

# Key RCM Trends



Meridian is a premier provider of revenue cycle outsourcing for large provider organizations, academic groups, and multi-specialty groups delivering mission-critical systems integration, electronic medical record deployment, and information technology services.

## MERIDIAN AT-A-GLANCE

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## Five key trends and best practices in the rapidly changing RCM world

Efficiency and effectiveness. These are two probing principles today's evolving healthcare organizations must keep in mind every day—not only regarding clinical care, but also in regard to revenue cycle management (RCM), from obtaining accurate patient information to maximizing reimbursement. Following are a few current financial trends, along with some best practices to help providers feel more in control of their business solvency and success.

### Trend 1: More resources dedicated early in the revenue cycle.

While historically not an aggressive strategy in the average physician office, an everyday challenge for all medical groups is to now collect co-pays and deductibles at the point of service. As high deductible insurance plans have proliferated, so has the burden of collecting the patient portion "before insurance." These efforts demand increased human and technological resources. Many institutions find themselves having to change the culture to significantly increase efforts for collecting payments at the point of service.

#### Best practice:

From a financial perspective, such healthcare evolution requires new front-end capabilities to verify insurance and eligibility and collect co-pays and deductibles. Effectively managing the necessary adjustments in resource levels,

processes and workflows will be critical to a healthcare organization's long term success and financial viability. Additionally, the acquisition of patient-centered technology will not only improve collections, but will also increase patient satisfaction. An advanced RCM company addresses all these needs.

### Trend 2: Big data will play a major role in revenue cycle management.

As healthcare data continues to complete its migration to digital formats, it exhibits the classic three Vs of big data known as high volume, velocity and variety. Electronic health record (EHR) technology has moved patient and clinical data into the realm of big data.

However, the big data explosion is not limited to clinical data; the volume and velocity of financial data is also growing exponentially. RCM solution providers that house massive amounts of claims

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and financial data can apply advanced business intelligence (BI) technology to model and predict financial outcomes. Forward looking information based on predictive models allows RCM professionals to take action on both anticipated financial anomalies and enhanced revenue performance. For provider organizations, this means they can now proactively manage revenue rather than passively monitor financial performance.

**Best practice:**

Provider organizations can now achieve the benefits of big data analytics to proactively manage revenue. Identifying an RCM partner that can apply powerful BI technology and leverage big data can provide a growing organization the ability to better manage expansion as well as optimize its reimbursement strategy. The objective is to identify technology that can amalgamate data across a wide spectrum of sources.

**Trend 3: Efficient charge capture and posting is increasingly important.**

New value-based reimbursement models, bundled payments and the continued trend toward declining reimbursements are driving healthcare leaders to develop strategies to assure all services are accurately captured and coded. The potential for lost charges is prevalent in any practice where no such capture process exists. The shortage can range from two to 10 percent and cost millions.

**Best practice:**

Automated charge capture and charge posting is a complex, yet essential strategy. The simple process of assuring all charges are captured and properly billed requires a combination of technology, programming and leadership. Technology and programming allow for customization to achieve maximum provider efficiency, while leadership must align incentives with revenue goals. A true RCM partner can assist organizations by delivering mission-critical systems integration and IT services. Leveraging strong technical expertise with deep domain experience across the entire revenue cycle helps organizations meet their technical and compliance objectives for charge capture, in addition to added cost savings from electronic charge posting.

**Trend 4: Consolidation brings EHR integration challenges.**

As multispecialty medical groups continue to build ever larger care networks, the integration of disparate EHRs will remain difficult. The need for integration spans clinical, quality and RCM requirements. From a financial perspective, lack of EHR integration leads to data gaps that can increase claims denials and bad debt. It can also significantly impact patient flow in growing networks.

**Best practice:**

As the pace of consolidation intensifies, the need for additional expertise to create a properly integrated system becomes critical. When an EHR is integrated with RCM, documentation in the EHR translates to a chargeable event, eliminating manual processes and extra work for staff. An RCM partnership can present organizations with a flexible and cost-effective solution.

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### **Trend 5: Rapid response teams provide professional staff for high value RCM projects.**

Healthcare organizations require both immediate fixes and sustained improvements for their RCM processes. Therefore, rapid response teams that supply high quality management expertise, RCM staffing and IT resources on short notice have become an attractive service offering.

#### **Best practice:**

Using rapid response teams to quickly attack such issues as A/R backlogs, charge backlogs, denial/edit backlogs or coding backlogs offer a cost-conscious option. The true value of this approach is found when collections are received within 60 days, rather than six months. Teams that can tackle each problem with urgency and eliminate rework are critical in giving healthcare leaders an agile opportunity to achieve maximized operations and optimize financial performance. These efficiencies are often greater with RCM companies compared to the cost of in-house billing operations.

Healthcare leaders strapped for resources to support the myriad of RCM regulatory and process changes may want to look to experienced RCM outsourcing partners. Well established RCM firms can offer a range of engagement models, including on-site, hybrid and completely outsourced. With a fully responsive partner, health systems can design cost-effective RCM solutions that deliver maximum efficiency.