



Healthcare Virtual Symposium 2020: Foundational Changes to Shape our Future

Getting Revenue Cycle and Finance Teams on the Same Playbook

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Agenda

5 min	Introductions
10 mins	We are on the same team (Revenue Cycle/ Finance)
10 mins	Major Roles and Responsibilities of each Department
10 mins	How to work as a team?
15 mins	Client Interview: Communication
15 mins	Client Interview: Reporting

Presenters



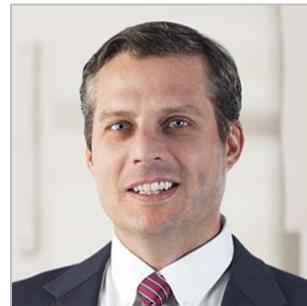
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We are on the
same team

Finance & Revenue Cycle



*Expected vs
Actual*

Cash vs Accrual





- Healthcare revenue cycle management is the financial process that facilities use to manage the administrative and clinical functions associated with claims processing, payment, and revenue generation.
- The process encompasses the identification, management, and collection of patient service revenue.
- Healthcare revenue cycle management is the strategy that healthcare organizations use to pay the bills.

VS

- The financial management team is responsible for all aspects of financial reporting and planning.
- The function includes constant monitoring and analysis of the organization's financial and operational performance.
- Key duties include managing contracts, expenses, cash allocation, debt financing, leasing, capital planning, payroll, treasury, the budgeting process, financial projections, and net revenue reporting.



Major Roles and Responsibilities of each Department

The Three Components of the Revenue Cycle



“All administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue.”

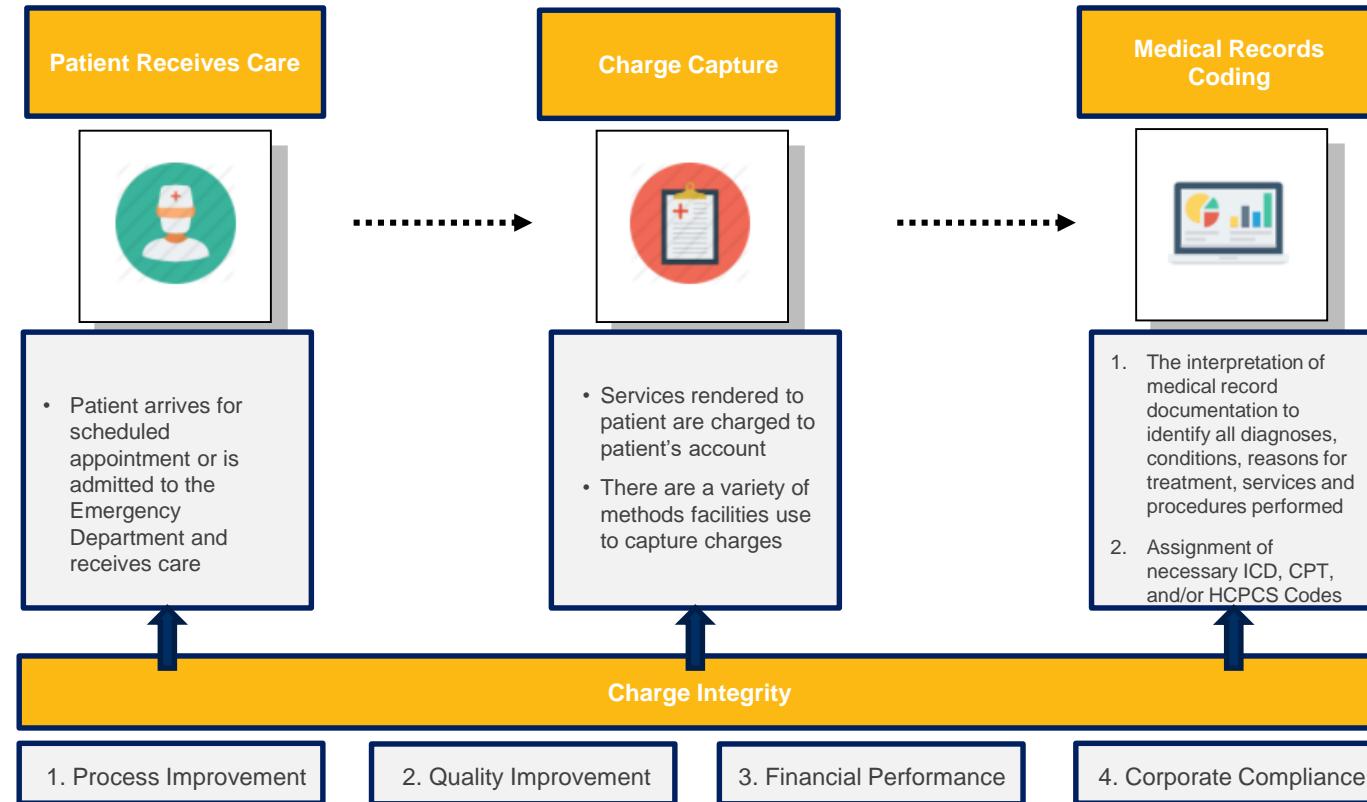
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Front End Revenue Cycle Financial Impacts



