HBCS
REVENUE CYCLE

HOW TO PROTECT YOUR REVENUE CYCLE AMID ONGOING STAFFING CHALLENGES

As expenses rise and staffing shortages continue, healthcare leaders are looking for new ways to cope. While most of the spotlight has been on clinical staff shortages, revenue cycle leaders are also feeling the impact. From coding professionals to A/R experts to denial management workers, a shortage in these positions can create a cog in the revenue cycle that has bottom-line implications.[1]

The staffing shortage doesn't just mean fewer people to do the job; it also brings higher costs in the form of retention bonuses, wage hikes, recruiting fees, expensive contract workers and more. According to an article by Becker's Hospital Review, staffing shortages due to the pandemic have cost organizations $24 billion.[2] A recent study reported that healthcare employee average wages have increased 17% from before the pandemic to November 2022.[3]

A RECENT SURVEY REPORT BY KAUFFMAN HALL FOUND THAT 92% OF HEALTHCARE LEADERS SAY ATTRACTING AND RETAINING SUPPORT STAFF HAS BEEN DIFFICULT, AND NEARLY 90% SAY THEY'VE INCREASED BASE SALARIES.[4]

The reality, according to industry analysts, is that staffing shortages are likely to be with us for some time to come.[5] According to one recent survey, 55% of healthcare finance leaders say they have a shortage of billing specialists and 42% said they have a shortage of patient follow-up staff.[6] Health systems and physician organizations need a solution to immediately lessen the impact now while at the same time creating a longer-term strategy.

Strategic outsourcing and automation provide great opportunities to do just that.

Workflow automation enables organizations to achieve efficiencies in largely manual, redundant, and error-prone tasks, freeing up their "stretched-too-thin staff" to focus on the most pressing and highest value accounts.

Likewise, outsourcing certain roles or activities can help reduce the costs of overhead, turnover and recruitment, and improve results while providing greater savings through increased process efficiencies.

1   https://www.beckershospitalreview.com/hospital-management-administration/to-keep-cash-flowing-in-today-s-tight-labor-market-revenue-cycle-leaders-are-using-technology-3-experts-answer-3-qs.html

2   https://www.beckershospitalreview.com/workforce/7-stats-that-show-healthcare-workforce-staffing-challenges.html

3   https://www.healthsystemtracker.org/chart-collection/what-impact-has-the-coronavirus-pandemic-had-on-healthcare-employment/#Cumulative%20%%20change%20in%20average%20weekly%20earnings%20from%20February%202020%20-%20November%202022,%20all%20employees%20and%20health%20sector%20employees%C2%A0

4   https://www.fiercehealthcare.com/hospitals/kaufman-hall-covid-19-will-force-permanent-changes-to-hospital-staff-supply-systems

5   https://www.fiercehealthcare.com/hospitals/these-5-trends-will-shape-healthcare-s-labor-shortages-2022-and-beyond

6   https://revcycleintelligence.com/news/revenue-cycle-management-leaders-need-registrars-billing-specialists

BELOW ARE 3 AREAS WHERE IMPLEMENTING AUTOMATION AND OUTSOURCING CAN PROTECT YOUR REVENUE CYCLE

1. CLEAN CLAIMS

We've all heard the saying "garbage in equals garbage out." The same can be said for the claims submission process. For example, 14.6% of all denials are caused by missing or inaccurate claim dates. Inexperienced coders, high turnover, and overworked staff can lead to an increase in errors that cause rejections and denials. This, in turn, leads to more work for your staff to rework the denials, as well as poor cash flow and greater write-offs.

Even with automation technology, it can be challenging for staff to stay on top of continuously changing payer requirements and timely filing deadlines. Denials due to missed filing deadlines can be notoriously difficult to successfully appeal. Staffing shortages here add even greater challenges since it can be challenging to train new staff, especially if you depend on existing staff to do the training. This is an area where you need expert staff. For this reason, it can be highly beneficial to outsource the claims management process.

LEVERAGING AUTOMATION TECHNOLOGY DURING CLAIMS MANAGEMENT WORKFLOWS CAN HELP.

- Scrubbing technology flags potential errors prior to submission so they can be quickly corrected before having a chance to be rejected.
- Automated secondary billing verification helps identify alternative coverage.

THE RIGHT PARTNER WILL:

- Have access to a broader pool of experts and the ability to scale
- Have a rigorous and documented hiring and training process
- Invest in technology to streamline processes, improve quality and increase productivity

2. DENIALS MANAGEMENT

When denials do occur, many revenue cycle leaders choose to work only those with the highest value. But this leaves potential revenue—so critical at this time—on the table. Automating denial workflows is one of the best ways to avoid delays in reimbursement as well as write-offs. Automation technology can significantly reduce manual workflows to make rework more effective.

DENIALS MANAGEMENT AUTOMATION TECHNOLOGY CAN HELP BY:

- Capturing all necessary data from the payer remittance and claim status
- Qualifying denials using payer claim status and reason codes
- Categorizing denials for easier rework
- Enabling in-depth reporting to better measure and manage denials
- Performing root cause analysis and decision support for denial prevention
- Providing workflow tools to drive assignment, follow-up, and resolution

Just as with claims management, denials management can be a great opportunity to outsource.

