

Improving Your Revenue Cycle Performance

Questions to ask and actions to take

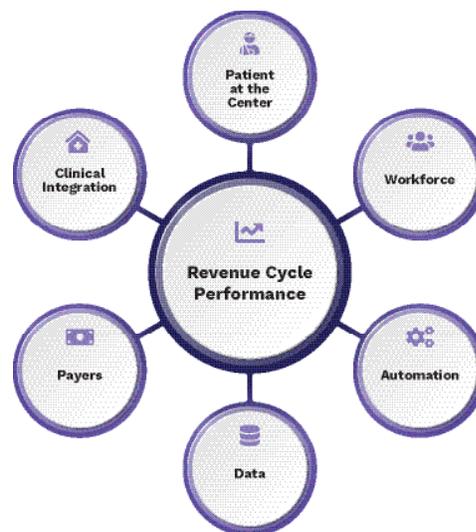
Introduction

Where do you want to be? And what will you do to get there? Whether by baby steps or giant leaps, change for the better begins by asking the right questions. And it's advanced by taking mindful action. Improving your revenue cycle is never casual or incidental. Rather, it's intentional, and leveraging that intention can completely transform your operational and financial performance.

Your revenue cycle matters. It is uniquely yours and is becoming more important as financial pressures rise. It's yours for the coming decade of change and advancement, the coming year of recovery and understanding of a new normal, the coming quarter, and even the few hours at your disposal before this week is out. You know your organization best: its values, patients, reputation, resources, and even its internal and external sticking points.

So if we may ask a few candid questions ... what's going on in your revenue cycle? Are you setting the right operational and financial targets? Are you meeting them? How are you preparing for tomorrow?

What follows are several broad themes that significantly impact revenue cycle, each distilled with clarity to help you set the high mark, determine focus areas, identify the priority, and actually improve your revenue cycle performance.



Patient at the Center

The patient experience is possibly one of the most visible trends of the decade. Today, threads of what used to be called consumerism are woven into what is now referred to as patient experience management, the patient financial experience, and patient-focused design.

Consider the patient experience alongside the mission of the healthcare organization. Even if they seem to align on paper, do they in practice? For example, “high quality care”—which might be every healthcare organization’s goal—may mean sterile, streamlined efficiency to a provider. What if the patient wishes to be warmly greeted at the door and welcomed like family? A misalignment of patient wants and needs with organizational efficiency is one reason managing the patient experience can be so challenging.

- Patient perceptions are always at play. Imagine the confusion and frustration of a patient, who—because of who she interacted with and the sequencing of her health event—is suddenly burdened with a \$200K bill even though she never understood the care she received wasn’t pre-authorized. Or, on the flip side, imagine the response of a patient who doesn’t understand her bill and is reduced to tears of relief when a patient experience representative says, genuinely, “I’m here for you,” before offering to set up a payment plan.
- Patient choice, especially in how they pay, remains a priority. Patients prefer to engage in different ways and they often choose to pay their bills using different platforms, which is why a robust patient pay technology stack is imperative. Patients opt into payment arrangements that best suit their digital fluency, timeline, and access.



Price transparency from a patient perspective

Price transparency is actually a smaller element of the larger movement toward patient-centric “everything.” As it stands today, price transparency has not yet arrived at its designed or desired end-state. Case in point: publishing a chargemaster online and making it searchable may meet the letter of the law for transparency, but it’s not what the patient wants or needs. Price transparency is actually the first step in a much longer journey to financial literacy and patient self-agency. Where are you in this journey?

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Patient at the Center

Questions to ask.

- Outside of goal alignment, what elements of patient-centered design do I need to develop over the next 10 years?
- Are patients having a good experience overall? A good financial experience?
- Am I offering enough choices to make it easy for patients to pay?
- Do I have a mechanism for capturing the experience of our patients' experiences overall? Their billing experiences? (And, true to the Data section, how are we using the information?)
- How do I engage and train my patient experience representatives to perform on daily performance metrics and deliver kind, compassionate service?



Actions to take.

- Invest in your patient-facing staff. Train, grow, engage, listen. Hold them capable and also hold space for them. They are visible and memorable, and therefore representative of your organization.
- Continually evolve your patient pay technology stack. If you cannot afford the technology, consider outsourcing.
- Discern, and then stick to, what it means for you to keep the patient at the center.

