

Revenue Cycle Management: Choosing The Right Partner Can Make All the Difference

Few business choices impact the success or failure of your medical practice as much as your Revenue Cycle Management (RCM) partner. A good one is an invaluable asset to your operation—streamlining processes, maximizing reimbursements, and eliminating many of the complex billing issues that routinely bog down independent practices.

On the other hand, a bad RCM partner can create more problems than they solve. Clunky software, lack of industry expertise, poor service, and a hands-off attitude can lead to lost profits and billing issues that compromise the financial health and reputation of your practice—and in the worst cases, put you out of business.

So how do you go about evaluating and selecting the Revenue Cycle Management provider that will best meet the needs of your practice, partners, and patients?

Rule 1: Look beyond price

Don't choose a partner based on price alone. Every Revenue Cycle partner and their package is different. Some simply offer a software platform with bare bones support. Others integrate a whole host of related services and customizations.

Just as you wouldn't want your valuable medical services to be evaluated on price alone, you need to be comprehensive. Therefore, before you make a snap judgement based on price, get under the hood of each offering to truly understand the value of the proposition.

Three factors: technology, service, experience

In terms of assessing the value of a potential RCM partner's offering, we've boiled it down to three main categories: technology, service, and experience. Here are a few of the things you'll want to look for to make sure you make the right choice:

Technology: The right tools are essential

For starters, moving from a manual, paper-based system to an online billing system can bring you tremendous gains across every aspect of your practice. Even the most basic billing platforms can improve efficiency and productivity by doing basic tasks like sending patient statements or past-due balance letters automatically—reducing human error in the process.

But above and beyond the basics you'll want to probe more deeply to evaluate just how robust the functionality of a given platform is. For example, how effectively can it integrate with your patient management system? Conversely, how compatible is the software with government and commercial payers? The best software platforms connect you seamlessly with the wider healthcare ecosystem.

Additionally, great technology goes beyond executing routine tasks to proactively improve your business operations. For instance, can the system improve how you capture charges on the front-end? How effective is its claim scrubbing processes? How does it handle reimbursement problems? And is it able to update itself such that similar problems are avoided in the future?

From a bigger picture perspective, your tech should behave much like your personal investing account—and provide easy visibility into how you're performing. For instance, you should be able to see how the contracted rates compare for a given service across a number of payers. This will allow you to forecast, see year-over-year trending, and set benchmarks that allow you to compare your practice to Medicare or other widely used indices, and see how much you're yielding.

Service: Skimp on service and you'll pay dearly

While great technology is important, you can't expect a tool to do all the work for you. Service and support are critical components of every Revenue Cycle partner. What level of service and support is right for you? Based on our extensive experience, we have a few thoughts on what you should look for.

The patient experience extends well beyond the examining room. For instance, if a patient trying to resolve a billing error is directed by your RCM partner to an offshore customer service line where they're: 1) treated like a number and 2) dealing with someone who doesn't truly understand the U.S. healthcare industry—it's frustrating for your patient. Frustration leads to lack of retention and diminished referrals. Lower level service may save you a few dollars in the short-term but the long-term cost to your reputation and practice could be far worse.

In today's world of online banking and mobile shopping, does your technology make it easier for your patients to transact with your office? Can they log into a patient portal where they can check their statements and make payments online? We cringe when medical practices tell us they only accept payment by mail or call-in. Payment expectations have changed—and your practice needs to evolve with them.

That's all about servicing patients. What about servicing your internal operations? You and your staff will perform better if you receive knowledgeable and reliable service. A great Revenue Cycle partner won't just hand over the software, or handle your billing at arm's length—they'll roll up their sleeves to train, support and troubleshoot.

That means assessing your day-to-day workflows and finding ways to optimize. It means taking time-consuming tasks like denied claim follow-ups off your plate. It means working with—and training—your staff so they're equipped to get the full functionality from the software and partnership. This level of service, while not standard for all providers, is out there—and for an independent practice looking to grow, it's essential.

Experience: Work with a partner that truly understands healthcare.

Health plans constantly change. Employers adjust their benefit plans. Claims are denied for a whole host of reasons. Codes are their own lexicon. You need to work with a partner that can keep abreast of changes—and help you optimize them to your advantage.

For instance, many physicians don't understand the basic volumes of payers they contract with. They feel pressure to accept rates that are less appropriate, without understanding the financial magnitude of these decisions. Physicians feel like a loss of volume would be detrimental. But there are always other possibilities to weigh and you need to look at the full picture. A good RCM partner who is experienced in healthcare creates choices for you—always helping you get clarity on your options.

Do your homework. How long have the partners you're considering been in healthcare? Do they have certified coders (CPC, CSC, RCC) to sure that all billed services are well-documented? Can they benchmark how your payer contracts are performing to ensure that health plans are meeting contractual obligations? Are there experienced payment posters who understand how to properly advance balances in a timely and accurate fashion?

There's no substitute for experience and expertise. Make sure you partner with a Revenue Cycle Management provider that truly knows the full healthcare spectrum.

When selecting a Revenue Cycle Management partner, think long-term

On a final note, just a bit of common sense: ask around and do your research. What services do your most successful colleagues use? What do they like, and what drives them crazy? What do the online customer and trade reviews say about each RCM partner under consideration?

Selecting a Revenue Cycle partner is a tremendously important business decision—far too important for you to go with a low-cost option that promises short-term savings. You want to be certain about your choice—switching providers can be costly and disruptive to your practice. You want to run a successful, growing practice for years to come so think long-term as you evaluate partners and pick a provider that will work effectively for you today and well into the future.