White Paper

Overcoming RCM Challenges: What Healthcare CFOs are Prioritizing in their RCM Technology

An in-depth analysis of healthcare decision makers' top RCM pain points and priorities based on a research study by Porter Research.

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About Finvi

Formerly Ontario Systems, Finvi is a premier provider of enterprise technologies that streamline and accelerate revenue recovery for clients across healthcare, government, accounts receivable management, and financial institutions. Through process automation and modern, compliance-minded communication and payment tools, Finvi allows its client partners to generate more revenue at reduced cost and fulfill their stated business outcomes by effectively engaging those who pay.

Finvi is a leader in driving helping organizations improve their revenue cycle management, with more than 40 years of experience developing complex workflows that forge a path to payment. More than $40 billion dollars in RCM receivable per year flow through the Finvi's solution suite. Five of the 15 largest provider networks along with half of Black Book Research's™ top healthcare outsourcers in the United States rely on Finvi's technologies to reach their RCM goals.

About Porter Research

Porter Research works with healthcare and IT companies to develop and execute market research programs and create strategies using market intelligence uncovered. With 30 years of experience, we have worked with more than 300 IT companies, and complete thousands of interviews each year. This means we know your industry, we know how you need to use the data, and we execute the right research program to uncover what you can't find on your own.

Introduction

Technology has played a major role in the evolution of health care, allowing physicians, surgeons, nurses, and other medical professionals to provide better care for their patients. Health care executives are now looking at technology to improve processes behind the scenes, including in the realm of revenue cycle management (RCM).

This is due, in part, to the increasing challenges that are part of this critical behind-the-scenes process. From gaining prior authorization (PA), to scheduling, to pre-registration, through gaining final payments, organizations must juggle these moving pieces, as well as manage the ever-changing financial obligations and demands of patients. And they are attempting to accomplish this while making the process as seamless and painless as possible for patients. But this is becoming more difficult than ever amid a workforce shortage and in an era of remote employees. It is no wonder hospitals and healthcare organizations are looking to outsource this complex process.

Finvi, a premier provider of enterprise technologies that streamline and accelerate revenue recovery for healthcare organizations, recently commissioned Porter Research to conduct a survey of RCM leaders in hospitals and health systems across the United States.

These CFOs, COOs, VPs of Finance, Directors of Revenue Cycle Management, and other top healthcare RCM decision makers identified the need for a centralized RCM solution that integrates seamlessly with existing electronic health records (EHR) and other enterprise investments. RCM leaders specifically pointed to the need for a more efficient and unified front-end solution—something that incorporates the critically important tasks of pre-authorization, scheduling, and pre-registration with efficient and effective—and patient-friendly—revenue collection. Without a solution that contains these features, organizations are left to consider outsourcing the process entirely. But, to be of value, outsourcer solutions must also address these same hurdles.

This white paper takes a look at the survey results, including the current hurdles in RCM processes, the key areas for RCM improvement, and the technology capabilities RCM leaders are looking for in a solution, as well as how these technologies can help organizations overcome these hurdles.

Prior Authorization – "The Gatekeeper"

Not surprisingly, gaining prior authorization stands out as a top pain point in the front-end RCM process, noted by nearly 32% of respondents. As one healthcare organization's Executive VP & Chief Operating Officer put it: "Prior auth is the gatekeeper. It's the most important element. If you don't have what we call a clean claim, it creates a situation where it's immediate denial from the insurance company. Even if the care was completely justified by medical necessity, if you don't have the authorization, it gives them a chance to deny and make you have to fight for the dollars that you're entitled to."

The Director of Revenue Cycle at another hospital said: "The number one reason payers deny is for not having procedures authorized—or for having the wrong procedure authorized. Without precise prior authorization, you won't get paid for services you're providing, even though they're medically necessary. That's why prior authorization is our number one issue these days."

Prior Authorization: The Challenges

With gaining precise prior authorizations being mission critical, where do things go wrong? From our survey we found the top stumbling blocks to be:

75% The Length of time from authorization request to the prior authorization being obtained from the payer

64% Manual steps in gaining prior authorization

64% Obtaining adequate referral documentation for payer authorization and payment

*Respondents were allowed to select multiple answers.

The length of time for prior authorization was noted by 75% of respondents. And that's not surprising considering that, according to the AMA Council on Medical Service, nearly 60 percent of physicians reported waiting, on average, at least 1 business day for PA decisions from health plans—and 26 percent of physicians reported waiting at least 3 business days. This is in addition to the 14+ hours per week tied to prior authorization efforts by providers and their staff. In addition, a survey by the American Medical Association discovered that more than 93% of physicians report that prior approvals result in a delay in necessary patient care.

