

10 most common Revenue Cycle challenges and best practice solutions

1. Inadequate practice management systems

First, choose a billing system with maximum technological capability enabling you to submit clean claims on the first submission: Insurance verification, accurate demographics (card scan), claim scrubbing, coding and charge capture, and clearing house integration. Second, maximize the features and capabilities of your PM system.

2. Mismanagement of the EDI process

First, minimize claim rejections and denials through the use of claim scrubbers. Then, ensure each claim reaches the payer accurately and within timely filing guidelines. And finally, monitor claims submission to the clearinghouse via EDI reports.

3. Lack of data to manage the practice

It takes good data to make the decisions about how to improve your revenue cycle. Standard reports should be available to monitor: Denied claim %, denial reasons, denial trends by payer, aged accounts receivable data, days in A/R, patient A/R, payer reimbursement comparison to contract, specialty-specific provider productivity, per-visit data (charges, payments, procedures) to quickly detect negative trends, total RVU's, RVU's per visit and payer mix.

4. Limited technology leading to a staff-heavy, manual business office environment

First, ensure you have a robust practice management system which is fully integrated with your EMR and external systems. Then create efficiency with automated eligibility verification, appointment scheduling and reminders. And finally, maximize first-pass payments with automatic claims scrubbing.

5. Limited metrics to measure success

First, develop meaningful key performance indicators (KPI's) which represent the critical areas of the revenue cycle. Then trend the KPI's and measure against benchmarks ensuring you recognize an issue as soon as it surfaces. Lastly, be prepared to take immediate action when a negative trend first appears.

6. Aging Accounts Receivable

Monitor days in A/R, benchmark to industry standard and monitor aged accounts receivable by payer and self pay categories. Prioritize outstanding A/R by balance due, account type, payer type, and age of account. Provide means for patients to make payments easily: patient portals, credit card on file, payment plans. Cross-train billing staff to ensure the process continues seamlessly when attrition or absences occur and establish performance targets for the staff to trend A/R over time.

7. Patient A/R is the fastest growing portion of a provider's revenue stream, but with the lowest collection rate.

First, ensure clear, *written* policies exist regarding patient financial responsibility, and follow them. Ensure time of service collection policies exist to maximize patient collections. Then, educate patients on their financial responsibility at the time of scheduling and train the front desk staff on the proper way to ask for payment. Ensure that staff collect copayments and prior balances at the time of service. Display clear signage at the front desk regarding the payment of copays at the time of service, negotiate payment plans and retain a credit card to ensure the plan is followed.

8. Delayed payment and denial posting

First, adopt auto-posting of electronic remittance advice. Then expedite the posting of payments and denials to ensure a timely appeals process. Lastly, process patient payments in a timely manner to increase accuracy of patient statements.

9. Failure to apply correct coding initiatives

First, conduct periodic coding audits to ensure accuracy of coding. Then, conduct coding workshops with providers addressing various coding concerns, new codes, or documentation issues. Finally, adopt audit and documentation tools to assist providers in meeting documentation standards.

10. Delayed charge entry

Measure billing lags. Identify the length of time between date of service and date of charge entry. If the lag time is outside of industry standard, you are delaying your revenue cycle and subsequent cash flow. Create production standards for coding and data entry processes.