

Revenue Cycle Management for the Smart Provider

Improving Cash Flow and the Patient Experience

In the best of economic times, and even more so in tougher times, effective revenue cycle management is a critical component of provider success. As a result, the revenue cycle process is emerging as a top priority for many providers. As processes become more complex, managing the flow of information is a competitive necessity. Additionally, pressure to reduce overall revenue cycle transaction costs such as staff and processing, demand from management for improved operational efficiency, and increasing patient satisfaction are critical for long term success.

Many companies rely on traditional billing software in an effort to achieve those goals. However, traditional billing systems focus on managing the claims life cycle in a re-active and not a pro-active manner. Next generation revenue cycle management enables providers to be pro-active with real time eligibility and estimates, electronic pre-approval, automated denials management and much more with a collaborate patient portal to access patient statements and bills online to electronic appointment/reminders and making payments. This delivers significant revenue cycle process improvements that increase efficiency, improve cash flow and provide a better patient experience.

With traditional billings systems, data is not easily available for effective use. A next generation system works on a single, organized collaborative destination where providers, patients and partners can access desired information. Next-generation revenue cycle management is all about the patient: breaking down silos and providing information in an actionable patient-centric manner. Effective collaboration that puts management, partners, and patients on the same platform provides valuable insight that improves transactional processes, increases cash flow, maximizes patient satisfaction, and enhances business performance.

Beyond the Traditional Approach

“In 1999, only 5% of reimbursement came from patients. In 2014, we hit 40%. In 2015 experts predict that as much as 50% of reimbursements will come from patients.”

Source: Capio Partners: White Paper: “Rising Self-Pay: Causes & Effects”

The current trend in healthcare is for patients to continually take on a greater share of the financial responsibility for their healthcare, making effective patient interaction and billing more critical to revenue cycle management than ever before. Correspondingly, lack of collaboration with patients can create significant business challenges such as increased rate of error, limited visibility into patient status, extended open bills and payment information; elongated denials resolution time, lack of insight into patient credit worthiness or risk, and increased transaction processing costs. Traditional billing systems, paper mail, and inefficient document sharing systems fail to deliver effective collaboration between stakeholders and patients, including the ability to seamlessly interact across and between providers. Yes, traditional billing systems enable the basic billing activities, but those systems feature little in the way of collaborative capabilities when it comes to patient management, in large part because information is not integrated on a single system in a strategic manner.

For example, with email communication, the lack of context and background information inhibits effective collaboration when attempting to rapidly resolve a payment issue. A patient may initiate an email to their provider describing a reason for withholding payment because a statement was not clear. The provider would then need to open Outlook or whatever e-mail program they use to become alerted to the issue and then coordinate with billing, the third-party payer, or other supporting software to determine the status, the details surrounding the statement, and its resolution pathway.

Putting Context to Transactions

In a fully collaborative environment, the patient and provider would have a line of sight into the entire process, and be able to rapidly resolve issues and coordinate payment. Even better, the patient would be able to access their information via a self-service portal, see that they received credit for the issue, manage their account and contact details, arrange payment, and receive other value added services accordingly.

Transactions without context result in inefficiency and contribute to patient dissatisfaction, putting the business at risk. However, when collaboration tools are linked together, communication and customer service across the entire financial supply chain improves. However, most organizations do not have the time and resources required to put structure

around multiple systems and create a higher level of organization to improve patient service and transaction management.

Tighter Collaboration for Better Financial Management

For these reasons, optimizing the patient collaboration process is essential for many healthcare businesses. Tighter collaboration with patients directly reduces cost of operations, both for a provider and business partners. One of the most immediate gains of more collaborative communication is a reduction of time and resources used to address patient service or billing issues.

For example, with collaboration systems in place, customers can gain full bill-level detail in a self-service manner, enabling them to view data such as what was paid by insurance, patient responsibility, and the balance remaining on prior bills as well as the length of time previous bills have been outstanding. While customers can automatically issue or monitor payments, manage denials and gain accurate information in real time without needing to wait for a response from a provider representative, providers can use this insight to determine which receivables need to be dealt with more urgently since they have been overdue longer.

