

Survey: Healthcare Orgs with Multiple RCM Systems Have More Challenges with Denials

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More than two-thirds of health systems (about 70 percent) use more than one vendor for revenue cycle management, and those organizations that do use more than one solution report larger issues with denials, a recent survey found.

For the survey, Dimensional Insight, an analytics and data management solutions company, collaborated with HIMSS Analytics to poll 117 senior-level decision makers in hospitals and health systems, including CEOs, CIOs, directors of IT and finance and heads of revenue cycle management. The survey examines the state of revenue cycle management, and highlights the difficulty in integrating data, and the impact it is having on revenue collection.

The survey found that more than two-thirds (70.9 percent) of hospitals use their EMR solutions for revenue cycle management. In addition, most hospitals utilize multiple vendors for RCM purposes. This is true of hospitals that leverage their EMR for RCM and those that use other solutions.

The survey also revealed relatively low levels of analytics-based automation in RCM, with 36 percent of hospitals say less than a quarter of their revenue cycle process is automated using analytics. Another 24 percent report that 51 to 75 percent of their RCM process is automated.

As healthcare delivery continues to evolve, hospitals are struggling to make the most of their revenues. The shift to value-based care, increased patient pay, and a flurry of mergers are creating new challenges within the financial ecosystems of health systems. Many organizations are looking for ways to improve their revenue cycle management.

According to the survey respondents, denials continue to be the biggest RCM challenge for health systems today, cited by 76 percent of respondents. Healthcare senior executives also identified revenue integrity (37 percent) and patient pay (34 percent) as top RCM challenges.

Organizations using more than one vendor mostly report bigger issues with denials than those using one RCM solution. Close to 70 percent of health systems using three or more vendor solutions report that denials are their biggest challenge, with only 63 percent of health systems using one vendor solution said denials topped the list of challenges within revenue cycle management. The highest rates of problems with denials (100 percent) were reported by health systems using their EMR plus one or two other solutions.

What's more, nearly all respondents (98 percent) say collecting data from disparate sources is a challenge for revenue reimbursement. Of them, 65 percent said it was moderately challenging, while 33 percent said it is extremely challenging. The survey also asked health systems which areas within the revenue cycle posed the biggest challenges for collecting data. Performance tracking (27

percent), inability to identify billing errors (25 percent), and keeping up with variances (24 percent) were the top three responses, with another 14 percent citing difficulty monitoring trends.

And, 96 percent of health systems say the way data is collected is a challenge, with 58 percent calling it a moderate issue and 37 percent citing it as a big issue.

The survey drilled down into how disparate data sources can contribute to issues with revenue integrity. About two-thirds of healthcare senior executives cited “lack of interoperability” as an ongoing issue, and the same percentage cited “some systems are left in silos” as an issue that impacts revenue integrity. Another 30 percent of respondents cited another issue—“key stakeholders do not trust the data.”

The survey also examined organizations’ RCM governance processes. A majority of hospitals of all sizes reported that their RCM governance is centralized. Overall, 69 percent of hospitals have centralized RCM governance, with the highest percentage (73 percent) among hospitals with more than 500 beds and the lowest (50 percent) among hospitals with 50 – 100 beds. Overall, 16 percent report having no RCM governance process. The bigger the hospital, the less likely it had no RCM governance in place

The report authors concluded that health systems are struggling with interoperability, and the associated challenges have effects throughout the enterprise. “The survey revealed a patchwork of solutions, an arrangement that does not seem to be working particularly well. In addition to highlighting the challenge of collecting and integrating data from disparate sources, the survey shows a real financial impact. Lack of interoperability does not just affect clinical and operational decisions. It is hurting the bottom line. Health systems need solutions to bring data together and make it useful throughout the entire revenue cycle,” the report states.

“Many hospitals and health systems are undergoing mergers in hopes of increasing efficiencies. Or they implement several different technologies as band-aids to compensate for the deficiencies of systems,” Fred Powers, president and CEO of Dimensional Insight, said in a statement.

“Unfortunately, what they’re finding in many cases is that the different technology systems in place are hard to integrate, and now this is impacting the bottom line.”