WHETHER OUTSOURCING THE ENTIRE PROCESS, OR STRATEGIC SEGMENTS THERE ARE SEVERAL APPROACHES TO CONSIDER, SUCH AS:

- Outsourcing backlog so that existing staff can focus on staying current while your outsourcer brings aging accounts and denials up to date
- Outsourcing all accounts and denials under $5,000. Over time, accounts taken together can really add up

3. PATIENT ACCOUNTS

A growing portion of revenue now comes from patients, so it's essential that health systems and physician organizations do all they can to capture patient payments. A patient's ability to pay fluctuates over time and is highly unique to the individual's circumstances. Payment opportunities should be established with these factors in mind.

- Offer flexible payment plans based on each patient's unique financial situation and allow future charges, and those of other family members, to be rolled up into the plan

- Use propensity to pay analytics to identify patients who may qualify for other financial resources

- Enable patients to pay when, where, and how it's most convenient for them
    - Online payment portals with the ability to store credit card information
    - Digital payments via mobile device
      Phone payments via automated voice technology
    - Customer service representatives
    - Easy-to-read statements (electronic or paper)

- Use text or email for payment reminders or other important payment information

SUCCESS STORY

Chesapeake Regional Medical Center is a community-based hospital serving residents of southeastern Virginia and northeastern North Carolina for more than 40 years. The medical center was experiencing a significant increase in self-pay accounts and a significant decrease in account resolution. They identified multiple issues, including poor customer service on the part of its collections vendor. Patients were complaining about long hold times, which led to a high abandonment rate. Another issue was cause by the vendor's inability to integrate with Epic. The vendor also lacked the ability to offer mobile-optimized, self-service payment options—something consumers have come to expect.

In addition to these challenges, Chesapeake Regional Medical Center was also experiencing a significant decrease in resolution of small balance accounts—a process that was managed internally. Because they didn't have enough staff to focus on these accounts, they found themselves with an extensive backlog of unworked accounts.

Chesapeake Regional Medical Center chose to partner with HBCS because of its comprehensive self-pay collections solution, which seamlessly integrated with the medical center's Epic platform workflows. The HBCS solution also featured a mobile-optimized, self-service payment portal with auto-debit pay plan options, which made it easier for patients to pay. In addition, HBCS was able to provide reconciled credit card remittance while supporting higher patient participation rates in payment plans.

Because of its successful partnership with HBCS for self-pay collections, Chesapeake Regional Medical Center decided to outsource its small-balance accounts to HBCS as well. Since the HBCS solution was already seamlessly integrated with the medical center's Epic platform workflows, the medical center knew results from this new service could be quickly realized. The medical center's IT team was impressed with the implementation of the new service, just as they were with its previous implementation of self-pay patient resolution.

Chesapeake Regional Medical Center appreciated how fast the new services from HBCS were up and running. The dynamic reporting provided by HBCS gave complete insight into each service's quick impact. More than $1.5 million in aged insurance balances were sent to HBCS immediately upon implementation. The medical center has seen great improvements in self-pay collections because they are now referred to and addressed more quickly by the HBCS team. They've also seen significant improvements with the resolution of accounts with small self-pay balances, and quick work-down of the vast backlog.

$2.2M

$2.2 million increase in self-pay collections during the first 12 months

41%

41% reduction in aged self-pay A/R

40%

40% in residual self-pay collections, up from previous 24%

97%

97% patient satisfaction rate based on post-call patient surveys

<1%

<1% inbound patient call abandon rate, down from 10%

60%+

60%+ monthly self-pay payments made via payment portals

18%

18% net recovery of accounts with an average age of 236 days from discharge at time of placement

23%

23% average net recovery of ongoing placements with an average age of 137 days from discharge within 3 months of launch

24 DAYS

Reduced days in A/R from 50 days to 24 days

ABOUT HBCS

For more than 35 years, health systems and physician organizations have placed their trust, their revenue cycles, and their patient relationships in the hands of HBCS. Clients benefit through increased self-pay collections, reduced costs, improved payer reimbursements, and enhanced patient satisfaction and loyalty. Patients benefit by being able to afford the care they need when they need it.

HBCS has a virtual team of more than 500 revenue cycle professionals managing 5.2 million accounts with more than $5 billion in charges and $3 billion in reimbursements annually. We deliver a positive financial journey for patients and a positive bottom line for health systems and physician organizations.

HBCS HELPS OPTIMIZE YOUR REVENUE CYCLE SO YOU GET PAID FASTER AND WITH FEWER RESOURCES.

37%	**average increase in patient account collections**
20%	**increase in insurance collections**
65%	**Up to 65% reduction in insurance inventory**
74%	**improvement in average speed to answer**
98%	**satisfaction based on automated post-call surveys**

The Road Ahead

With staffing shortages ongoing, the healthcare industry will be challenged for some time and need a strategic approach to the way they manage their revenue cycle. The key is to identify which areas of the revenue cycle are underperforming and establish a plan to make needed improvements. Outsourcing and automation can help not only mitigate the impact, but also bring greater productivity, lower costs, and improved outcomes.

Key takeaways

- Staffing-related revenue cycle pressures will continue for years to come and will continue to impact revenue cycle support roles.

- Underperforming revenue cycle segments present the best opportunity for improvements.

- By taking a strategic approach to outsourcing, hospitals can benefit from increased collections and more accurate reimbursement.