Function	Description	Financial Impacts
Registration	Accuracy of insurance verification	Initial denial rate, increased AR aging, denial write-offs
Point-of-service Collections	Patient liability collections pre-service and point-of-service	Increased bad debt
Authorizations	Accuracy of authorization capture prior to service	Initial denial rate, increased AR aging, denial write-offs
Medical necessity checks	Accuracy of medical necessity checks on scheduled cases	Initial denial rate, increased AR aging, denial write-offs

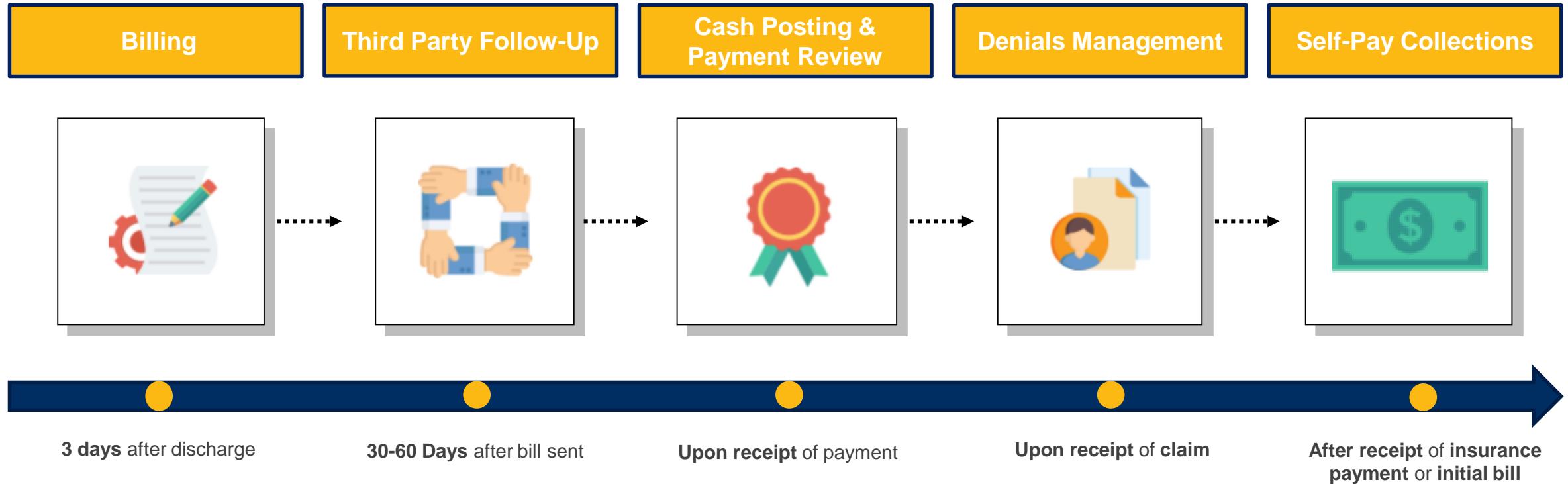
Middle Revenue Cycle Financial Impacts



Middle Revenue Cycle Financial Impacts (cont'd)

Function	Description	Financial Impacts
Charge Capture	Accurately and timely documentation and related capture of charges	Increased gross revenue and current period net revenue accrual
Coding	Accurately and timely completion of coding supported by documentation	Increased gross revenue, Initial denial rate, increased AR aging, denial write-offs
CDI	Proper clinical documentation to support DRGs and inpatient stays	Initial denial rate, increased AR aging, denial write-offs, improved realization
Patient Status	Proper statusing of patient admits vs. observation cases	Initial denial rate, increased AR aging, denial write-offs, realization changes
Late Charges	Timely posting of charges which could be a result of charge capture or coding	Initial denial rate, increased AR aging, late charge write-offs