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>
> Director of Revenue Cycle

That is difficult enough by itself. But the problem becomes even worse when all three hurdles are at play. Delays can result from the entire prior authorization process—from initial request to approval—often being plagued by manual steps and a lack of visibility into the process.

Manual steps combined with the lack of visibility means that delays can accumulate across every step of the process, including obtaining adequate referral documentation, supplying all patient demographic and eligibility details, tracking payer responses for action, identifying gaps, and ensuring that your organization is current on, and meeting, all payer requirements (which one RCM manager likened to trying to stay current with a "cat and mouse game.")

Of course, the goal is to eliminate—or at least minimize—denials. One RCM manager underscored the potential cost of denials when he said, "We recently had a denial for $500,000 because we didn't have prior authorization. That got everybody's attention when we had to take a write-off like that."

Prior Authorization: The Solutions

The importance of obtaining prior authorization can't be understated, so much so that healthcare organizations are exploring all options to improving the process. Leaders are looking to bring automation, smart workflows, and visibility into the process, but are also willing to outsource the process if they can't find the right solution. As one Director of RCM said: "The payers are denying more and more claims. I have to make sure that we're fighting for every dollar and that's where at times you need outside support to help with that."

When it comes to prior authorization challenges, the survey found the top areas of interest to be:

54% Reducing the time from request received to prior authorization being obtained

43% Automating prior authorization steps

39% Ensuring delivery of required referral documentation for payer authorization and payment

*Respondents were allowed to select multiple answers.

Gaining Visibility

Doctors need information to accurately diagnose a patient. They gather this information by asking questions and performing examinations to gain visibility into the patient's problem. Healthcare organizations also need visibility to accurately and efficiently process patient claims. But a lack of visibility is currently a major stumbling block and source of frustration.

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>
> Director of RCM

Recent information from HFMA shows that 90% of denials are preventable, with prior authorizations contributing to 42% of those root causes. Part of why claims are denied due to prior authorizations is the lack of visibility into changing insurance requirements and knowing when a prior auth is needed. Obtaining visibility into shifting payer rules as well as key performance metrics is critical in the search for solutions to this problem. Some of the metrics that survey respondents listed as "must-have" capabilities to help increase visibility include:

25% The number of prior authorizations requested vs. number of authorizations

20% The total time from prior authorization request to authorization obtained in time for date of service

16% The number of authorizations received per day

11% The number of accounts worked per hour

10% The hours spent working accounts in prior authorization stages

*Respondents were allowed to select multiple answers.

Any solution must have the flexibility to gather these, or any other metrics needed, to reduce the number of denials and the time for prior approvals.

Using Automation to Reduce Manual Efforts

Healthcare organizations are seeking to automate the process of gaining prior authorization as much as possible. Those tasks include identifying if prior authorization is required, gathering the required documentation, addressing the medical necessity, submitting the request to the insurance company, and tracking a response. One RCM executive said: "A lot of the submitting process is so manual. It requires a lot of work to go into the payer's website, and submit the authorization requests. The whole process

of communicating with the payer, submitting and receiving the approval or rejection, is extremely slow."

Automating the prior authorization process must include intelligent workflows and procedures to involve other departments as necessary to help ensure payer requirements, such as physical therapy sessions prior to back imaging, have been completed. These steps eliminate much of the manual effort, reducing the number of errors and making the process more efficient for employees. This also results in reduced time waiting for approvals and an increase in the number of approvals while minimizing revenue losses from denials. The need for automation was voiced by a Director of Revenue Cycle Operations, who said: "Getting the prior authorization from the insurance companies is still a lot of manual work. Whenever you have manual work, there is always room for error. We are working on automating that process."

> **"From a workload perspective, again it's manual work, how quickly the steps get to the prior authorization and then how quickly we get the response back on the insurance company on prior authorization. That would be our key performance indicator to see the performance of the department."**
>
> Director of Revenue Cycle Operations

Ease of Use Required

An important element to any prior authorization solution should be ease of use, to make the task simple to perform and track for frontline staff dealing with prior authorization.

The Director of Revenue Cycle Operations at one healthcare organization noted: "From a workload perspective, again it's manual work, how quickly the steps get to the prior authorization and then how quickly we get the response back on the insurance company on prior authorization. That would be our key performance indicator to see the performance of the department."

