



REVENUE CYCLE MARGIN IMPROVEMENT

A health system engaged Impact Advisors to complete a rapid assessment of its four hospitals, focusing on revenue cycle margin improvement. Opportunities were uncovered across four key operational areas amounting to a total annualized benefit target of \$44M in 12 months.

FOR MORE INFORMATION ON REV CYCLE MARGIN IMPROVEMENT: visit www.impact-advisors.com or call 800-680-7570

Health System to Realize \$46M in Annualized Benefits

A fully integrated delivery network (IDN) with four hospitals, a large multi-specialty medical group, and a health insurance plan with an annual net revenue of \$2.5B and over 9,000 associates sought to improve its financial performance.

A current state assessment of the organization's revenue cycle operation uncovered margin improvement opportunities across four key areas: reduction in denial write-offs, patient collections, charging optimization, and appropriate patient classification. Following are a few of the activities performed by the Impact Advisors optimization team on the ground.

Improved Payer Yield with a Focus on Reducing Write-Offs

To enhance payment recovery, the team established a denials management taskforce to identify, evaluate, and prioritize risks and resolutions associated with denial prevention. The taskforce included revenue cycle leadership, operational management, technical and analytic resources, and staff-level billing office stakeholders. Through root-cause analysis and analytics displaying key findings via a denials dashboard report, the team was able to reduce denial write-offs.

"What we appreciate the most about Impact Advisors is that they have a complete team of experts who specialize in different areas. They have someone who is an expert in denials, another who is knowledgeable about payer payment amounts, and different experts for each aspect of the revenue cycle."

System Vice President, Revenue Operations

Increased Patient Balance Collections

To optimize patient collections, the team took a three-part approach: work standardization, training, and daily reporting. Part one involved collaborating with Patient Access leadership to review and standardize self-pay policies and procedures, workflows, and vendor performance. Registrars received hands-on, side-by-side training with subject matter experts (SMEs) as well as scripting for patient conversations. While this can be a sensitive area, collections as a percentage of net revenue at the organization increased, bad-debt write-offs decreased, and there were no patient satisfaction issues reported. Vendor scorecards armed the Patient Access director and back-end team with information on how revenue cycle partners were performing, including bad debt collection and where improvements may be warranted to reach optimal performance.

Increased Charge Capture Accuracy

To capture operational and net revenue opportunities within the health system's overall service capture, the team's primary levers included implementing best practice standards, creating chargeable services, improving nursing compliance, and educating care providers. For example, within all Emergency Departments, improving nursing documentation efforts/compliance regarding start and stop times of IV administration helped secure appropriate reimbursement for services provided and increased nursing productivity. Overall, the compliance rate improved to 96% across the four facilities, which reached 200+ staff.

Other activities included incorporating IV Infusion/Injection therapy education materials within nursing onboarding requirements and quarterly trainings. Additionally, optimized nursing documentation templates, compliance reporting, and increased transparency drove clinician accountability, leading to increased collaboration between nursing staff and departmental directors.

Improved Patient Classification Management Program

Impact Advisors analyzed prior data to facilitate the set-up, coordination, development, and implementation of best-practice-based Patient Classification strategies. We partnered with Utilization Review leadership and staff, operational owning area management, and technical and reporting resources to identify, evaluate, and prioritize risks and resolutions associated with the correct status assignment of patients admitted to the hospital. ■

