Revenue Cycle Management Is More Than Billing Patients

Pearl [1] | August 21, 2013 | Billing and Collections [2], Managers Administrators [3], Pearls [4]By Rosemarie Nelson [5]

Effective patient registration, insurance verification, and claims processing are essential to maintaining practice viability. Here's what you need to know.
Source: Physicians Practice

Revenue cycle management (RCM) is the lifeblood of any practice — private or nonprofit. Effective patient registration, insurance and benefit verification, charge capture, and claims processing are essential to maintaining practice viability. Before you can improve any process, you need to assess where you are now. Here are some questions you should think about:

• Do you know if you are achieving best practice standards in accounts-receivable management?

• Does it take your practice too long to collect, and/or are your write-offs and adjustments too high?

• Do you know your claim-denial rate on first submission (4 percent of claims or fewer is best practice)?

• Have you determined that you are not leaving any money on the table with a reimbursement analysis?

• What are your days in A/R? What percentage of your accounts receivable is more than 120 days old (10 percent or less is best practice)?

Patient registration

The revenue cycle starts with patient registration. Patient registration begins with a phone call for an appointment request. Your front-desk staff should interview the patient on the phone to collect billing and insurance information; invite the patient to go online to your website to complete their registration information; and follow up if registration isn't completed two days prior to the appointment — so that the patient's insurance coverage can be verified. You can use an in-office kiosk for patient check in and to collect demographic information. Some kiosks will automatically verify insurance eligibility too.

Charge capture

Transferring patient charges from the EHR to your practice management (PM) system should be seamless — electronically transmitting data is an example of efficient workflow. But, if you are forcing your providers to first complete a paper visit-encounter form, and then transfer that information to the EHR, it can lead to inconsistencies, lost data, and redundant work processes. Furthermore, asking your check-out station to compare electronic patient information against the paper encounter form is burdensome and creates even more work when discrepancies arise.

Automatic payment posting

Automatic payment posting can significantly reduce staff work, so why don't more billing staff embrace and drive implementation of auto-post opportunities? Holding tight to the status quo — manual payment posting and reconciliation — is an inefficient use of our most costly resource: staff.

Routinely ask your payers, clearinghouses, and software vendors about new services coming online, and roll out every new payer as electronic remittance and auto-posting become available. Investigate a bank lockbox service that converts the paper explanation of benefits (EOBs) to electronic transactions (837s) for automatic posting to patient accounts.

Insurance eligibility verification

Investigate and incorporate automatic insurance eligibility verification into your work flows. You can use your clearinghouse service to upload the appointment schedule a couple of days in advance, in a batch process. For walk-in patients, use real-time verification through your PM system. An integrated verification solution creates a history within the patient's record that supports follow-up collection efforts, if there are later discrepancies with the payer.

Consider using a clearinghouse. Yes, clearinghouses have a cost. But, in-house personnel come with a cost as well. Do the math; it is unlikely that you can complete the same tasks (claims submission or eligibility verification direct to a variety of payer web sites, patient statement processing, automated appointment reminder calls, etc.,) more cost efficiently in-house than by outsourcing services and paying a monthly subscription cost or a per transaction fee.

Real-time billing

You can improve your collections by billing closer to the date the patient received services. Do this by generating patient statements every week. Each patient will fall into a 28-day cycle, and a statement will be created during the week that they were seen, or the week that you received their insurance coverage. This way the incoming patient payments and questions will be distributed across the entire month, rather than overwhelming your billing department one week each month. Studies have shown that you collect faster too when the patient is presented with their bill closer to their care encounter.

Weekly statement generation is easy to accomplish when you outsource statement production. Does this mean that you can reduce staff members if you outsource? Maybe, maybe not. But it does mean that you will improve the results you get from your current staff because they will be attending to tasks that require personal follow up, instead of performing tasks that can be automated and/or outsourced more economically.

Have your staff focus on labor-intensive tasks like appealing denied claims; working claims that were underpaid; validating appropriate payments from payers; and uploading reimbursement schedules for your dominant payers.

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