Organizations can make the prior authorization process more user friendly by making it easier for employees to identify and understand what referral documentation is required. In addition, organizations should clearly identify the different requirements across payers, as well as improve communication between providers and any associated service providers, such as imaging centers, pharmacies, and more.

EASE OF USE BENEFITS

An integrated solution designed for ease of use allows for:

- Friendly UI-data aggregation
- Optimized dialer/payer calling experience
- Workflow protocols
- Reduced redundant tasks
- KPI visualizations
- Real-time coaching capabilities
- Assigned work queues and workflows
- Plug-and-play configuration capabilities

Scheduling – "Critical to Maximizing Resources"

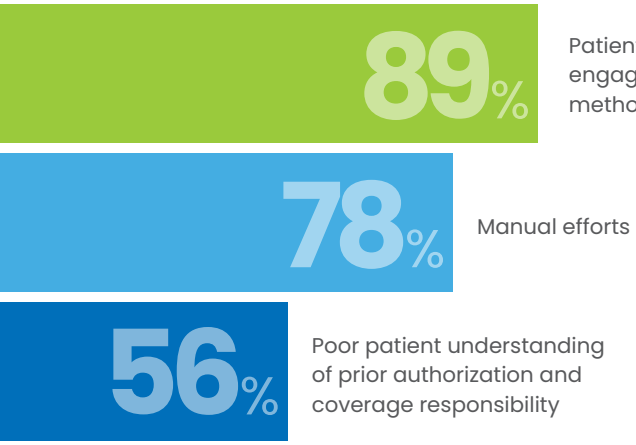
Optimized scheduling was identified by respondents as the second-most important aspect of front-end RCM efforts, right behind getting prior authorization. Whether handling this important function in house or seeking outsourced solutions, healthcare organizations require that scheduling ensures collecting full and accurate information while providing a more patient-friendly experience.

The Director of Patient Accounting at one healthcare center put it this way: "If we did not schedule for the right service, then we're probably not going to get authorized for the right service. If we schedule for one service and the provider performs a different service, we may end up not being able to collect from the payer."

The CFO at another healthcare center said: "Efficient scheduling is critical to maximizing our resources. Each day we look at how much of our schedule we fill up. How busy is the OR based on block scheduling? How efficient are the block utilizations being used? We need to see how efficient we were in terms of what was used versus what was expected."

Scheduling: The Challenges

Our survey of RCM leaders cited the top pain points for their scheduling processes to be:



*Respondents were allowed to select multiple answers.

RCM leaders see improving patient engagement methods as being a top priority. Regardless of the approach or technology used for patient engagement, it is vital that organizations gather accurate and complete patient demographic and insurance details to validate eligibility and benefits information prior to the visit.

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>
> Director of Patient Accounting

Manual efforts, including calling patients and payers, coordinating with clinicians and facilities, and adjusting schedules can be time-consuming and error prone. Manual systems generally lack visibility into workflow, performance, activities, and capacity of staff. Additionally, manual efforts require hiring, training, and retaining personnel, which has proven challenging for many organizations dealing with a tight job market. Many RCM leaders also noted the difficulties they encounter simply tracking referral sources, as well as tracking and tightening the time elapsed from appointment request to appointment scheduled.

The lack of a robust scheduling solution, with precise and up-to-date information for all payer systems,

> **"We need a user-friendly digital platform that streamlines some of the manual and labor-intensive processes of people coming in, showing their ID card, and physically checking in their paperwork."**
>
> System Director of Revenue Cycle

can also lead to poor patient understanding of prior authorization needs and personal coverage responsibilities.

Scheduling: The Solutions

Enhancing scheduling efficiency can be achieved by adopting the right technology. Survey respondents identified the following three items as key components of any solution:

33% Patient-friendly self-service options

22% Automation of schedule optimization

16% PM/EMR integration

*Respondents were allowed to select multiple answers.

Addressing these three areas should help organizations tighten key metrics, such as reducing time to schedule, ensuring accurate information is collected, maximizing use of available time slots and resources, and reducing the number of hours spent working accounts for scheduling. Taking these steps can also help outsourcers stay competitive.

> **"Sending and receiving things electronically, utilizing integrated systems into your portal, also means you can standardize forms, make changes more readily, and aggregate data as quickly as possible."**
>
> Director of Patient Accounting

Patient-Friendly Self Service

Scheduling time can be reduced, and accuracy increased, by offering patient-friendly self-service online applications or portals. Such solutions must be easy to use to prevent abandonment. These would include omnichannel communication options, such as text, email, phone, an online portal, and more.