Discern what it means for you to keep the patient at the center.

Building a patient-first environment starts with your people—listen, engage, trust. Why? Because they influence the experience of your patients.

Workforce

Vital asset? Absolutely.

What is no longer vital, however, is working in-office. When revenue cycle leaders decisively (and might we add with impressive speed) mobilized their teams to work from home, most did so with the intention of returning to the office as soon as possible. A few months in, one survey revealed that 75% of healthcare organizations planned structural changes to their revenue cycles, the largest portion of those changes being permanent work from home (WFH).

One of the greatest assets within your revenue cycle is your people, and their work is challenging—often emotional, sometimes monotonous—yet vital to your operational outcomes. Solutions to your current workforce issues lie on a continuum between making small adjustments to your hiring, training, and retaining practices at one end, to opting to outsource your revenue cycle operations at the other end.



Employee engagement

We know that engaged employees perform better, better performance leads to success, and the anticipation of success engages employees. Pre-pandemic, employee engagement scores among revenue cycle workers in hospitals were 42-47%, with patient access and mid-cycle roles at the high end and business office roles at the low end of the range.

How's your employee engagement? Don't settle for not knowing, and don't settle for low scores. Your operational outcomes, staffing models, and so much more depend on your commitment to creating an environment (in-person or virtual) where your teams can do great work. And remember while your score inevitably impacts your outcomes—the employee engagement scores of your strategic partners matter just as much. Look for values-driven partners, who have already cracked the code on how employee engagement drives performance and quality. Many have employee engagement scores well above 80%, pandemic notwithstanding.

Unengaged employees cost thousands in lost productivity. Engaged employees, however, are the keystone to helping you meet your goals.

Workforce

Questions to ask.

- How can I best ensure the safety and health of my revenue cycle teams?
- Is it WFH, or is it actually work from anywhere (WFA), and what are the implications for attracting, training, and retaining talent?
- How will I keep WFH employees engaged, maintaining high productivity and quality?
- How do I measure WFH employee productivity and the quality of their work?
- What might my front-end, mid-cycle and/or business office look like in a future gig economy—a free, global market where organizations and independent workers choose short-term, on-demand professional relationships that are both flexible and skill-based?
- What opportunities are available to my staff if I outsource my revenue cycle?

Actions to take.

- Start with the plethora of hiring, training, and retention tools available for remote workforces. Look for patterns and models within other healthcare organizations as well as in parallel industries.
- Invest in your leadership team. Aim to grow resourceful, tech-savvy, big-picture, connection-driven mentors who will take on the profound and new role of leading virtual teams.
- Consider whether outsourcing some or all of your revenue cycle will meet your goals. Of course, this is more than a staffing solution, it can also be a financial and operational performance solution, and the cost to yield may be significantly in your favor. From a workforce perspective, outsourcing does not automatically equate to job loss. Revenue cycle employees often retrain for other areas of your business and rebadging by the revenue cycle partner may be an option.

Treat your workforce as a vital asset.

Your employees are integral to improving your revenue cycle.

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Automation

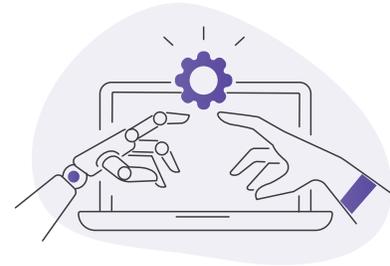
Buzzword? Yes, and not to be ignored.

There is promise in automation for revenue cycle—artificial intelligence (AI), robotic process automation (RPA), natural language processing (NLP), machine learning, and more. There is also a hard-to-swallow truth: We're behind. A substantial gap exists between where we collectively would like to be—perhaps even the perception of where we are—and what is actually within reach.

A few themes are prevalent:

- **Affordability.** Two recent studies independently found that the majority of organizations trying out automation also have \$1B+ in net patient revenue—meaning they can afford a foray into something new.
- **Adoption.** Among leaders who identified permanent changes to revenue cycle strategy, 14% were planning to automate revenue cycle functions for business continuity. An analogous study found a similar rate: 15% of revenue cycle leaders expect to incorporate RPA into revenue cycle operations, up from 0% the prior year.
- **Interoperability.** 30% of hospitals and health systems are unable to manage revenue cycle automation without at least two vendors, and some use up to four.

