End-to-End Revenue Cycle Management Key to Success at Ascension

Implementing an end-to-end revenue cycle management solution helped Ascension standardize financial technology and best practices across its 151 hospitals.

Source: Thinkstock

By Jacqueline LaPointe

September 25, 2018 - The healthcare revenue cycle contains many moving parts. Hospitals and health systems typically rely on a patchwork of technologies and best practices to ensure everything from patient access and registration to medical billing and collections is running smoothly.

Nearly 69 percent of hospitals and health systems use more than one vendor solution for revenue cycle management, according to a recent HIMSS Analytics and Dimensional Insight survey.

But the combination of revenue cycle management solutions can create workflow inefficiencies and actually increase the cost to collect for hospitals and health systems. Survey respondents using more than one revenue cycle management solution also reported more issues with claim denials management compared to their counterparts with more centralized solutions.

Inefficiencies and higher costs associated with varying revenue cycle management solutions only gets worse as health systems grow in size. Hospitals operating within a large health system may also implement different technologies and best practices, making it difficult for the health system as whole to improve its bottom line.

The nation's largest non-profit health system, Ascension Health, recently faced a lack of revenue cycle management standardization among its 151 hospitals across 21 states and Washington DC.

Ascension prides itself on supporting its over 2,600 care sites across the country through shared services, especially in the revenue cycle space. The health system currently provides business services so front-line staff can focus on the core of healthcare – caring for patients.

Andrew Gwin, Senior Regional Director of Revenue Cycle, Ascension Health
Source: Andrew Gwin

But sharing services to streamline the revenue cycle and care delivery was difficult when each hospital had its own way of operating. The variation also influenced other aspects of care outside of the revenue cycle.

"Variation becomes challenging to operate when you move to a shared service environment," said Andrew Gwin, Ascension Health's Senior Regional Director of Revenue Cycle.

"Lack of standardization impacted our patient experience," he also recently told *RevCycleIntelligence.com*. "As we become more known by our Ascension name, it is important that we have that same shared experience for our patients and our providers within the revenue cycle."

Like Ascension, hospitals and health systems across the country are facing a revenue cycle management standardization challenge. But many are not addressing the issue because of a lack of available capital for revenue cycle management upgrades, Gwin explained.

"Capital isn't easy to come by in the revenue cycle for a lot of hospitals in today's environment," he said. "Generally, hospitals spend available capital on clinical technology, which as a consumer, that's where I want it to be spent. So, most organizations don't have the capital to invest in some of the revenue cycle technologies to improve revenue cycle KPIs and efficiencies for cost to collect."

But healthcare organizations have the opportunity to overcome both a lack of standardization and capital by working with an end-to-end revenue cycle management vendor that not only provides a high-quality suite of technology, but also acts as a true partner, Gwin explained.

IMPLEMENTING AN END-TO-END RCM SOLUTION

Revenue cycle management vendor partnerships come in a variety of shapes and sizes. Some companies offer standalone technology products for a specific component of the revenue cycle, while other vendors provide a suite of technology to cover all components.

For Ascension, an end-to-end revenue cycle management solution through the vendor R1 was ideal for standardizing technologies across its expansive footprint. The end-to-end solution provided solutions for everything from front-end patient access through coding, charge capture, and charge reconciliation to back-end functions, such as patient financial services, medical billing, and patient collections.

The wide range of compatible technologies presented more financial improvement opportunities compared to other vendor offerings.

 "There are opportunities with end-to-end products, such as reducing your cost to collect, improving your performance, rolling out best practices to improve your normal revenue cycle KPI metrics, and improving the patient experience as well as your technology," he said.

An end-to-end solution also allowed Ascension to standardize revenue cycle management best practices across its hundreds of hospitals.

"Through our relationship with R1, we actually transitioned the employment of our revenue cycle associates to R1," he explained. "So, together we had subject matter experts and those experts partnered and went through functional areas to develop best practices and standards from both the patient and care perspectives."

With the end-to-end revenue cycle management vendor, Ascension created a standard operating approach, as well as more specific revenue cycle management best practices. For example, the subject matter experts looked at standardizing payment plan options because each facility across the country had a different standard for length of payment plan term.

By analyzing Ascension's financial performance and reviewing literature on the topic, the health system and its end-to-end revenue cycle management vendor agreed on the best length of payment plan term for the health system and made it standard across each hospital.

Working with the health system on best practice standardization transformed the hospital-vendor relationship into a true partnership for Ascension. And the end-to-end revenue cycle management vendor brought its partnership with Ascension to the next level by putting itself on the line for the health system's revenue cycle management improvements.

"We looked at different categories of partnerships," Gwin elaborated. "There were other partners with models that were more consulting type relationships. With these vendors, there was someone who would come in and try to help get you get to a best practice. But the vendor doesn't necessarily take on the responsibility and the risk with you to achieve those results."

However, the end-to-end vendor offered a full revenue cycle management outsourcing model that also contained a level of risk for the health IT company.

"Partnering with an organization such as R1 allows us to build the partnership and bring the capital to the table in a cost-effective way," Gwin continued. "In our case, our contract with R1 works in such a way that we are both incentivized to improve our performance. So, with that improvement, I don't necessarily have to invest the capital in this partner upfront to receive the technology enhancements that we need to be successful."

End-to-end revenue cycle management solutions are key to improving the business operations of large health systems that manage hundreds of hospitals at once. The solutions allow health systems to implement best practices and streamline operations across multiple hospitals, while still allowing their providers to deliver care locally.

"It's all about the full picture," Gwin concluded. "It's technology. It's best practices. It's the shared service centers all working together. That's where you're really going to drive your ultimate performance and hopefully reduce your costs to collect at the same time."