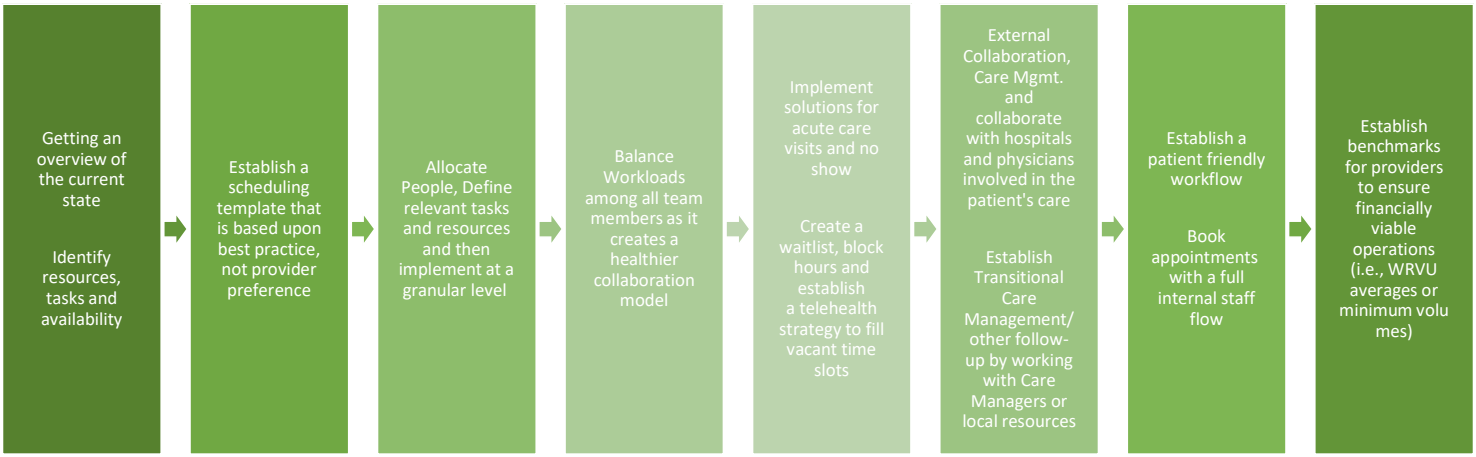
Clinical and Financial Collaboration

- Successful leaders and executives will look for opportunities for collaboration and communication both internally and externally to learn and grow from external stakeholders that will have an increasing impact on revenue cycle functions
- Communication is critical to both revenue generation and revenue retention.
- Clinical leaders must identify and educate themselves on accurate understandings of costs, staff time, resource use and communication
- Revenue Cycle leaders will need to keep a tight grip on service awareness, increasing payor complexities and defining resources needed to do more with less

Revenue Cycle Assessment Key Discoveries

- Collaboration and Routine meetings with clinicians can help improve service revenue
  - Often, providers simply need the education of if..., then....
- This can mean recognizing procedures through better documentation and provider understanding of their billing
- Equally, Revenue Cycle leaders can often learn more of what the providers are performing to enhance charge capture and additional or add on procedures

Steps to Improved Resource Utilization



Revenue Integrity and Reimbursement Strategy

Evaluate Revenue Integrity

- Revenue Integrity often has similar but different meanings in the industry
  - Revenue Integrity is ensuring that all appropriate charges for service and supply are recognized, billed service revenue is returned and has been billed in a compliant manner, mitigating and eliminating risk of future audit/recovery and charges and codes applied are accurate and truly reflect the services being performed
- Charge Reconciliation at the Department Level
- Routine Billing and Coding Audits
- Service Line Contribution and Accountability Analysis

Establish Charge Reconciliation Process

- Charge Reconciliation is the act of comparing charges captured to the services provided
  - This process is critical to ensure timely and accurate charge capture
- Charge Reconciliation processes can reduce charge lag while improving charge cash flow and improve revenues overall

1. Establish a standard of acceptable charge lag limit when entering charges

   Best practice 48 hours.

