

IMPROVE YOUR CASH FLOW WITH REVENUE CYCLE MANAGEMENT

You have probably heard the old expression, “the more things change, the more they stay the same” over and over again throughout your life. Although it is certainly true in most walks of life, it can be especially prophetic in the medical community.

In just the past decade, medical care professionals have been confronted with a rash of changes designed to shake up the very way the delivery of healthcare is rated and valued. Instead of just looking at practices in terms of patients seen or services provided, it is now more crucial to look at the quality of the care to evaluate how a physician should be compensated.

CMS is changing and updating and re-evaluating its payment models, including the Primary Care First initiative, which is set to begin testing in January, 2020. The Affordable Care Act is constantly being reviewed and revised in the legislative and judicial arenas. And health insurance companies have become even more stringent in what they will approve and reimburse.

At the end of the day, though, it all comes down to achieving specific goals at the individual medical practice:

- Providing the highest level of healthcare for each patient.
- Contributing to the overall health of the community.
- Creating a comfortable work environment for office staff and providers.
- Reducing stress for physicians.
- Making a reasonable profit to ensure practice continuity and provide a comfortable quality of life for contributing individuals.

For physicians, the prospect of delivering high-quality medical care, while simultaneously reducing internal costs, can seem to be contradictory objectives. They can, of course, carefully control overhead costs, watch staffing expenses and negotiate vendor contracts, but some factors might be out of their control, such as malpractice premiums. One factor that can, however, be managed efficiently is the revenue cycle. This is the concept of getting paid a proper value for services provided, and collecting that money in a timely and efficient manner so ongoing office expenses can be covered without borrowing money. More formally, the Healthcare Business Management Association, HBMA, defines Revenue Cycle Management as:

“...the administration of financial transactions that result from the medical encounters between a patient and a provider, facility, and/or supplier. These transactions include, without limitation, billing, collections, payer contracting, provider enrollment, coding, data analytics, management, and compliance.”

Revenue Cycle Management begins the moment a practice accepts a patient, proceeds through the office visit, flows through the claims submission process, and culminates in receiving payment in a timely manner. This Knowledge Drop takes a look at Revenue Cycle Management, or RCM, discusses what it is and why it is important, provides tips to being successful, and assesses possible outsourcing options. Medical practices which input the time needed to implement Revenue Cycle Management will find that they experience fewer billing problems, increased claims paid, and improved cash flow.

STEPS IN REVENUE CYCLE MANAGEMENT

Unfortunately for most medical practitioners, Revenue Cycle Management is not covered in medical school. This hole in the educational process can lead to inaccurate billing, slow or non-payment for services, and cash flow deficiencies. Medical Economics assesses the situation for private practices in a very dire light:

“In the face of increasing conglomeration, a transition to value-based care, and an entire generation of physicians set to retire, private practices have the most to lose when it comes to revenue cycle management. Whereas hospitals can afford to put full-time employees to work on all the nuances related to reimbursement and revenue, most private practices find themselves fighting for every single dollar, sometimes scraping together just enough to keep the lights on – and sometimes, not even that.”

As we move further away from fee-for-service models, RCM becomes more imperative. Although the cycle begins with an appointment and ends with payment, many actions along the way can lead to increased success or failure. Proper steps in effective Revenue Cycle Management include:

Eligibility Verification

Too many errors occur in the initial stages of patient account creation. These issues then carry throughout the revenue cycle to disrupt reimbursement and increase administrative involvement in claim resolution. With new patients, gather information about insurance coverage as early in the process as possible so there are no surprises down the road. For existing patients, update the insurance information every year to look for changes in coverage and payment levels.

Prior Authorization

It is important to know when prior approval is required so patients can receive the appropriate care. Your practice does not want to invest time providing services that will not be covered by the insurance company. Provide complete information so approval decisions can be made by the insurer in a timely manner, and your treatment plan can move forward.