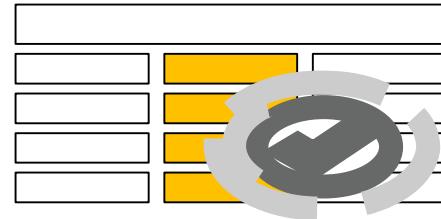
Patient Financial Services Financial Impacts



Patient Financial Services Financial Impacts (cont'd)

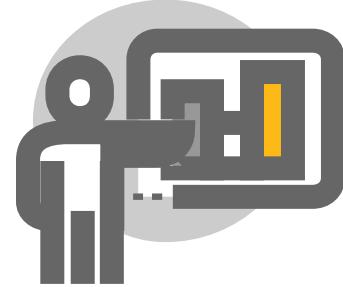
Function	Description	Financial Impacts
Billing Edits	Effectively scrubbing potential claim errors prior to submission	Increased gross revenue, Initial denial rate, increased AR aging, denial write-offs
Payment Posting	Accurate and timely posting of payments received from insurance and patients	Increased unapplied/unreconciled cash, increased A/R aging
Follow-up	Accurate and timely follow-up with insurance payors to obtain payment	Increased AR aging, initial denial rates, denial write-offs
Denial Management	Accurate and timely appeals for denied accounts to secure payment	Increased AR aging, initial denial rates, denial write-offs
Patient Balance Collections	Obtaining patient liability payment post service	Increase bad debt, increased A/R aging

Core Tenants of Gross Patient Service Revenue Reporting



Balance Sheet Integrity

- Modeling Payor Realizations
- Monthly Hindsight Analysis
- Appropriate Allowances and A/R Valuation



Net Revenue Analysis

- Explaining Variance to Budget
- Rate, Mix, Volume, CIP, CMI
- Mid Month, Month vs Month, YTD – Budget vs Actual.



Speed & Accuracy

- Leveraging Technology & Automation for Insights
- Single Source of Truth.
- Meaningful Analytics with Account level detail

“Regardless of the type of healthcare organization, well-prepared financial statements can aid in the Understanding of that organization’s financial operations and can assist in decision making related to that organization.”

-Healthcare Financial Management Association

People, Process, and Technology Dictate Speed and Accuracy

People: Identify revenue monitoring & reporting team

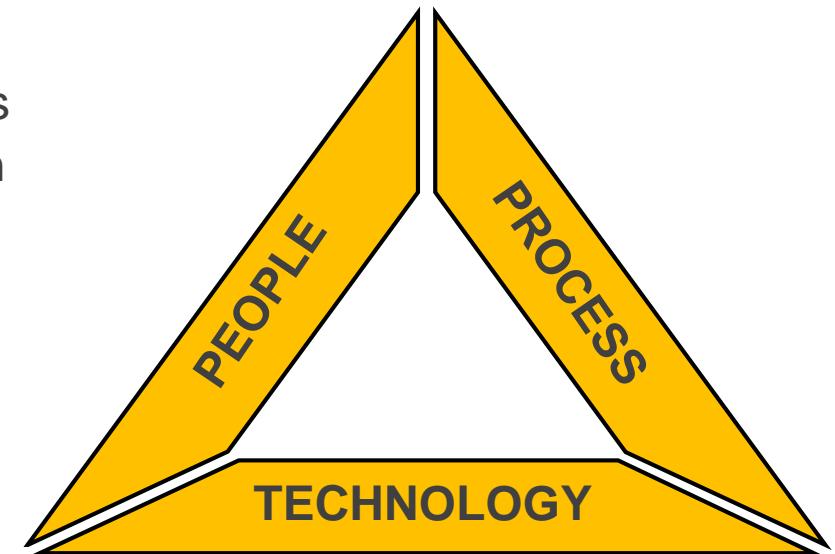
- Define roles & responsibilities throughout the close process
- Align staff skillsets with roles and responsibilities
- Ensure staffing ratio is appropriate for the size of the organization

