



**WHITE PAPER:**

## **Choosing The Right Revenue Cycle Partner: 10 Questions to Ask**



**Did you know?**

The right revenue cycle partner can help your practice capture 15% more revenue.



There are few more important decisions for a practice than choosing a revenue cycle partner. Practices are recognizing that the investment, expertise and infrastructure required to effectively manage this complex process are increasingly out of reach. Collecting every dollar is critical for a practice to remain viable in today's environment of tightening networks and dropping reimbursement. To do this effectively requires significant investment in technology, data scrubbers such as real-time eligibility transactions and coding rules engines, payment confirmation, ability and knowledge to follow up on complex denials, patient pay platforms to make it easy to know what a patient owes and collect. Because RCM companies focus solely on revenue cycle management, they are typically equipped with the technology necessary to automate processes and increase efficiencies, ensuring medical coding, billing, and follow-up happen quickly—spurring faster physician reimbursement and minimizing lost revenue.

**1. Do you own your technology?**

This is important for a number of reasons. Many companies work on third-party systems. They do this because it is hard, complex, costly work to develop a robust RCM system. It is easier to simply grab something developed by someone else off the shelf, put out a shingle and declare that you are open for business. However, as things evolve rapidly in our industry, it is important to have the capability and resources to adapt front-end systems to keep up with evolving data requirements and workflow needs. If your RCM service provider works on third-party software, they will not have the flexibility to adapt the system to these changes - or accommodate any changes to your workflow. Your partner could be held hostage by the development timelines and priorities of a vendor that doesn't even know you exist. Also, there is no guarantee that your service provider will keep up the upgrades of third-party software as that tends to be a very expensive proposition. That can put your practice even further behind the eight-ball in deploying state-of-the-art technology.

**2. Do you have the capability to interface with other systems?**

Interoperability is critical in today's interconnected environment. As provider networks come together in new ways and data requirements get more complex, the ability to seamlessly interface with various EMRs, EHRs, hospital ADT systems,

#### **Know who's doing the work**

Is the RCM partner you are working with outsourcing some or all of the collections process? Having one partner that is doing all the work ensures a consistent and predictable outcome.



labs and other systems can mean the difference between an efficient workflow and a kludgy workflow filled with redundant, non-value add steps. In addition, if your system isn't architected for interoperability and your RCM partner doesn't have the capability, willingness or resources to build this connectivity with your partners, your practice could be locked out from participating in new organizations like ACOs, patient-centered medical homes, etc. Many RCM providers are not capable or willing to interface with other systems (another reason it is important to pick a partner that controls their software!). Or if they do, they may charge significant fees. An ability to connect with other systems is likely to be important - if not now then sometime in the future.

### **3. What are the metrics you track to ensure success?**

At this point, most practices are aware of the basic metrics that track the health of their revenue cycle - things like days in AR, adjustments and collection yield. But there are other more sophisticated metrics that are important indicators of an efficient process that will result in consistent outcomes. Metrics such as charge lag time, billing lag time, first pass rate, clean claim rate, secondary collections and patient aged AR are examples of these sorts of metrics.

### **4. How is your operation organized?**

This may seem like an arcane question but most companies are organized to maximize their efficiency (read: reduce their costs). That generally means that they are organized functionally - that is around the key functions of the RCM process - not around the client. A functional environment can be highly efficient but often suffers from a lack of focus on clients and client outcomes. Conversely, a customer-centric organization puts the customer at the center and organizes itself around customer needs and outcomes. This is a more resource-intensive way to organize an RCM operation but it helps ensure clear accountability around client success.

You should understand who is actually doing the work. Many companies in the revenue cycle industry outsource some or all of the process of actually collecting payment to a third party - usually in an effort to save money. The problem with that is that revenue cycle is actually a very complex process - it is very difficult to cleave off part of it into a different organization and achieve a consistent, predictable outcome. It is also difficult to have a single point of accountability.

### Helpful Hint

Not all cloud services are automatically HIPAA compliant. If you are using a cloud provider, request a copy of their HIPAA compliance program documents, and also request that they sign a Business Associate Agreement. If they cannot produce them, or they are reluctant to execute a BAA, you have a major problem.



## 5. How is your system hosted? Do you have the right levels of redundancy and security?

If you select a cloud-based solution or a hosted environment, it is important for you to ask about the redundancy and security level of their infrastructure and the disaster recovery planning. Do they have an onsite server room at their office with boxes and wires everywhere or do they have access to the resources, redundancy and physical security of a tier one data center facility. Also, ask what sort of third-party audits have been conducted to ensure that your data is safe and transactions are HIPAA compliant. These are important questions to ask to ensure that an adequate level of investment has been made to keep your data safe and secure and to ensure 100% uptime and system availability.

The benefits of selecting a cloud-based solution include:

- Users have unlimited access to the software using any device connected to the Internet;
- The user is not chained to one stationary computer;
- Data can be shared with other systems;
- All users access the same version of the software;
- Maintenance and upgrades to newer versions are easier;
- Healthcare data security are improved;
- The system has its own IT support; and
- Investment in application or database management is unnecessary.

If their system isn't cloud-based, your practice will likely have to maintain and update software - requiring onsite hardware and IT support personnel.

## 6. What sort of workflow systems do you have in place to support front-desk processes?

A claim is nothing more than data collected about a patient and an episode of care. If front-end processes are robust and the data are complete and accurate, the claim has a high likelihood of successful adjudication. If parts of the data are missing or riddled with errors, payment will be denied. Most practices today have a busy front office that is stretched to capacity and may resort to inconsistent

#### Did you know?

According to the MGMA, 65% of denials are never appealed. A true RCM partner will help you adjudicate denials - regardless of the dollar amount.



processes when stressed. It is unrealistic to have constant supervisory oversight of the front office. The answer is an RCM system that ensures rigorous process controls at the front end through workflow design. This sort of system is a cost effective way of ensuring that no matter who is working the front desk or how busy they are, the data collected at this critical step, is complete and accurate and will lead to payment.

