

Unlocking Revenue Potential:

How Data Analytics Powers Smarter Revenue Cycle Management

In today's ever-evolving healthcare landscape, the pursuit of unlocking the full revenue potential of healthcare organizations stands as a paramount objective. With healthcare costs rising and the intricacies of medical billing becoming increasingly complex, the need for precision and insight in managing revenue has never been more critical. Data analytics has the transformative power in revenue cycle management to shed light on the strategies, tools, and real-world successes that can guide healthcare providers toward financial clarity and success.



The Power of Data Analytics in Revenue Cycle Management

Data analytics, often described as the linchpin of this transformation, brings precision and insight that has historically been elusive in healthcare financial management. At its core, data analytics serves as a powerful tool for identifying revenue leakage points within healthcare organizations. This process involves a nuanced understanding of the intricate workings of data

analytics.

Precision Through Data-Driven Methodologies and Innovative Technologies

Leveraging data-driven methodologies and innovative technologies, healthcare providers can systematically pinpoint inefficiencies, streamline processes, and optimize revenue streams. This strategic approach bolsters their financial health and empowers them to thrive in a

challenging fiscal landscape.

Real-World Success Stories - Tangible Metrics Illuminate the Path

To illustrate the transformative power of data analytics in revenue cycle management, let's delve into a real-world success story: the case of Berenson Oncology. These narratives are replete with tangible metrics, underscoring how healthcare providers have achieved unparalleled clarity in their financial operations. Case studies serve as our guideposts, illustrating the substantial improvements in revenue generation and cost containment that result from a strategic embrace of data analytics.

The Challenge

Berenson Oncology, a private practice specializing in Hematology/Oncology in West Hollywood, California, faced a set of daunting challenges. These included cash flow issues, decreasing revenue, and a troubling increase in accounts receivables. Faced with these hurdles, Berenson Oncology sought a benchmarking assessment of its revenue cycle processes.

The Solution

With a comprehensive implementation strategy to revamp Berenson Oncology's revenue cycle management, including daily benefits verification, daily claims submission, timely collection follow-ups, a robust document management system, cash flow forecasting reports, weekly progress reports, monthly revenue analysis reports, quarterly drug analysis, best practices recommendations, participation in the PQRS initiative, and real-time analytics reports through Doctrix. Notably, weekly drug cost analysis played a vital role in controlling expenses.

The Challenges Addressed

- **Coding and Documentation:** Comprehensive coding and documentation practices were implemented to improve claims accuracy and reimbursement rates.
- **Reimbursements for Unclassified Drugs:** Strategies were devised to navigate reimbursement challenges related to unclassified drugs.
- **Increasing Days in Accounts Receivables (A/R):** A targeted approach was adopted to reduce the number of days out-

standing in A/R, ensuring a consistent cash flow.

- **Poor Visibility into RCM Processes:** Introduced transparency into revenue cycle management processes, providing Berenson Oncology with clear insights.
- **Cash Flow Forecasting:** Robust cash flow forecasting reports enabled Berenson Oncology to troubleshoot issues impacting collections.
- **Poor Customer Service:** Improvements in customer service practices bolstered relationships and satisfaction levels.

The Results

The results of this transformation were remarkable:

- **Improvement in 90+ Insurance A/R:** Berenson Oncology witnessed significant improvements in their accounts receivables with improvements in 90+ insurance AR.
- **Consistent Cash Flow:** Cash flow forecasting reports ensured consistent financial stability.
- **Better Working Capital Management:** Efficient revenue cycle management led to enhanced working capital management.
- **Best-in-Class and Compliant Business Processes:** Compliance was ensured through best practices and the business processes to ensure improved levels of efficiency.
- **100% Transparency into RCM Processes:** Berenson Oncology gained a near real-time view into the KPIs impacting their revenue cycle performance.
- **Improved Payment Rates:** Payment rates soared to an impressive 98% to 99%, reflecting the effectiveness of the transformation.

The Berenson Oncology case study exemplifies how data analytics, coupled with strategic implementation, can rejuvenate revenue cycle management for healthcare organizations. This real-world success story demonstrates that with the right tools and expertise, healthcare providers can achieve financial clarity and success, even in the face of significant challenges.

