



Four Tips to Make Your Revenue Cycle Management Successful

Providers have submitted claims to a “clearinghouse” as their revenue cycle management (RCM) solution for years. This now-antiquated term describes a process designed to edit and submit claims to the payer. But those who continue to view RCM as a simple transfer of data are missing out on potential savings and income, and more efficient and accurate claims processing.

While the clearinghouse name remains part of the industry lexicon, companies that perform RCM for providers are sophisticated and offer much more than basic services. Because your practice works with multiple insurance companies and hundreds of patients, getting RCM right isn't just something to merely consider. It's something you should do to remain successful, provide excellent customer service, retain patients and grow your practice.

“Physician practices frequently contract with over 30 individual insurance companies to maximize the pool of patients that they can serve, increasing total revenue,” according to a report from Falcon Capital Partners. “Each insurance company brings its own unique claim forms, reimbursement methodologies and processes, and technology systems, which significantly complicates reimbursement processes.”

An RCM vendor should be flexible and have the ability to scale to your practice and grow with you as your business matures.

Here are four ways to take advantage of RCM and improve practice efficiency:

1. Automate Workflows

Today, many aspects of revenue cycle management are automated, helping providers better manage operations and workflow.

Administrative transactions—ranging from claims submissions to eligibility verification to claims status inquiries—accounted for approximately 4.8 million medical health plan contacts in 2015, according to the *2016 CAQH INDEX A Report of Healthcare Industry Adoption of Electronic Business Transactions and Cost Savings*.

Claims submissions remain the most popular way to send information electronically, with 95 percent of providers and health plans participating, according to the report. Health plans are responsible, in part, for the increasing adoption rate because they occasionally offer incentives to high-volume providers or enforce electronic submission requirements, CAQH found.

Limiting manual processing may help reduce operating costs and increase revenues simply through the considerable number of claims that can be processed automatically. Automated processing also helps decrease coding mistakes.

For an entire year, across all providers, **1.1 million hours** of manual administrative work are expended that could otherwise be spent treating patients or growing the practice.

In fact, 20-30 percent of a practice's lost income is due to incorrect billing, according to MGMA.

This is why RCM is so important in this context. It helps providers get paid correctly and on time.

Your RCM vendor should understand and recognize the processes that make each of your payers unique and have the infrastructure to manage the workflow for each one.

2. Automate Transactions

"On average, providers spend 8.5 more minutes conducting manual transactions compared to electronic transactions. Depending on the transaction type, this time difference can be as high as 29 minutes," according to CAQH research.

Automating the claims process gives physicians the opportunity to save time and reallocating it to other areas of the practice. For an entire year, across all providers, 1.1 million hours of manual administrative work are expended that could otherwise be spent treating patients or growing the practice, according to CAQH's research.

"(A)n estimated 2.3 billion manual and 7.7 billion electronic transactions were conducted by providers in 2015," according to CAQH. "Adopting automated processes for just these seven transactions could result in an estimated \$7.9 billion savings for providers."

The common transactions in the list are:

1. Claim Submission
2. Eligibility and Benefit Verification
3. Prior Authorization
4. Claim Status Inquiry
5. Claim Payment
6. Claim Remittance Advice
7. Claim Attachments

Each one can be handled quickly and efficiently via an RCM vendor submitting the information electronically.

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3. Improve Customer Experience

The provider/patient relationship is important to the ongoing success of your practice. A nasty surprise in the form of an unexpected bill can easily damage the relationship and send the patient looking for a new provider. Even a somewhat small bill can cause major issues for some patients. Thirty-seven percent of patients would have a hard time paying a \$100 medical bill, according to an article published by [MarketWatch](#).

A good RCM program helps to maintain and even enhance customer relationships. Improving your patient financial services is one way to ensure positive, long-term relationships with your patients.

One way to accomplish this is by giving the patient an easy-to-understand statement, which addresses the cost of services delivered. This ensures your customers understand the treatments they've received and the associated costs incurred.

Following receipt of the statement, the provider should address the ways patients can pay, ensuring it's trouble-free. For in-office payments,

patients expect the option to pay by credit card, cash or check. While at home, they should be able to access a secure, online portal, which allows payment at any time.

The goal? Make it easy to pay.

4. Outsource the Process

The world of the provider is much more complex today than it was even a few years ago. Payer contracts are more complicated, payments are frequently lower and time constraints continue to grow. You're under continuous pressure to do more and offer more with less time and fewer resources. There's not enough of you to go around. Add to this the hours spent yearly just on your practice's manual administrative work and it's clear a process improvement is necessary.

"Automation of activities can enable businesses to improve performance," according to a McKinsey & Company report, "by reducing errors and improving quality and speed, and in some cases achieving outcomes that go beyond human capabilities."

Revenue cycle management responded to these issues by becoming a full suite of products for use individually or, for optimal results, as a fully-integrated program designed to help ensure the best outcomes for your practice and patients. Using revenue cycle management tools help you spend more time with patients, increase your practice's productivity and income, and better manage the other challenges that hamper the success of your practice.

If you'd like to find out how TriZetto Provider Solutions can help your practice perform better, please contact us at providersales@cognizant.com or **1.800.969.3666**.



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