Thousands of hours and millions of dollars are waiting to be saved through automation—\$16.3B by one estimation. While automation promises to eliminate manual work, increase accuracy and productivity, reduce workforce costs, and lead to a stronger bottom line, it is not a silver bullet. It requires clear long- and short-term goals, strong partnerships with internal and external IT resources, an implementation strategy, and a way to measure results. Oh, it may also require embracing failure and setbacks on the way to future revenue cycle success. Are you in?



Hype vs. where automation is advancing

There is a lot, a lot, a lot of hype. Automation has been a topic du jour in revenue cycle for a couple years now. Most leaders have little idea what is possible and even less of an idea of where to start. Collectively, we've been careful, skeptical even. We've said that machine learning isn't going to solve too many primary revenue cycle issues, that we need more standardization of care first, that technology will always need humans. All true. And yet it is, unquestionably, time to pay close attention as automation accelerates in our space. Some areas to watch: insurance verification, prior authorization, claims administration and follow-up, account segmentation, and patient estimates ... to name a few.

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Automation

Questions to ask.

- Ask everything. Absolutely nothing is out of bounds when it comes to questions around automation.
- What do I want to achieve from pursuing automation? Is it about exploring new innovation? Improving productivity and efficiency? Is actual ROI the goal?
- What am I comfortable with eliminating as more gets automated? Vendor contracts? Specific roles? Other?
- Should I build? Buy? Rent? Or wait?



Actions to take.

- Start with the problem you want to solve, then find IT partners to build or advance technologies to solve it.
- Focus on solving claim and task-level problems with automation—these are scalable.
- Bring a critical eye and give attention to your most basic needs, like ensuring the technology integrates with your patient account management system.
- Understand rollout and governance. If these are not carefully planned, you'll merely be throwing darts.

Keep your head up. Definitely pursue automation.

Recognize it is merely one element to improve your revenue cycle performance.

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Data

The transition to value-based care and adoption of costly EHRs has led revenue cycle leaders to feel the burn of every unpaid claim. The inefficiency of arbitrary claims processing established a need for real-time intelligence to streamline and automate workflows with a goal of supporting better, faster decision making, not just in claims processing but in every cog in the wheels that turn revenue cycle. The need for modern analytics solutions to decipher complex data and support informed decision making has never been greater. Even knowing what data to ask for to support informed decision making is a tricky proposition when data is so, so abundant.

The waves of data we're riding have brought us all-payer claims databases, offering a national scale of what's being rendered, a snapshot of quality, and a financial layer—all of which puts us on a path to identify and address the drivers of high health care costs. It's important work. Similarly, there are currently calls out for provider and payer information on telehealth as experts examine how virtual care reimbursement will evolve in our para- and post-pandemic environments. We even have data-sharing consortiums on the clinical side—imagine diving deep with this concept on the financial side.

EHRs have revolutionized the amount of data we have at our fingertips, but effectively interpreting the volume remains a challenge. Not getting bogged down in the minutiae and keeping your requests and data-driven actions simple is key to running the data (instead of letting it run you).

Decision-driven analytics flips the narrative on what we've been hearing, accepting, striving for all along. Instead of finding a purpose for data, find data for a purpose.

Decision-driven analytics

That's not a typo. We didn't mean data driven.

We are awash in data. If your data analysts currently fail to produce insights for making effective business decisions, remember: it is a leader's responsibility to properly define the decision that needs to be made and ask for the data needed to make that decision.

Decision-driven analytics flips the narrative on what we've been hearing, accepting, striving for all along. Instead of finding a purpose for data, find data for a purpose.

This is indeed a paradigm shift. It moves decision makers away from asking for data that will support pre-existing beliefs and instead empowers them to start with what is unknown and discover the data that will help them understand it better.

So, what might this look like in your revenue cycle?

Data-Driven Versus Decision-Driven Data Analytics	
Data-Driven Decision-Making	Decision-Driven Data Analytics
Anchor on data that is available.	Anchor on a decision to be made.
Find a purpose for data.	Find data for a purpose.
Start from what is known.	Start from what is unknown.
Empower data scientists.	Empower decision makers.

Data

Questions to ask.