The System Director of Revenue Cycle at one healthcare center said: "We don't have that technology fully rolled out in our organization. I could tell you that's a really important priority for us so that we can be more user-friendly and patient-friendly and streamline some of those manual process or labor-intensive processes of people coming in, showing us their ID card, physically checking in your paperwork, that stuff that can be done upon scheduling."

Providing these digital options early on will eliminate many redundant processes farther along the process and will also help eliminate errors. Many of these digital options help power a more paperless work environment. "Pushing data gathering through a patient portal will be the best way to go," said the Director of Patient Accounting at one healthcare center. "Sending and receiving things electronically, utilizing integrated systems into your portal, also means you can standardize forms, make changes more readily, and aggregate data as quickly as possible."

Automation and Smart Workflows

Automation and smart workflows should be part of a scheduling solution. "Currently, our process is very manual," said a Director of Revenue Cycle Operations at one healthcare center. "We have a whole team of schedulers that are filling in fields and asking for information that includes insurance and validating the address. Sometimes they fill all the fields in and sometimes they don't. I think they do a pretty good job getting the major pieces, but oftentimes we don't have clean claims because we don't have complete information on the front end."

Smart digital solutions can help reduce errors and slash the need for manual interventions. Smart workflows, for example, can help ensure that the most current payer requirements are referenced, as well as the correct payer plan.

"Sometimes there are challenges with the abundance of similar payer plans," a VP of Revenue Cycle said. "And a simple selection of the wrong health plan codes will bring back an eligibility with the wrong benefit. Refining the technology could provide greater accuracy for

eligibility, benefit verification, and deductibles being met or not being met so that patient estimates can be more accurate."

Integration

A scheduling solution should seamlessly integrate with your EMR and other applications to make work easier for schedulers and the patients they are helping. Tight integration reduces the need for multiple calls. "We want one-call participation," the COO at one healthcare center said. "The patient should only have to make one call for scheduling, insurance verification, and even letting them know their out-of-pocket cost."

> **"I think technology has a big opportunity to make the process easier for the patient, make it more streamlined, and avoid the tendency of asking for the same piece of information over and over again."**
>
> VP of Revenue Cycle

Having RCM applications integrated amongst themselves and with backend systems makes for a better patient experience with registration. "I think technology can help relieve patients of the frustration of having to re-enter the same information multiple times," said the CFO of one healthcare center. "When you put yourself in their shoes and go through that process of re-entering the same information over and over, you don't understand why the different players that are helping on the healthcare side are not talking to each other. I think technology has a big opportunity to make the process easier for the patient, make it more streamlined, and avoid the tendency of asking for the same piece of information over and over again."

Pre-Registration – "Patient Engagement Starts Here"

Pre-registration is seen as an essential element of front-end RCM by 22% of respondents because of the accuracy required in obtaining patient demographic, payment, and other intake data prior to the visit. The CFO at one healthcare center said: "We have to ensure accuracy in collecting upfront pre-registration data so we don't create issues on the back end. For example, if we pick up the wrong payer, and then we bill for the wrong payer, if we don't discover this within the payer's time limit, we could end up with a time of filing deadline issue. So, pre-registration accuracy on the front end is extremely important."

Pre-Registration: The Challenges

Our survey of RCM leaders cited the top pain points for their pre-registration processes to be:

42% Lengthy intake questionnaires

42% Low staff and patient adoption of existing solution and processes

33% Varying intake and registration requirements across providers, departments, payers, and service lines

*Respondents were allowed to select multiple answers.

RCM leaders see lengthy intake questionnaires and other manual pre-registration processes as being part of the problem when trying to improve accuracy of information gathered and ensuring eligibility verification. They also are looking for ways to ensure all pre-registration documentation—whether scanning paper-based forms, attaching PDFs, or accepting through a patient portal—are in hand before the patient arrives for the scheduled service.