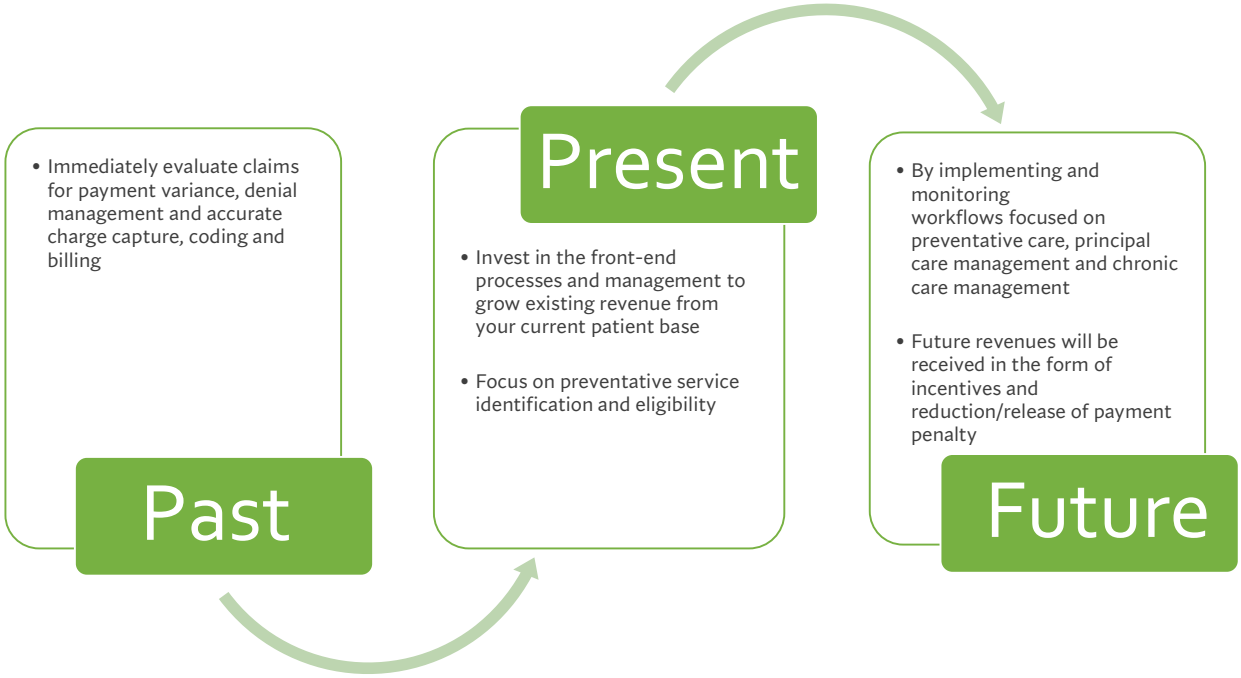
2. Establish accountability at a department level, ensure departments reconcile frequently and track missing charges

3. Maintain and review an up-to-date Charge master with departmental review and input

4. Establish routine monitoring and responsibility of a charge lag report

5. Educate departments, providers and key stakeholders on missed charges that are identified

Reimbursement Strategies



Reimbursement Strategy - PAST

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- Evaluate contract variances and work through underpayments and denials from a project scope
- Run a report to identify denial trends and common errors
- Evaluate Billed claims for expired CPT's and rebill accordingly
- Evaluate bundling or inclusive denials for modifier application
- Evaluate claims for diagnosis hierarchy and unspecified codes that lead to denials
- Run billed and unpaid reports for timely review and turnaround of revenue

Reimbursement Strategy - PRESENT

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Establish front-end processes that identify quality gaps in preventative services and ensure that this is communicated to providers for upcoming appointments

- This strategy can allow for immediate generation of ancillary revenues and improve quality and value-based care provisions
- There are no patient cost shares for preventative services
  - Explaining this during the financial counseling process can help promote patient buy-in

Do not limit services to Traditional Medicare but implement across all payors

Focus on Point-of-Service collections

Identify additional revenue opportunities across the organization and pursue revenue capture

Reimbursement Strategy - FUTURE

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1. Pursue preventative services while making strategic advances towards educating staff and providers on quality measures as a revenue growth opportunity
2. Consider this a "grow as you know" approach

1. Educating and strategically communicating with patients will improve performance with minimal out-of-pocket cost, while improving patient care management and quality
2. Note: This will reduce cost to collect expense and you are beginning to build a rapport and marketable consumerism strategy for your patients.

