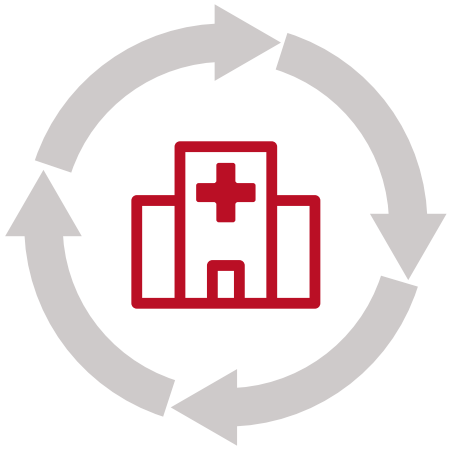
CONIFER HEALTH SOLUTIONS®

E-BOOK

Ready to Improve & Sustain the Health of Your Revenue Cycle?



Maintaining a high-performing revenue cycle for your hospital or health system is not easy.

It requires an intense focus on compliant, effective and automated processes, procedures and best-in-class technology. A holistic and proactive approach to the revenue cycle – from patient services to HIM to billing and claims to comprehensive A/R management – is the key to achieving sustainable performance and cash flow.

Evaluate your performance against these vital benchmark metrics[1] from industry experts to pinpoint areas and strengthen your organization's financial performance.

Simplifying and automating patient interactions through workflows and effective patient advocacy communications can help improve metrics in the areas of patient services and access. Start by evaluating the following functional areas and implementing the identified strategies.

Functional Area

Patient Financial Clearance

Benchmark Metrics

95%
of patients

Are **verified for eligibility and financially cleared** prior to services and/or discharge

Strategies to Achieve

- Use smart workflows that begin with patient scheduling and pre-registration
- Establish a financial clearance process that includes verification of patient identity and insurance, estimated liability calculation and collection of insurance authorization and payment
- Automate insurance verification and provide a patient liability estimator
- Provide on-site financial counselors to help eligible patients identify coverage available through government or charity programs

Functional Area

Patient Responsibility

Benchmark Metrics

Or more of **net patient service revenue (NPSR)** should come from point-of-service collections

Strategies to Achieve

- Establish standardized patient-centric collection policies, processes, training and tools across all facilities and business offices
- Clearly communicate to the patient his or her estimated financial costs in advance of service
- Collect co-payments at the time of service
- Integrate credit card authorization services to enable patients to pay online
- Automate propensity-to-pay scoring and workflow
- Proactively manage financial arrangements, such as payment plans

Functional Area

Customer Service

Benchmark Metrics

Call **abandonment** rate

Strategies to Achieve

- Ensure call center hours of operation meet the needs of your patients
- Consider providing on-demand services through a patient-friendly online portal
- Leverage call center facilities with routine call-monitoring capabilities to manage service quality
- Provide patient-friendly bills that are clear, concise, timely and most importantly, accurate
- Make sure your customer service teams are trained and supported by documented policies and procedures

REVENUE INTEGRITY, CDI, CODING & HIM

Improved revenue integrity occurs through coding quality and complete and specific clinical documentation. Ensure you have an established and collaborative Clinical Documentation Improvement (CDI) and coding program to support accurate severity of illness (SOI) and risk of mortality (ROM) reporting. Start by evaluating the following functional areas and implementing the strategies identified.

Functional Area

Physician Query Response Rate

Benchmark Metrics

>90%

Within **2-3 days of queried date**

Strategies to Achieve

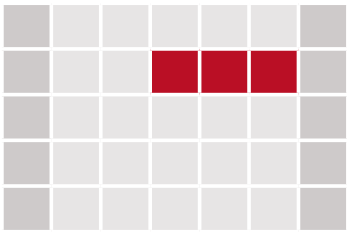
- Establish a query policy related to the timing of physician responses and hold physicians accountable
- Develop an internal query escalation process to address habitual non-responders
- Implement peer-to-peer physician education on top disagreed queries
- Hold regular meetings with physician leadership/ champions to ensure buy-in and continued support
- Standardize concurrent and retrospective query templates
- Regularly audit clinical documentation specialist (CDS) queries to ensure quality and compliance

Functional Area

Discharged Not Final Coded (DNFC)

Benchmark Metrics

3
days



Or less from **date of discharge**

Strategies to Achieve

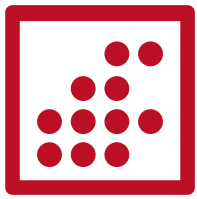
- Invest in an HIM operational assessment to identify causes of DNFC backlog
- Identify complexities between patient registration and work queues used daily by coders
- Ensure staff understands how DNFC should be defined, tracked and measured
- Hold regular meetings with CDS and coding staff to encourage collaboration

Functional Area

CDI Coverage Rate

Benchmark Metrics

>85%



Of **payer- and patient-type** populations

Strategies to Achieve

- Ensure appropriate CDI staffing levels and productivity goals are set for optimal coverage
- Establish CDI policies on case prioritization depending on payers
- Optimize CDI reporting tools to accurately notify CDS staff of case reviews and follow-ups needed
- Ensure CDS staff is adequately trained on CDI workflows, ICD-10 coding guidelines and medical record review strategies

BILLING AND CLAIMS SUBMISSION

The billing and claims submission process is a collaborative effort among patient access representatives, billers, coders and back-office staff. It's vital to establish and assign specific responsibilities to ensure efficient and timely reimbursement from payers and/or patients. Use the following benchmarks to consider performance improvement strategies your organization can implement for more accurate and efficient billing.