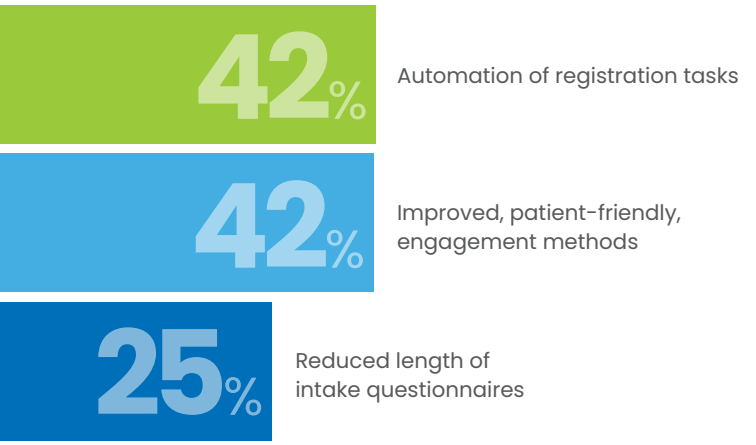
The challenge of acquiring accurate and complete information is complicated by low staff and patient adherence to existing solutions and processes. This is often caused by varying intake and registration requirements across providers, departments, payers, and service lines. Employee turnover adds to the challenge. One CFO at a healthcare center said: "We have personnel changing every few months, so we are constantly retraining staff that are new in those positions."

> **"One source of disconnect with the services being scheduled is when we aren't provided with accurate information on the services being performed. This prevents us from accurately verifying benefits and coverage associated with services. We need to have the right information upfront."**
>
> RCM Director

The problem is often exacerbated by a lack of integration between patient engagement platforms and PM/EMR systems. The patient isn't the only source of inaccurate information. One RCM Director said, "One source of disconnect with the services being scheduled is when we aren't provided with accurate information on the services being performed. This prevents us from accurately verifying benefits and coverage associated with services. We need to have the right information upfront."

Pre Registration: The Solutions

Top areas where organizations are planning to invest in pre-registration improvements and transformations include:



*Respondents were allowed to select multiple answers.

Automation for Registration

RCM leaders see automation as essential to bringing precision into their pre-registration process. Automation enables processes to be consistent across a healthcare center's operations—while allowing for customizations according to specific needs of the service provider.

The key is that the agreed upon needs are met across all users. Automation should have a simple, intuitive user interface for those tasked with collecting pre-registration data, especially when there is personnel turnover. This is critical not only for healthcare organizations, but also for outsourcers.

> **"The key to pre-registration success is having accurate information and the ability to communicate expectations back to the patient."**
>
> RCM VP

One CFO commented: "I think portal adoption or online tools that you can use, whether it's texts or email, that links to folks to get them information, the consents you need is critical. Right now, our process is just very manual."

Patient-Friendly Engagement

A user-friendly UI opens the door for patients to provide information online through a patient portal or similar online application.

"Currently our pre-registration process is very manual, talking to patients over the phone," said one healthcare center CFO. "A patient portal or other online tool—whether delivered via texts or email links—would reduce time and errors. Having a patient input their own data, and then having it checked for accuracy, provides an extra layer of protection."

Smart workflows coupled with the automation of registration tasks can provide a better, more streamlined, patient engagement method while reducing the chance of denials because of missing or incorrect data. Smart workflows and integration with other systems help ensure that the exact service to be performed is recorded, and that the precise payer plan is input. This means patients can know exactly what costs they carry responsibility for.

Shorter Intake Questionnaires

Automated online systems with smart workflows that are integrated with PM/EMR systems can enhance the patient experience by reducing the amount of information they are required to enter into a questionnaire. This includes removing the frustration of having to re-enter much the same information into multiple non-integrated systems.

In addition to enabling shorter questionnaires, online systems eliminate the frustration and errors of dealing with illegible paper forms, and reduce the time required for personnel to capture intake data.

The Results are Clear: It's All About Automation

Automation is an important keyword for RCM leaders. It is what is driving improvements in their technology, their processes, and, ultimately, their results. Those surveyed made it clear that automating more steps throughout the revenue cycle will result in a more streamlined process, leading to less errors and better overall outcomes. The automation of many processes will allow employees to focus their talents on more nuanced activities. By removing the time-consuming tasks that can be accomplished via automation, you uplift the value that your team brings to the table while also improving the experience and results for patients and staff alike.

Robotic process automation, predictive analytics, and smart workflows guided by artificial intelligence (AI) and machine learning can reduce the phone calls and other manual interventions required. Automation can also keep your systems immediately updated on shifting payer rules, which otherwise become an easy trigger for denials.

A robust (and user friendly) prior authorization solution that incorporates AI-driven automation, provides deep and wide visibility, and seamlessly integrates with EHRs and other back-end systems, should help bring relief to the challenging aspects of RCM.