Increasing Patient “Stickiness”

Patients are increasingly shopping for healthcare and looking for choices. Collaboration systems also enable providers to increase patient satisfaction by providing real-time information and context around transactions. Through a single system, patients can access information from visit history through payments, simplifying the visit-to-cash continuum. Self-service functionality that enables patients to view statements, retrieve EHR information on the Web, issue payments, etc. not only lowers transaction costs, but gives patients a reason to return to the provider. Having this structured communication requires fewer resources to manage the patient relationship and delivers the ultimate benefit of increasing patient “stickiness” and building patient loyalty. After all, a patient is more likely to award repeat business to a vendor that delivers quality services supported by outstanding service.

Improving Company Cash Flow

In addition to increasing productivity and communication effectiveness, providing 360-degree insight into financial information can have a positive impact on cash flow. From the organization perspective, providers gain real-time insight into the credit cycle and have access to KPI data such as Days Receivables Outstanding (DRO). This insight enables providers to understand credit patterns and put processes in place that encourage more

timely payment. For the patient, having visibility into DRO may motivate prompt payment because they gain visibility into monies owed and how long a bill has been open.

Electronic payments are also facilitated through the system. Utilizing electronic payments eliminates the possibilities of lost payments, payment delays and check fraud. Patients can also monitor payments to see if they have cleared and are reflected on the system. Recording and managing disputes is also improved because patients can take action to provide supporting information right away. Internally, the organization can automate approvals as well as escalation alerts, further driving efficiency.

For businesses that want more robust collaboration but don't have the internal resources or bandwidth to support collaborative revenue cycles, a cloud-based solution can deliver the tools required without the need for additional infrastructure or capital investment. By putting the patient at the center of their collaboration efforts, and implementing a cloud-based collaboration platform, healthcare businesses can benefit from a common system for the entire visit-to-cash cycle.

Heading into the Cloud

A cloud-based collaboration solution offers the best of both worlds for businesses looking to both improve patient service initiatives and reduce costs. With a cloud solution, organizations do not need to invest in upfront capital costs or pay to manage and maintain custom software. Instead, they are able to access a robust and rich platform that mimics the feel of a desktop application from any web browser. As the workforce becomes more mobile, having a system that can be accessible from anywhere at any time offers opportunity for unparalleled customer satisfaction.

Integrating communication and collaboration tools in a web browser environment alleviates administrative complexities, reduces costs, increases productivity and enables organizations to tightly manage mobile, virtual and distributed workforces.

Benefits of a Collaboration System

Using a single-platform collaboration system, organizations can better manage the entire visit-to-cash cycle from a patient-centric point of view. For the business, the entire system enhances the patient relationship based on functionality across various modules; which reduces the need for manual or disconnected processes.

From a single platform with an integrated view of the patient relationship providers can capture patient information, visit details, claim status, denials, and invoices and share that information among stakeholders on a HIPAA compliant platform. The result: an efficient

management process that uses fewer resources at a lower cost. Additionally, by automating communication processes, errors are reduced, cash flow is improved and the relationship with the patient is stronger.

Break the Barriers

Unlike traditional billing solutions, a web based collaboration platform enables businesses to efficiently manage internal and external stakeholders on a single platform – including interactions with patients as well as other providers and partners. By streamlining operations and empowering patients to collaborate on claim issues, manage their account balances, look up bills, and exchange information via the web, providers can lower transaction and operations costs, increase cash flow efficiency and deliver better customer service.

About the author

Jagdish Talreja is the president of coAction.com, a leading Revenue Cycle Management platform provider that automates and optimizes business processes. He is the founder of coAction.com a company that provides advanced, easy-to-use solutions for on-demand patient management and collaboration. Prior to founding coAction.com, he was the Global Business Development Director for SmartStream Technologies, Plc, where he was responsible for process automation products. This role evolved through the acquisition of Connexive, a leader in business process management for financial services, a company that Talreja had led since 1998. He has also held technical and business solution positions for the ERP vendor, QAD and consulted for numerous global manufacturing and financial organizations.