BILLING AND CLAIMS SUBMISSION

Functional Area

Clean Claims Rate

Benchmark Metrics

90%

Of **all claims** submitted

Strategies to Achieve

- Maintain compliance with ever-changing payer billing rules
- Increase emphasis on CDI, coding, and charge capture programs including education and training on new codes and specificity rules
- Conduct flexible pre-bill scrubbing that allows you to customize pre-bill edits to address the root cause of various payer denials
- Verify collaboration among clinical, HIM and finance staff to achieve common goals, establish accountability and improve understanding
- Document and follow a claim-correction process

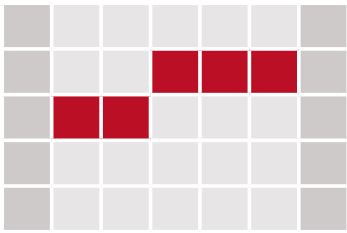
BILLING AND CLAIMS SUBMISSION

Functional Area

Claims Submission*

Benchmark Metrics

5
days



Or less from **date of service** or **discharge,** including system holds

Strategies to Achieve

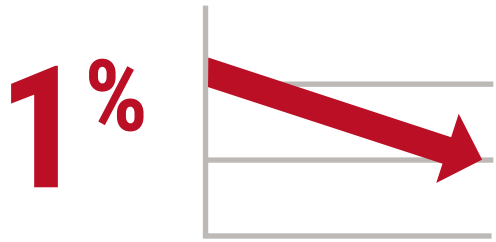
- Document and follow billing policies and procedures
- Make sure your billing staff is trained and aligned around common and established goals
- Automate billing rules to streamline electronic claims submission
- Triage at-risk accounts to prevent timely filing denials and preserve revenue
- Provide ongoing physician training to achieve timely and accurate documentation, contributing to improved DNFB metrics

* Billing and Discharged Not Final Billed (DNFB)

Functional Area

Denials

Benchmark Metrics



Denial adjustment rate

(final denials as a percentage NPSR)

Strategies to Achieve

- Establish an enterprise-wide denials management and prevention program
- Review and analyze denials and underpayments to determine root causes
- Create best practices to prevent future denials
- Inspect the entire revenue cycle – beginning at scheduling and registration – to find leakage issues, such as bad information gathering
- Consider a denials management improvement project that includes a redesign of denial codes, improved reporting and analytics, enhanced prevention efforts and additional training

A/R MANAGEMENT

Improving patient satisfaction and the bottom line are high priorities for today's hospital and health system executives. However, a disrupted cash flow or uncollected revenue can hold you back. Use the benchmarks below to measure your current performance and leverage the strategies provided to help improve your performance.

A/R MANAGEMENT

Functional Area

Bad Debt / Write-Offs

Benchmark Metrics

Or less of **NPSR**

Strategies to Achieve

- Evaluate adherence to 501(r) charity care policy
- Conduct periodic audits of write-off categories and volumes
- Review current posting processes and practices to validate accuracy of financial transactions
- Clearly communicate to the patient his or her estimated financial costs in advance of service

A/R MANAGEMENT

Functional Area

Net Days in A/R

Benchmark Metrics

Or less to collect **payment**

Strategies to Achieve

- Depending on payer mix, maintain net days in A/R to less than 45 days
- Report, track and analyze claims status by payer
- Facilitate payer meetings and proactive negotiations of payer terms to expedite payment resolution
- Establish just-in-time workflows to optimize the effectiveness of interactions informed by payer transaction codes

A/R MANAGEMENT

Functional Area

Aging Accounts Receivable

Benchmark Metrics

20%
or less

Of A/R is outstanding **after 90 days from date of service or discharge**

Strategies to Achieve

- Execute a focused A/R reduction project to accelerate cash flow
- Examine front-end processes for the implementation of best practices, such as collecting patient liabilities at the time of service, verifying eligibility, and checking patients' outstanding deductibles
- Analyze A/R greater than 90 days at the payer level to determine which payers may be slow either to pay or to address issues with follow-up or denials
- Promptly identify and prioritize payers to address cash flow concerns

“Cost to collect” is a crucial metric for gauging your organization’s operating performance; typically, widely published industry statistics only take into account your back-office functions. In today’s healthcare landscape, it takes much more than your billing office to efficiently and effectively collect for the services you provide.

The full revenue cycle spans from front-end patient services to coding and clinical documentation to claims submission and A/R management. Several factors contribute to determining your true cost to collect, including, but not limited to, local market forces, labor costs, technology, regulatory compliance and revenue leakage.

» **Contact Conifer Health today at Success@ConiferHealth.com for a complimentary analysis to help you determine your true cost to collect**. Let us help you improve your overall performance across all payment models.

CONIFER HEALTH SOLUTIONS®

ConiferHealth.com

Conifer Health helps organizations transition from volume to value-based care, enhance the patient experience and improve quality, cost and access to healthcare.

For more information, visit ConiferHealth.com

1 Sources: Benchmarks were compiled using metrics across several industry sources, including Healthcare Financial Management Association (HFMA), The Advisory Board Company, Ernst &Young, and American Medical Group Association, as well as Conifer Health's 30 years of experience in the industry. Results may vary depending on bed size, payer mix and other factors.