Processes: Develop and agree on standardized close processes

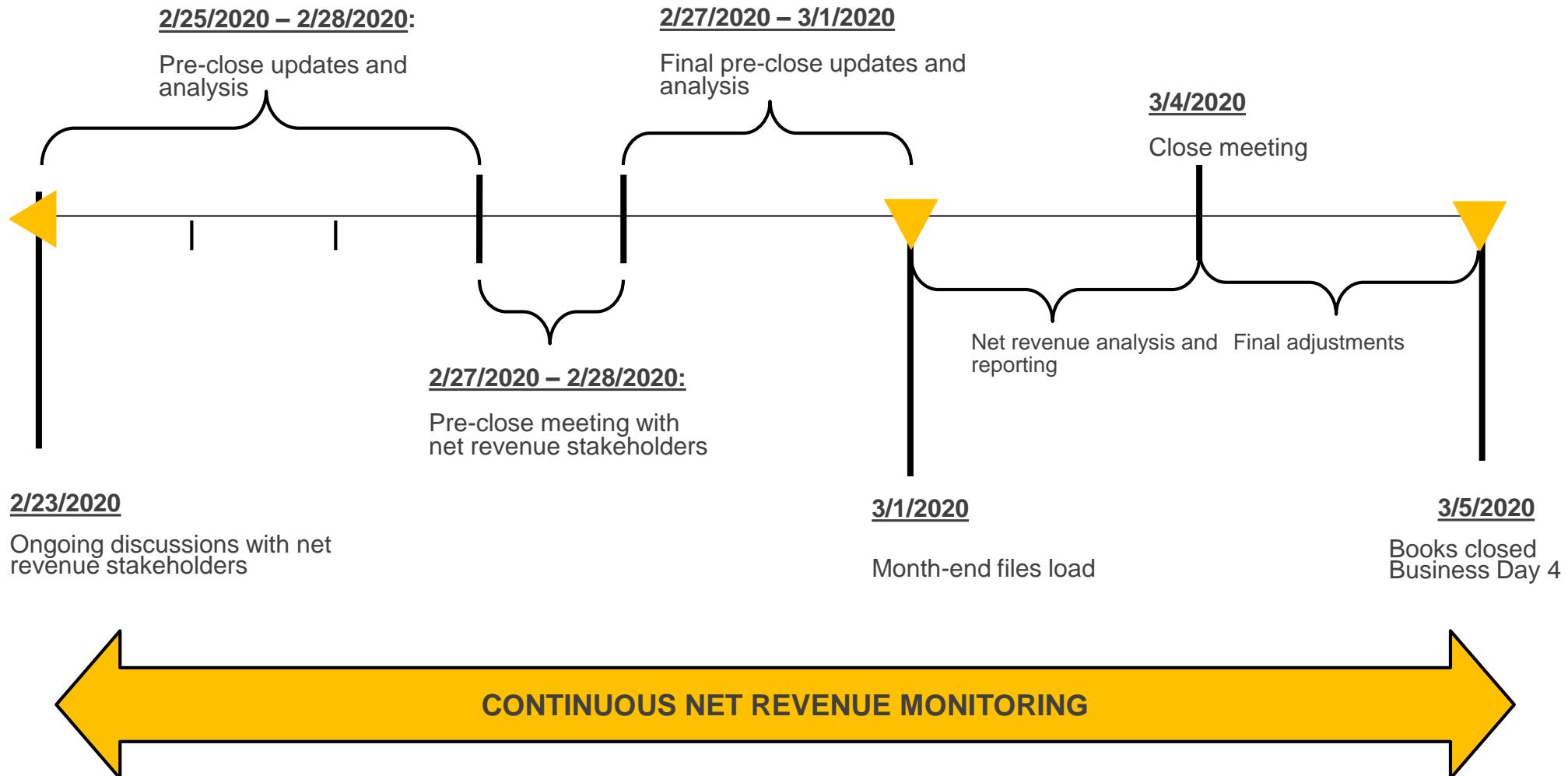
- Define and develop a robust set of policies and procedures related to:
 - Reserve assumptions
 - Out of model adjustments
 - Reporting guidelines and parameters
- Incorporate structured close timeline, checklists, & reconciliations
- Create opportunities for frequent (and structured) communication

Technology: Leverage a single source of truth to accelerate net revenue close process

- Use pre-close for review and analysis of rate changes
- Automate the journal entry posting and review process
- Develop an automated and standardized reporting package for analysts and dashboards for leadership



Sample Four (4) Day Close Timeline



A top-down photograph of a modern office environment. Several people of diverse ethnicities and ages are gathered around a large, light-colored wooden conference table. The table is cluttered with various work materials, including laptops, notebooks, pens, and a small potted plant. In the background, a whiteboard stands against a wall, and a person is seen walking away. The office has a polished wooden floor and large windows with a dark metal frame, through which a staircase with blue and white patterned carpeting is visible. The overall atmosphere is one of a collaborative workspace.

Client Interview



Communication



Communication

Can you give the group a sense of how often your department interacts with Finance/Revenue Cycle?