Understand Government Programs

Practices with a high level of Medicare patients stand to reap revenue from implementing certain standards, but they could also lose revenue by failing to reach certain incentive levels. Attend seminars, visit websites, or read manuals to understand the standards required for chronic health management, community health, and population health, so your practice can consistently achieve the highest levels of reimbursement.

Accurate and Immediate Billing

Process claims as soon as possible after services are provided, but make sure you completely understand the requirements of each paying organization. Too much time and effort is lost when claims are submitted inaccurately, and have to be followed-up or resubmitted. Accurate claims submission on the first attempt generates a healthy cash flow, and reduces administrative time.

Coding

Learn and use the proper codes so your practice attains the highest levels of reimbursement allowed under the various guidelines. Keep staff updated on current coding requirements, so they will know when they change.

Accurate Charting

All services provided must be accurately charted so they can be billed properly. Providers need to have an immediate method of charting patient engagements so that billing personnel can immediately create an invoice that accurately reflects the time invested.

Claim Denials

Do not lose money by failing to follow-up immediately on claim denials. Your practice provided a service and you deserve to be paid for it. Instruct your staff to immediately learn why a claim was denied, and then take appropriate steps to remedy the situation.

Contact Information

For the most accurate billing, it is crucial to have accurate patient information to submit to the insurer, and to use for further follow-up on non-payment issues. Gather current address, landline and mobile phone numbers, and e-mail information to improve communication, or educate your staff and patients on the use of a patient portal to facilitate information gathering.

Institute Firm Financial Policies

Some practices can leave their payment policies up to interpretation, leading to a loss of revenue. Make sure patients and staff understand your payment policies, and enforce them. Collect appropriate co-payments at the time service is provided. See to it that all outstanding accounts are worked regularly, and have some type of negative reinforcement in place in terms of late payment fees or reduced services for non-payment of account. Your practice cannot afford to continue providing services and spending time attempting to collect on outstanding balances, without suffering a loss in profitability.

TIPS FOR SUCCESSFUL REVENUE CYCLE MANAGEMENT

It is important to understand, control and monitor each touchpoint in the revenue process. Some steps your practice can take to improve RCM include:

Contract Negotiation

Negotiate all contracts where possible. If you are a solo practice, it might make sense to band with other practices to increase negotiating power.

Improve Internal Processes

Too often billing and front desk operations are not in full communication with each, so a great deal of information is lost on the way to providing services, preparing claims, and receiving payment. These two areas need to work in concert with each other so time is not lost due to inefficient internal practices. Conduct regular training and cross-training to help each area understand the intricacies and nuances of each other's position.

Maximize Productivity and Patient Volume

Access resources to ensure that the practice is operating at maximum capacity to ensure full revenue potential.

Increase Ease of Payment

Make it easy for patients to pay, even if they do not have cash available at the time service is rendered. Use real-time payment processing to eliminate double entry of payment information, and directly deposit payments into your bank account. Offer a digital wallet to securely store patient payment methods for future visits and payments. And use a portal payment option that allows patients to securely pay bills online.

Manage Care Gaps

Your practice cannot bill for services that are not provided, so it is important to know when testing is needed, or an appointment should be scheduled. Not only do these options lead to better patient care, they also minimize downtime and maximize revenue potential.

INTERNAL AND OUTSOURCING RCM OPTIONS

There are two options most small to medium medical practices look at when considering Revenue Cycle Management – internal and outsourcing. With internal options, they take advantage of a variety of high-quality medical practice management programs that enable them to quickly identify coding inconsistencies prior to claims submission, electronically confirm eligibility and claim status, and easily identify unpaid claims. This option requires assessment of options, and time spent on training, but it can yield powerful long-term results once the practice starts realizing enhanced RCM.

In July of 2017, Medical Economics definitively concluded that, "If you operate a medical practice, you should be outsourcing." They reported that outsourcing can be implemented to cut internal costs, focus employee time on crucial care delivery, and free up time for patient care management. The vast majority of providers are shown to have a positive feeling about their outsourcing relationships.

Each practice needs to look at internal capabilities and budget availabilities to determine which approach is best for meeting its RCM needs.



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