Sample Key Performance Indicators (KPIs) - Empowering Proactive Revenue Management

In the realm of healthcare revenue cycle management, the role of Key Performance Indicators (KPIs) cannot be overstated. These metrics provide crucial benchmarks for assessing the perfor-

mance of various revenue cycle functions.

Let's explore a selection of these KPIs and understand their profound impact on proactive revenue management:

- 1. Appointment No-Shows & Cancellation % (Scheduling/Orders):**
KPI Impact: No-shows and cancellations may appear as minor inconveniences, but their repercussions run deep. When these occurrences rise, the scheduling team is compelled to invest additional time in rescheduling patients. Furthermore, the practice may lose out on billable time, directly affecting revenues. Monitoring this KPI is essential to optimize scheduling efficiency.
- 2. Time of Service Collections (Pre and Time of Service):**
KPI Impact: The efficiency of upfront or time of service collections is a pivotal factor in maintaining healthy cash flow. It also presents an opportunity to educate patients about their overall financial responsibilities. A high or increasing Time of Service Collections KPI indicates effective patient communication, trust-building, and early revenue collection in the revenue cycle management process. It mitigates the risk of aging Accounts Receivable (AR).
- 3. Denial Rate Percentage (Billing):**
KPI Impact: The journey from patient information intake to the conclusion of a care encounter is rife with opportunities for claims to be denied. The Denial Rate percentage serves as a guiding star, helping your practice identify potential issues that could lead to denied claims. Proactive management in this area is paramount to minimizing revenue loss.
- 4. Net Collection Rate (Payment):**
KPI Impact: Maximizing revenue requires collecting everything owed to your practice. The Net Collection Rate KPI allows you to gauge your collection performance based on contractual agreements with payers. It also serves as a measure of how effectively your team captures "collectable dollars." Monitoring this KPI ensures that you're not leaving potential revenue on the table.
- 5. Days in AR (Payment):**
KPI Impact: Timely payments and efficient revenue are the lifeblood of any healthcare practice. The Days in AR KPI helps identify delays in patient or insurance reimbursements, providing critical insights for your revenue cycle team. By promptly addressing issues indicated by this KPI, your team can focus their efforts where they will have the most significant impact, ensuring a streamlined revenue

cycle.

These KPIs can serve as essential tools in proactive revenue management. They enable healthcare organizations to pinpoint areas of concern, make data-driven decisions and take corrective actions to optimize revenue performance.

Uncovering Strategies and Tools for Future Success

Ultimately, our journey is leading us to uncover the strategies and tools that can unlock the full revenue potential of healthcare organizations. These insights are designed to ensure long-term financial vitality of unprecedented change and complexity. As the healthcare landscape evolves, data analytics will remain a cornerstone in the quest for financial clarity and success, providing the guidance and precision necessary to navigate these challenging waters.

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Teri Gatchel-Schmidt, MBA, CPC, brings over 28 years of experience in the healthcare industry as a practice administrator, operational leader, and revenue cycle optimization consultant to large health systems and physician organizations. Ms. Schmidt has worked during the past 18 years consulting extensively with healthcare systems to enhance their financial performance in academic and physician ambulatory based settings.

As Vice President of Consulting, Ms. Schmidt is responsible for helping organizations reach their strategic, operational performance and financial goals through technology-led revenue cycle transformation. Her extensive hands-on knowledge of end-to-end revenue cycle processes gives her the ability to identify workflow redesign and overall performance improvement opportunities with an eye toward financial improvement and increased efficiency. Her past experiences include executive leadership roles at Change Healthcare, Optum, and MedSynergies. Prior to this, she spent 10 years at the University of Texas Southwestern Medical Center, where Ms. Schmidt held the position of Director of Operations for the departments of Otolaryngology and Oral and Maxillofacial Surgery. She holds an undergraduate degree in business/finance from Texas Wesleyan University and a Master of Business/Health Care Administration from the University of Dallas. www.synergenhealth.com

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