Is there any communication infrastructure that's currently in place?



Communication

What is a typical agenda that you utilize during your formal meetings?

Reporting

Operating from the Same Playbook





Reporting

Finance – Which reports do you typically share/review with the revenue cycle/how frequently do you share those reports?

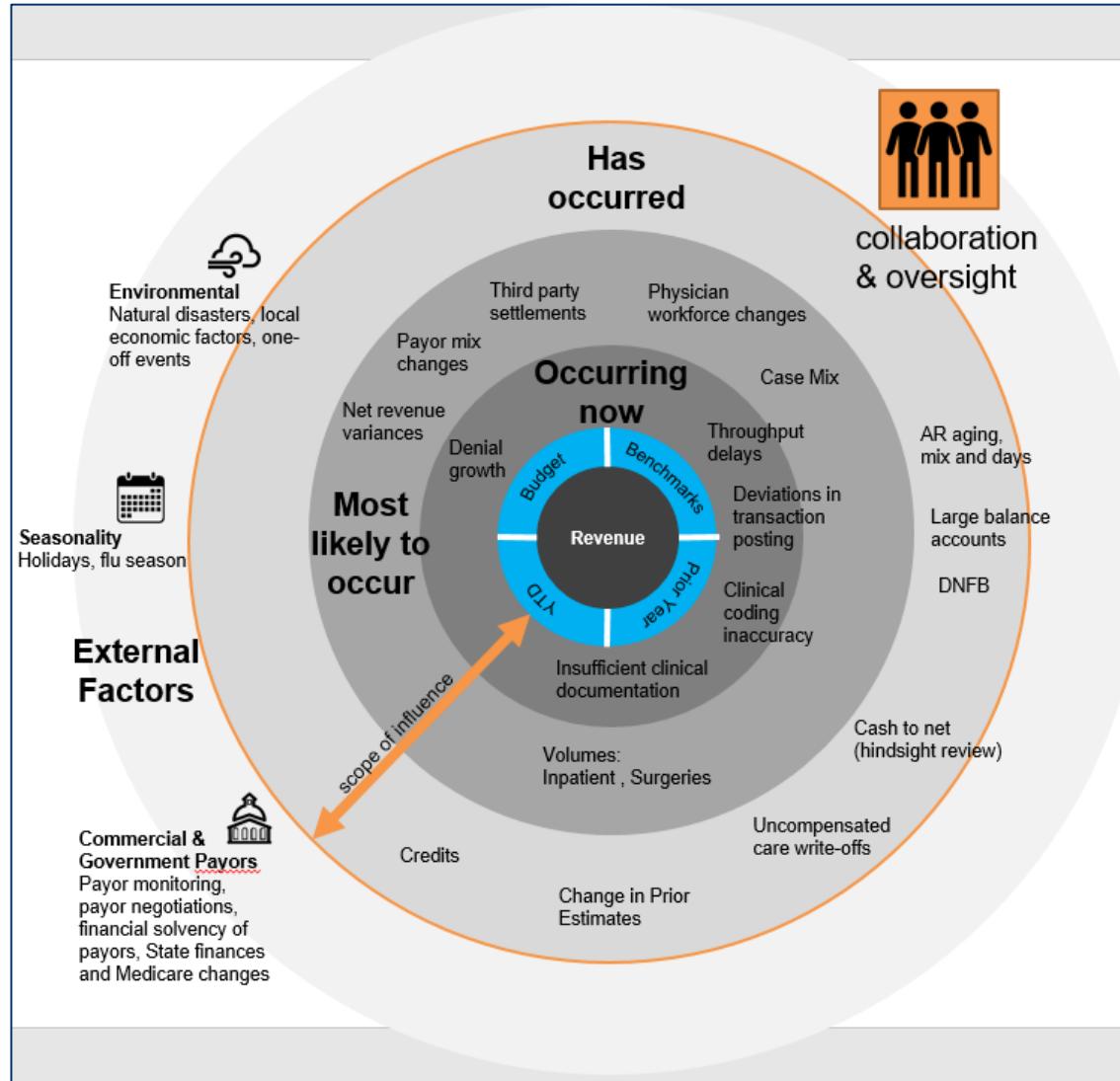
Reporting

Are there specific revenue cycle KPIs that are shared and discussed within your month end close meetings? Which ones and how frequently?

Reporting

Finance – What follow-up or action items generally come out of the month end close process? Are there specific actions for the finance team members? For revenue cycle team members?

Net Revenue & Revenue Cycle Performance Reporting and Monitoring





Thank you.

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