- Is my analytics tool supporting our operations? Can I get customized information ad hoc? Is it identifying where we're thriving and where we're not?
- Am I using the right data to set the right goals? For example, if I'm prioritizing revenue capture, do I have data suggesting there is leakage?
- What's the difference between data-driven and decision-driven analytics? (See decision-driven analytics side bar.)
- Consider the most valuable question ever for any metric: Compared with what?

Actions to take.

- Perform an audit on data accessibility and use. Which roles are not regularly referencing data to drive decision making?
- Teach your people how to look at a dashboard and translate it into actionable steps.
- Build a culture of metric accountability in which teams understand the metrics they are held capable to meet. Yes, even (especially) for billers and coders—they should be able to see their own performance and understand the value they bring to the overall organization. (This, friends, is employee engagement. See employee engagement sidebar.)
- Use a benchmark or industry standard and be sure you understand your target relative to it and the “good or bad and why” story it tells.
- Ask questions when you hear data-driven anything. (See decision-driven analytics sidebar.)
- Hire excellent people and partners. Data doesn't make decisions—people do.
- Always, always leave room for context.
- Beware of minutiae. And don't play to the broad assumption that individuals with data necessarily know how to use it.

Embrace decision-driven analytics.

Data, and its context, will always inform your revenue cycle performance.

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Payers

Want to hear a not-so-secret secret? Payers and providers rarely see eye to eye. As a provider, your ability to manage and prevent denials is tempered by the ability of payers to change their rules, resulting in additional claim denials. On a national scale, delayed payments by payers equate to a substantial sum available for earning interest and/or making investments. Meanwhile, provider organizations are left to handle outstanding claim days and continually adapt to changing rules.

Trust? It's a major hurdle, and although we can identify the areas where better collaboration is needed, we have a mountain to climb when it comes to resolving the intrinsic conflict between healthcare organizations and payers. Case in point: One source identified the need to strengthen value-based relationships between payers and providers, citing that 11% of private payers trust physician groups and none trust hospitals and health system partners. On the flip side, 4% of providers said they trust their private payers. There's challenging work ahead.

Other payer themes—some feel “old-hat,” others are often overlooked:

- Denials management/prevention. You know this drill well already, so let's wander into the weeds a little. Payers can respond a million ways to the same issue. Consider two payers denying identical drug charges. One sends a CARC (denial) code. The other sends RARC (remark) code. It's the same issue, but if they are treated the same way, one will be denied. It's a classic case of figuring how the “garbage in” can be “filtered out” using rules within the denials management tool.
- Contracts. Having a solid payer contract in your system is a prerequisite for working denials, and it's a step that is often left incomplete. For example, one payer will cover an emergency department visit but not the pharmaceutical charge, yet another payer will cover it all. If the contract for the first payer isn't set up properly, charges will be sent, they'll be denied, and your organization will incur (unnecessary) overhead in time/effort to review the denial, only to ultimately write it off.

All told, denials management and prevention initiatives remain imperative for provider organizations. And, to move the needle on trust, both payers and providers are needed at the table.

Real time eligibility (RTE) for payer mapping

Another item for consideration. What's written on paper (payer contract) may not be easily mapped to your system logic. Investing in mapping every payer to a real time eligibility (RTE) response is one of best tactics you can take to submit clean claims and curb denials. Consider various payers with various caps. We know that the contract and what's billed in the system cannot ever truly align. And when they miss, administrative burden is added because the claim will be underpaid or denied when it actually warrants neither outcome.

Payers

Questions to ask.

- What should my expectation of payers be to eliminate barriers to payment?
- Can we have realistic conversations with insurance companies about this? Or will we need to go through lobbying and legislative channels?
- What payer-related steps can I take today to manage/ prevent denials?



Actions to take.

- Make sure you have a good contract in place and that it's built within your denials management system or EHR. This is a prerequisite for working denials and is often overlooked.
- Stay the course: managing unavoidable denials and preventing avoidable denials.
- Research and consider predictive analytics for identifying root cause. This has been a tantalizing goal for many years, now finally within reach.

Stay the course on denial management and prevention.

Lack of payer trust doesn't have to sideline you from improving your revenue cycle.