Look for a provider that has a state-of-the-art coding rules engine and make sure that they have dedicated expert coders keeping that system updated and current. Payors are constantly adding new rules to their adjudication systems. Providers need access to claims scrubbers that are as sophisticated as these adjudication systems in use by payors. It isn't enough to implement LMRP rules and call it a day. To avoid coding-related denials, a practice needs access to payor-specific, detailed rules that evolve over time.

### 7. Do you have threshold dollar amounts for follow up efforts?

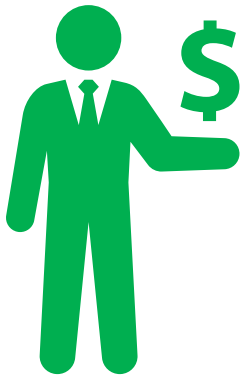
Some RCM companies set artificial thresholds on the dollar amount required on a denial before they will do any follow up work. Some companies are known to set this threshold as high as \$200! This means that a denied claim with a potential payment value of less than \$200 is kicked back to the practice or - worse - automatically adjusted off. This is because with their cost structure, they will lose money if they do any work on that claim. A practice should understand the policies and follow up thresholds so they aren't surprised when denials are not followed up on. Reputable companies will be happy to disclose this information.

### 8. What are your performance indicators for key processes?

Understanding how your partner will measure process success is important to understanding how rigorous they are in managing and monitoring process. Things like turnaround times, response times on questions, patient wait times, call quality indicators and error rates are important leading indicators to the consistency and predictability of your financial performance.

#### Helpful Hint

Not all RCM services are created equal. It is important to understand what parts of the revenue cycle a company really takes on before you sign up and what the “real” costs are for those services.



## 9. What visibility will I have into financial performance and account status?

Many practice administrators and doctors believe that they will lose control and/or visibility into their financial state or into their patient accounts if they work with a third-party RCM partner. This will certainly be the case with many old school billing companies operating on paper or older server-based systems. In today's environment, however, if you work with a company providing you access to a proprietary cloud-native solution, this need not be true. Ask if you will have access to everything happening for each claim for every encounter. You should be able to see your reports and review status for every account.

## 10. Are there any hidden fees or extra costs?

The standard pricing model in the revenue cycle industry is to charge a percentage of what is collected. This helps align incentives with the practice and also ensures that expenses are variable and tied to collections, not fixed and tied to resources (this is another good reason for a practice to consider working with a revenue cycle partner - if a practice is paying a staff for internal billing, those costs are "fixed" meaning that they will pay that staff every month regardless of the volume and collections). This seems simple and often is but there are some groups that keep their advertised percentage artificially low by adding in additional fees for software licenses or upgrades, patient calls, eligibility transactions, recall notices, appointment reminders, etc.

A corollary to this is to truly understand the services provided. It is easy for a company to say that it provides revenue cycle services but what constitutes "RCM services" can vary widely. For some companies their RCM service offering stops at the submission of claims to payors. Follow up on denials, taking patient phone calls, submitting appeals, negotiating payment in the instance of non-participation, etc. falls back on the practice. You should also ask about the level of account management support your practice will receive. Is there an industry expert available to your practice who can help you evaluate the financial status and health of your practice or simply a support desk where you call a number and open a support ticket?

Revenue cycle has become an overused, generic term and service bundles are not created equal - it is important to understand what parts of the revenue cycle a company really takes on before you sign up.

## Partner for Success

The right RCM partner will help you streamline workflow, decrease denials and increase revenue. Asking the right questions will be the key to finding your ideal match.



## Conclusion

Being successful in today's healthcare environment with changing mandates, evolving reimbursement structures and increasingly complex billing requirements, practices need to have the ability to invest in systems and highly-skilled teams. Practices with access to that sort of capital are not common. For the practices that don't; luckily, they don't have to go it alone.

The practices that would like to remain independent but don't have unlimited financial or human capital should consider working with an RCM partner. With the right company, practices can leverage the resources and capabilities of a trusted, stable partner that has the significant expertise, technical knowhow and capital required and is focused on ensuring the practice's financial success. In this way, practices can leverage the benefits of operational scale, technical expertise and capital investment of a business partner. The right partner will bring the tools and systems to ensure patient intake procedures are optimized and services are coded accurately and have the skills and knowledge to hold payors accountable to pay for the services provided.

Working with a revenue cycle partner is something most practices should consider. But it is important to know what questions to ask.

## About MDeverywhere

MDeverywhere offers a leading revenue cycle management (RCM) and electronic medical record (EMR) solution including credentialing services for physicians. Our unique RCM solution includes purpose-built, cloud-based practice management software, coding rules engines, contract monitoring tools and full-scope claims management and back-office services. A fully integrated, user friendly, Meaningful Use Stage 2 certified EMR ensures our clients will be fully compliant with regulations. Our single source solution is proven to streamline workflow, decrease denials and increase revenue. As an NCQA Certified CVO we assist clients in taking control of their credentialing processes through delegation.

We were founded in 1995 and currently serve over 7,000 physicians nationwide. Our clients include solo practices, group practices, large faculty practices, and hospitals in over 40 different specialties. To learn more about the company visit [www.mdeverywhere.com](http://www.mdeverywhere.com) and request an online demonstration.

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