New tech is sparking a revolution for the healthcare revenue cycle – 2 experts explain why

Written by Staff

The financial challenges facing health systems are well documented. Declining reimbursement, regulatory uncertainty, rising bad debt due to increased enrollment in high-deductible health plans – these and other challenges have been examined in scholarly, trade and lay publications alike. It's clear new approaches and tools to support revenue cycle management are needed to help providers survive and thrive. What many healthcare leaders may not realize is that many of those needed tools have already arrived, and the healthcare revenue cycle revolution is underway.

Revenue cycle departments are under dual pressures to provide billing transparency to patients and navigate through provider negotiations to secure fair reimbursement. Hospitals are increasingly turning to outside innovators for help in both of these aims, and Conifer Health Solutions is among the healthcare services companies using information technology to lead the way in this space. The company processes more than $30 billion in net revenue for healthcare organizations annually and has been recognized by KLAS Research as a top-performer in value-based care managed services.

Conifer's Scott Rowe, vice president and CIO, and Brad Prugh, vice president of business intelligence, recently spoke with Becker's about what the revenue cycle of the future will look like and how leaders can get their organizations up to speed.

The revenue cycle of the future

When patients go to pay their medical bills, they want what consumers across industries have come to expect – price transparency. With patient out-of-pocket expenses on the rise and stories about daunting surprise medical bills pervasive in the media, calls for medical bill transparency have intensified over the past two years. With patient payments making up a greater share of revenue, providers have to meet this demand to optimize collections.

According to Mr. Prugh, payers, providers and technology companies all must do a better job to meet the growing demands of consumerism and provide patients with more transparency. Mr. Prugh pointed out that the process of deciphering medical bills can even be a challenge for experts.

"I know claims, I know billing, but [as a patient] it's still so hard to follow what you actually owe when you go for an inpatient stay, get a bill and question, 'What is this charge for? Why is there a separate charge from the radiologist? And why aren't all these charges together?'" Mr. Prugh

said. "I believe providers and payers both have incentive to really deliver a better experience for members and patients. And I think they have to come together to make the process more transparent and streamlined."

Further digitization of payer-provider interactions will only bring more transparency to the revenue cycle, according to Mr. Rowe. While electronic transactions make up a portion of provider-payer interactions, a significant amount of information exchange between these two parties has yet to be digitized. Further digitization could yield the real-time adjudication of claims and help to eliminate uncertainty around reimbursement.

"There shouldn't be uncertainty around whether or not the provider is going to get paid for a claim," Mr. Rowe said. "The revenue cycle of the future should be more transparent. When providers submit a claim, they should know what they're getting paid for and why."

More digital data exchanges between providers and payers can help reduce friction between the two parties and elicit greater transparency around reimbursement. This transparency will ultimately be passed on to patients in the form of a more streamlined, straightforward billing process.

Start with the low-hanging fruit

Leveraging emerging technologies such as artificial intelligence and data analytics can help providers achieve fairer reimbursement, optimize workflows and maximize the strategic use of human capital among revenue cycle staff. However, integrating new technology and processes can be daunting for provider organizations. According to Mr. Prugh, organizations should start by using data to identify problem areas in the revenue cycle.

"The first step toward a tech-enabled revenue cycle is to get a better handle on the descriptive and diagnostic data that's available to you today. This data represents a huge opportunity to uncover what is happening across the revenue cycle and why," Mr. Prugh said. "Once the problems are uncovered it will be easier to prioritize which issues to address right away and which will benefit from advanced analytics and technology."

Organized data can help finance teams identify claim denial patterns, patient payment issues and inform strategic approaches to automation. Hospital finance leaders just beginning to rethink their organization's revenue cycle processes can consider entering a vendor partnership to give their team a leg up.

Make sure vendors have skin in the game

Hospitals and health system leaders looking for an outside partner to help modernize their organization's revenue cycle should only pursue relationships with vendors that are willing to take a transformational versus transactional approach to partnerships.

"Rather than allowing vendors and outside partners to develop IT at your expense, health system leaders should find partners that are willing to share in the risk to develop a mutually beneficial solution," Mr. Rowe said.

The aspiration toward greater transparency in the revenue cycle also applies to vendor-provider relationships. Leaders should select vendors that prize communication and collaboration.

The technology of the future is here, but a revenue cycle revolution won't be fully realized until vendors, providers and payers better use technology to bring efficiency and transparency to the process. Ultimately, all parties want the same thing — a better experience for patients.