1. Contract analysis, amendment and addendum will also create a more profitable future state

Denials Management

Denial Management

- Healthcare organizations are fighting for financial sustainability due to increased operational costs associated with wages and inflation
  - Many organizations are still seeing pandemic driven lagging patient and/or service volume

- Payors continually changed reimbursement policies during the pandemic and organizations have seen a steep increase in claim denials over the past two years
  - According to an MGMA stat poll revelated an average 17% increase in claim denials in 2021 alone
  - Another startling statistic from the poll, only 40% of denials were resubmitted by the practice

Denial Management Strategy

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Establish	Establish a Team. Identify Resources to leverage expertise and input.
Organize	Organize Processes – Create an honest environment and routine reporting of denials.
Identify	Identify Trends and root causes. This is not a blame game but rather survival mode.
Implement	Implement solutions, identify clear and concise policies/ protocols to ensure recovery of current denials and prevention of future denials.
Analyze	Establish Analytics. Sometimes what is reported for denials, is not the entire picture. Ensure a standard data method to capture and report denials and internal controls for monitoring..
Act	Act Quickly. Timeliness of denial workflows is extremely important. Expectations should be clearly identified to billing staff and adherence must be monitored.
Celebrate	Celebrate Success and Build Team Confidence. Monitor recoveries and incentive staff. Staff that feel valued and that they are making positive contributions to the organization

Data Analytics and Benchmarking

Pulling it All Together

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As you walk through the analysis, you will find that you are monitoring and improving revenue through a more sustainable and proactive workflow that leverages data analytics

These analytics will allow for your organization to choose what to measure and when

Choosing the right Key Performance Indicators and building to a comprehensive KPI dashboard to evolve and continually optimize will drive revenue cycle improvement throughout the organization

Creating optimal workflows, patient satisfaction, quality care, and resolving revenue gaps can be achieved as your organization focuses on specific and actionable goals that apply to you

Data Analytics and Benchmarking

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- The analysis will identify action items and tasks with 30/60/90/etc. days tasks that can be prioritized
- It's important to focus on priorities and not too much at one time
  - Use Shared responsibility mapping to achieve these goals and establish analytics
  - Add different increments based upon priorities specific to your organization
  - Focus on initial priorities and completion to monitor and establish baseline and performance goals to best practice.

30 Days

1. Incorporate daily review of scheduled next day preventative services
2. Hold a collaborative team meeting to ensure the intent, objective and communication to providers is documented and understood

60 Days

1. Evaluate generated patient orders for ancillary services based upon the new process and identify a way to monitor generated revenue

90 days

1. Formally document processes and a standard operating procedure for staff education, onboarding, and continuing education

180 days

1. Evaluate how process has improved patient quality care
2. Use for performance improvement reporting to identify resolution of quality penalties or enhanced incentive payments

360 days

1. Re-evaluate the clinics service line contribution, wRVUs, etc. to show your continual progress and financial viability.

Continually monitor progress to your goals and best practice, with monthly reporting and responsibility

Benchmarks

- Key Performance Indicators and best practice are always where you want your Revenue Cycle
  - However, multiple assessments have led to one conclusion, too much focus and not enough internal control can lead to incorrect priorities and place organizations at risk for compliance, audit, and recovery efforts
- While data analytics are an extremely useful tool, establishing a baseline and marked improvement targets that are customized to historical review at your organization's specific workflows
  - Defining a baseline, set expectations and ensure attainable goals for your revenue cycle. Expectations should be goal driven but ever benchmark not met should be analyzed to determine the "why“
- Too much pressure on management and Revenue Cycle leaders can lead to erroneous claim submissions, increased write off and lack of appropriate remedy actions
  - As rural healthcare providers, every dollar counts
  - Focus on gap analysis and process improvement metrics in conjunction with your key performance metrics and establish an reinvest in your staff and their job satisfaction.

Questions



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