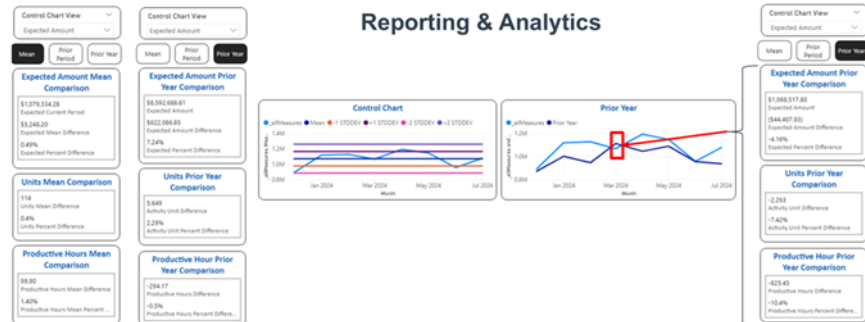# Supercharging RCM

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In times of market stress, cash is critical–and aggressive cash management becomes even more important (see Change Takes Cash and Successfully Managing Through Chaos: An OPEN MINDS Health & Human Service Executive Guide). Revenue cycle management (RCM) is a critical component of those cash management initiatives. Concerns about health plan collections are increasing the focus on revenue cycle management, particularly an increased rate of health plan claims denials. That was a key takeaway from a recent survey of health system executives from across the country, 2023 State Of Healthcare Performance Improvement Report: Signs Of Stabilization Emerge. Nearly three-fourths (73%) of executives reported denial rate increases over the past year across all health plans. But executives reported it was particularly problematic in markets with a higher penetration of Medicare Advantage plans.

In addition, 50% of executives reported an increase in bad debt and uncompensated care, while 52% reported a drop in commercially insured consumers, and 47% reported an increase in the proportion of Medicaid consumers. These concerns are causing executive teams to pay increasing attention to RCM issues—with nearly one-third (32%) pursuing outsourced revenue cycle solutions, up from 27% in 2022. But the nature of the outsourced partnerships is changing. Provider organization executives are moving to shorter-term contracts, proof-of-concept pilots, and performance guarantees, as well as "modular outsourcing" to multiple specialized vendors. We had a chance to hear from an organization that was facing similar problems at The 2024 OPEN MINDS Technology & Analytics Institute session, Securing Financial Sustainability: How DuPage County Is Implementing Cutting-Edge Tools To Strategize, Execute & Optimize RCM. Robert Baechle, Clinical

"We couldn't have done it without iCentrix. Their expertise, collaboration, and ability to harness data to uncover actionable insights have been invaluable to our success."   Rob Baechle-DuPage County Health

Established in 1944, the DuPage County Health Department (DCHD) in Illinois has an $86 million operating budget and serves 920,000-plus residents, including 122,000 households with children and 7,000-plus families below the poverty line. Fifty percent of the department's staff work in behavioral health, and its payer mix is primarily Medicaid and Medicare.

The DCHD RCM initiative to improve their RCM performance embraced the entire revenue lifecycle. Mr. Baechle and his team reviewed five key components in the process, starting with client registration and care authorizations. The team also reviewed documentation and coding practices; claim submission, denial management processes, and the handling of client billing and collections. Last, but not least, the team revamped the reporting and analytics needed to manage the process.

The RCM improvement initiative included revamping two key systems–the telephone intake system and the electronic health record (EHR). At the front end, the new telephone system was implemented as a 'one-call solution' to gain consumer information needed for billing and collections, including insurance, authorizations, eligibility, and copayments. DCHD adapted its EHR functionality to link the intake and billing functions at the start of service delivery.

"The business need was to effectively gain as much information as we could as quickly as possible so a client could engage services, and we could get paid for the services," said Mr. Baechle. "It was that simple. You must gather general information, demographic details, and payer data and obtain prior authorizations. We have utilized technology and data to ensure that the initial client call initiates the revenue cycle management process," he said. "We now have software that allows us to submit client information and do our payer authorizations concurrently."

Tuning the EHR to optimize billing, coding, and clinical documentation is key to RCM optimization. "It takes maintaining, because things change. These are not one and dons," Mr. Baechle said.

The investments in improving ROI had some measurable return, including a reduction in documentation turnaround from 2.23 days in 2023, to 0.84 days in the first nine months of 2024. DCHD also saw a decrease in lost charges, from $68,405 in 2021, to $12,546 in 2023.

Mr. Baechle had advice for executives focused on improving the yield of their revenue cycle— evaluate your EHR and upgrade if necessary; invest in business intelligence and constantly seek efficiencies. The first step in the process to improve billing and collections is to make sure the EHR is up to the task. Executives need to identify the functionality that they need to have optimal collections and do a gap analysis of their current EHR capabilities. "My suggestion is to invest earlier," Baechle said. "You'll have a stronger foot on the ground, and you'll potentially maybe have better information with the new system."

Second, he emphasized that integrated business intelligence reporting is the way to access and visualize the back-end insights that are needed to effectively manage denials, view trends, and take corrective action. Mr. Baechle's dashboards are a matrix that allows him to click on any level of specificity or layer that he needs. "I can bring it up in our analytics tool to demonstrate service documentation not being complete," he said. "This includes failed claims, failed activities, or if the payer fee matrix is missing a bunch of documentation. We monitor it every two weeks."

Lastly, Mr. Baechle said that RCM is a continuous improvement process—an ongoing process for increasing efficiency in populating, sharing, or reporting RCM information to payers and auditors. To this, he underscored the importance of keeping up with process improvements and staying up to date with EHR system updates.

"You have to be very strategic about what you require and how you require it to make it the most efficient," Baechle said. "Basically, use your EHR to try and do as much as you can."

Many executive teams may not see RCM as the most exciting way to improve services, but from a financial sustainability perspective, Mr. Baechle noted that it doesn't matter how good the services are if the RCM process isn't optimized to guarantee that the organization is paid for providing authorized and approved services. He concluded that good RCM is good for both the organization's bottom line and the consumer: "We can actually reach a client, get them into treatment sooner rather than later, and have good outcomes by using data—that's what allows us to continue to prosper."