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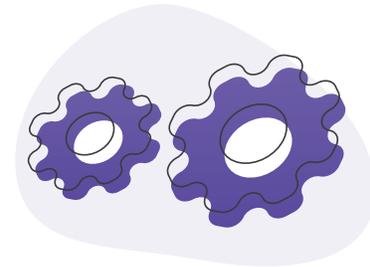
Clinical Integration

Revenue cycle is clinically driven. And it's a dependency worthy of your attention.

For years revenue cycle has been (and, of course, still is) focused on back-office functions—getting dollars in the door via processing claims, managing unavoidable denials, preventing avoidable denials—for example, paying close attention to registration upstream—making sure contracts are solid, investing in coverage mapping, and more. The work is detailed and 99.999% administrative. Healthcare organizations improve net revenue by checking boxes, working faster (hello, automation), and finding efficiencies.

But the **real** engine behind operating revenue is actually the clinical platform, and we've seen a recent shift in industry attention to mid-cycle operations. We understand better than ever the importance of revenue integrity, charge capture, and charge reconciliation, where even five years ago these were merely topics, not accelerating trends. Today, providers serve as active, vital players in the revenue cycle (whether they like it or not).

Looking forward? We know the shift to value-based care means quality and value will drive reimbursement. While our pace toward this endgame is slow and incremental, it's clear the innovation programs continue to trend this way. Indeed, CMS and HHS are doubling down on them. Ultimately, value-based care is a huge market disruptor, and providers will only become more central to your profitability as this new reimbursement methodology takes hold.



A little more to ponder

Today, it is up to the revenue cycle to work as efficiently and accurately as possible in order to ensure that a health system maintains the margin that in turn supports the mission. Ultimately patient care is the reason for existing, but in today's model our profitability is derived from administrative tasks, **not** care. If we look towards a future where that is flipped and better care means better profitability, what does that mean for revenue cycle?

Ultimately patient care is the reason for existing, but in today's model our profitability is derived from administrative tasks, not care.

Clinical Integration

Questions to ask.

- Do I have a clear and structured approach to revenue integrity?
- How am I incorporating provider needs and the provider experience into my revenue cycle?
- Do providers have appropriate education to be compliant with documentation?
- Are providers capturing charges that truly represent their work?
- Do I have identified charge champions accountable to performing daily charge reconciliation?



Actions to take.

- If you don't have one already, create a revenue integrity program. Yes, you need an accountable party in each service line to make sure you're not losing money by not charging for the procedure or service.
- Establish a clear communication loop between clinical teams and your coders/back-end staff so that providers get real-time feedback on how to correct their behaviors.
- Help providers understand your revenue cycle goals and the role they play in meeting them.
- Invest in provider audit and education. There's a lot of flexibility here—for example, random chart audits to see if provider documentation supports the charges, or delivering group education on specialty-specific documentation and charging.
- Create your own clinical documentation improvement (CDI) department or outsource it. Either way, you'll ensure providers are documenting in a way that maximizes revenue.

Create or bolster your revenue integrity program.

Remember the real engine behind operating revenue is actually the clinical platform.

COVID-19 as a Lens

Every healthcare organization has this additional, weighty challenge: to understand these themes—workforce, automation, data, payers, patient at the center—through the lens of COVID-19.

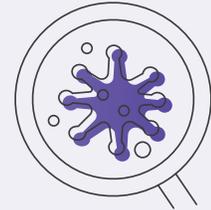
The pandemic has impacted every aspect of our world—especially our patient’s world. Recognizing its impact, whether positive or challenging, is one thing. Using it to create a state of preparedness for the future is quite another.

How are you adapting, evolving, enabling during the pandemic? When you think of COVID-19 under the umbrella of Business Continuity and Disaster Recovery (BCDR), you’ll have a whole different frame through which to discuss and describe its impact upon healthcare organizations and revenue cycle teams.

If you don’t have a BCDR plan for your revenue cycle, use your COVID-19 experience to write one. If you do have one, be sure your plan provides enough structure, but remains fluid enough for you to adapt. That’s its purpose, after all. You’ll have already thought through employee safety, WFH implications, on-premises vs.

cloud storage, and so much more.

And, yes, you can assume there will be another disaster in your future. This is not a “doomsday” message, but rather an invitation to be (remain) prepared in our everchanging healthcare landscape.



**All told,
you’re still
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