

10 revenue cycle tips from healthcare experts in 2016

Written by Kelly Gooch | December 14, 2016

As patients assume more responsibility for their healthcare costs, and patient satisfaction continues to influence the financial health of hospitals, revenue cycle management has become more important to providers' livelihoods than ever.

Amid these and other changes, many revenue cycle professionals have offered thought-provoking insights this past year.

Here are 10 RCM tips from industry experts, provided to *Becker's Hospital Review* this year.

1. "The recent unfortunate news of the ACA insurance plan premium hikes will have negative consequences for patients, hospitals and physicians. As the price of 'better' insured plans become more expensive, consumers will choose what they can afford — plans with fewer benefits — once again shifting financial burden to the patient. Hospitals and physicians groups will ultimately get stuck holding the bag for self-pay collections. Having a full functioning self-pay strategy will continue to be top of mind for CFOs and revenue cycle leaders across the United States. Without patient-forward technology and processes and staff trained to implement and manage them, hospital's risk losing revenue by simply not being prepared to engage the patient in the easiest and most friendly manner." - **Brad Baldwin, vice president of extended business office services at financial consultant MediRevv**

2. "Having a strategic understanding and a broader understanding of the areas outside of billing and collections is important. Getting the bill out and collecting it are critical, but so are having the analytics in place to ensure you are collecting what you're supposed to collect, making sure contracts are paid at the level they're supposed to be paid, and ensuring that coding is accurate so it won't be denied later. It's a big-picture role." - **David Boggs, head of WK Advisors, a division of executive search firm Witt/Kieffer**

3. "If we, as a healthcare industry, want to reduce the per capita cost of care, which is a primary goal of the triple aim initiative, healthcare organizations must start harnessing the power of analytics to facilitate data-driven, evidence-based revenue cycle decisions. What is often forgotten in this process, however, is that

these technologies also require the buy-in from company leadership, who help to foster a culture that embraces information as an indispensable ingredient of the decision-making process. Only then can analytics tools reach their full potential with RCM initiatives." - **George Dealy, vice president of healthcare applications at software company Dimensional Insight**

4. "This current transition period [in healthcare] could become a hodgepodge of increasing bad debt levels, declining cash flow and dissatisfied patients. The logical course of action would be to utilize remote billing solutions from a trusted billing and collections partner to ensure that all insurance claims and deductibles will be billed as well as any outstanding accounts receivables. This would enable provider practices to operate smoothly and also ensure the continuation of a positive patient experience. It's also valuable to note that during this transition stage; protecting your bottom line is just as critical as ensuring a positive patient experience." - **David Hamilton, CEO at financial technology and business process outsourcing company Mnet Health Services**

5. "By promoting and affecting positive change in overall physician documentation patterns as part of a clinical documentation improvement program — especially helping physicians recognize and understand the medical record serves as a communication tool for all healthcare stakeholders (including the patient and payer) — healthcare organizations can prevent denials and also reduce the time and effort required to rework recoverable denials." - **Glenn Krauss, director of enterprise solutions at health IT company ZirMed**

6. "For our hospital, about 70 percent of the funding is activity based, so it's based on the patients we serve and the clinical diagnosis and the case mix index. So it's really important for us to capture the right documentation right upfront on admission — the postal code, zip code, where the patient is from — because that's how funding comes back to us, and it floats through a system of clinical documentation, physician documentation, medical record." - **John Kurvink, vice president of corporate services and CFO of Georgian Bay General Hospital in Ontario, Canada**

7. "As health systems prepare their people, processes and technology for the shift from volume to value, they often overlook their chargemaster. Given the phased approach to value-based care, we expect systems must be able to handle both charges under fee-for-service as well as fee-for-value billing. If you are unsure whether your chargemaster can handle both reimbursement models, you may want to consult with your software vendors. Ask them how they plan to manage two separate chargemasters and what solutions they propose to bridge the gap.

In the months ahead, denials management and denials prevention should also receive stronger focus as organizations expand participation in value-based reimbursement and other quality payment programs. Finally, consider increased investments in staff training and education to ensure all revenue cycle stakeholders understand what's to come under value-based billing.

Fee-for-service and value-based reimbursement are fundamentally different. Organizations will likely be managing dual financial systems for a number of years, if not longer." - **Jon Melling, partner at Pivot Point Consulting**

8. "When healthcare professionals think of value-based care, they think of reducing variability, participating in shared savings and really leveraging evidence-based care and best practices. All of this is going to increasingly involve the clinical staff and that needs to continue and accelerate.

To effectively accomplish this, organizations must educate and support clinical staff. For example, give clinicians access to a complete view of patient population data. This view must incorporate total utilization and cost, integrated with relevant content to help identify gaps in care, patients at risk for hospitalization, as well as other opportunities for cost savings or care interventions." - **Dan Mowery, executive director of industry relations and market intelligence at McKesson Technology Solutions**

9. "My advice would be to focus on the patient experience, and make it the driving force behind projects you take on. Price transparency is our biggest one lately. The healthcare industry needs to move this topic to the front of conversations with patients. Let them know what to expect in a way that's meaningful to them. We recently started giving patients out-of-pocket cost estimates. I also would recommend keeping an eye on self-service technology — apps that let patients self-schedule and do other things. It's the way things are going in the future." - **Jon Neikirk, assistant vice president of revenue cycle for Milwaukee-based Froedtert & the Medical College of Wisconsin**

10. "Ultimately, the end goal in RCM is working smarter, not harder. Hospital staffs are routinely stretched thin. Intelligently designed analytical tools are geared towards highlighting opportunities and outliers, and focusing staff attention to the most impactful workflow and resolution strategies." - **Tom Schaal, director of product management at healthcare analytics company MedeAnalytics**

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