THE FUTURE OF THE REVENUE CYCLE

A survey of provider executives about the next generation of revenue cycle management

June 2017
1. Survey At-a-Glance
2. RCM Technology Trends/EHRs
3. Revenue Integrity Trends
4. Uncompensated Care & Patient Engagement Trends
According to an HFMA/Navigant survey of 125 hospital and health system CFOs and revenue cycle management (RCM) executives:

- Technology budgets are growing, but providers struggle to realize technology impact.
- Less than half of providers have established revenue integrity programs, but those that have are benefiting from them.
- The majority of executives are concerned about consumer self-pay and uncompensated care.
Technology budgets are growing, but providers struggle to realize the benefits of innovation — especially when it comes to electronic health records (EHRs).

74% of respondents say their revenue cycle technology budget is increasing and tech advancements are a priority.
Providers Focus Mainly on Technology to Drive RCM Improvements

Which RCM capability or tactic is your organization most focused on for improvement over the next year?

- **22%** Revenue Integrity
- **18%** Physician/CLINICIAN Documentation
- **18%** Business Intelligence/ANALYTICS
- **15%** EHR Workflow/REPORTING
- **13%** Self-Pay Management
- **13%** Coding
- **6%** Labor Utilization
- **5%** Staff Training/Incentives
- **4%** Business Intelligence/ANALYTICS

Of these areas, 79% involve or are enabled by technology.
Nearly Three-Quarters of Respondents Will Increase Revenue Cycle Technology Spend

How is your organization's revenue cycle technology budget changing? Consider all clinical and business RCM technology budgets.

Percent increasing spend by bed size:
- 77% <100 beds
- 78% 100-500 beds
- 65% >500 beds
To what extent is your organization able to implement/utilize new functional releases from your EHR (workflow, reporting, functional enhancements)?

- **49%** quickly adapt to functional releases
- **13%** are not able to keep up with releases
- **38%** underutilize functions available

More than 50% say their organizations can’t keep up with EHR upgrades or fail to maximize functional, workflow, and reporting improvements.
This Perspective Changes Depending on Job Title

Quickly able to implement/utilize new functional releases from EHR

- 54 percent of revenue cycle leaders say “yes” versus 40 percent of CFOs

Underutilize functions today

- 27 percent of revenue cycle leaders say “yes” versus 47 percent of CFOs
Providers Struggle to Track Technology Enhancement Effectiveness

How do you measure the effectiveness of your technology changes?

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>We Do Not Measure</td>
<td>41%</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>38%</td>
</tr>
<tr>
<td>Overhead Reduction</td>
<td>35%</td>
</tr>
<tr>
<td>Customer/Patient Satisfaction</td>
<td>27%</td>
</tr>
<tr>
<td>Vendor Reductions</td>
<td>21%</td>
</tr>
</tbody>
</table>
Technology Strategy

“As new technologies are implemented, it is critical to understand and plan for linkages across clinical and financial activities to optimize workflow and reporting in both environments. By adopting a holistic approach to technology evaluation and design, providers should benefit from automation, scale, and process improvement, thus positively impacting quality and financial outcomes.”

Mary Beth Briscoe, CFO, UAB Hospital & UAB Medicine Clinical Operations
Revenue integrity (RI) is essential to ensuring that revenue is accurate in coding and charge capture, contains reasonable pricing for services provided, and complies with laws and regulations.
Providers With RI Programs are Achieving Significant Benefits

Which problems/issues has your revenue integrity program helped your organization address?

68%  
OVERALL INCREASE IN NET COLLECTION

61%  
OVERALL GROSS REVENUE CAPTURE

61%  
REDUCTION IN COMPLIANCE RISKS

Many health systems lack a comprehensive RI approach.  

44% say their organizations have established RI programs.

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Almost All Respondents Have an Inpatient CDI Solution, but Only One-Third Have an Outpatient One

Please indicate which areas within your organization have deployed a clinical documentation integrity (CDI) technology solution.

- **Inpatient**: 95%
- **Outpatient**: 35%
- **Clinics**: 21%
Focusing on Revenue Integrity is Key

“Revenue integrity should be the glue that binds clinical operations with coding and business office functions. It’s clear that providers with established RI programs are benefiting from them, and expanding their scope will help yield long-term financial reporting reliability and operational efficiencies.”

—Jake Morris, managing director, Navigant
Engaging and educating patients and customizing communications are essential in the changing reimbursement environment.
Almost All Providers Concerned About Increase in Consumer Self-Pay

What impact do you believe the potential increase in consumer responsibility for healthcare costs will have on your organization?

9 in 10
Executives believe consumer responsibility for healthcare costs will continue to affect revenue.

Among them, almost twice as many rural executives (58 percent) believe that the impact will be significant, compared with urban respondents.
Providers Accessing More Consumer-Friendly Means to Enable Patient Payment

Providers are accessing more consumer-friendly means to enable patient payment: 93 percent offer an online payment portal and 63 percent offer cost-of-care estimation tools.

Leveraging innovative technology is again a challenge for providers: Just 14 percent use advanced modeling tools for segmenting and predicting propensity to pay, with fewer than one in four using a data source or external partner.
Moving from Hospital to Hospitality

“It is essential for healthcare leaders to apply a discipline to patient financial communications. This should include when and where conversations may be conducted, who should be engaged, and guidance for discussing issues such as financial assistance and prior balances.”

—Sandra Wolfskill, director of healthcare finance policy, revenue cycle MAP, HFMA
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Got a question about revenue cycle management? Talk to one of our experts:

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