



Methods for Identifying Revenue Cycle Functions for Possible Outsourcing


Presented to South & Central Florida HIMSS/HFMA Meeting
September 21, 2005



Education Schedule

Agenda

- Revenue cycle functional breakdown
- A management tool
- Critical success factors
- Current state and future state conditions
- The potential to deliver bottom line results along with improved operations
- Questions & Discussion




The Revenue Cycle Structure

Commonly referred to as “front end”, “middle end” and “back end” processes, the common structure is as follows:

- Patient Access
- Health Information Management
- Patient Financial Services

Many times the entire cycle does not report to the same administrator but the most common practice is alignment under a Chief Financial Officer.

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Revenue Cycle by Business Process

Pre-Bill Processes

Post-Bill Drop Processes

ACROSS THE FULL REVENUE CYCLE CONTINUUM

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The Front End

Patient Access functions typically include:



- Registration
- Admitting
- Customer Service
- Financial Counseling

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Middle End

HIM functions typically include:



- Request for documentation
- Assembly and analysis
- Transcription
- Coding
- Chart Completion
- Correspondence

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The Back End

Patient Financial Service functions typically include:



- Cashiering
- Billing
- AR Management
- Cash Collections



A Management Tool

- Long standing outsourcing in revenue cycle operations
- Cultural fit and experience
- Core service debate
- Pressure for centralization
- Best practice fast track
- Contracting for win/win
- Deliverables management



The Usual Suspects

Current State = Mostly Middle and Back End

- Customer Service
- Transcription
- Coding
- Release of Information/Correspondence
- HIM Department Outsourcing
- PFS Department Outsourcing
- Service call center
- Conversion Assistance for new system migration
- Self-Pay
- Bad Debt
- Full Revenue Cycle Outsourcing

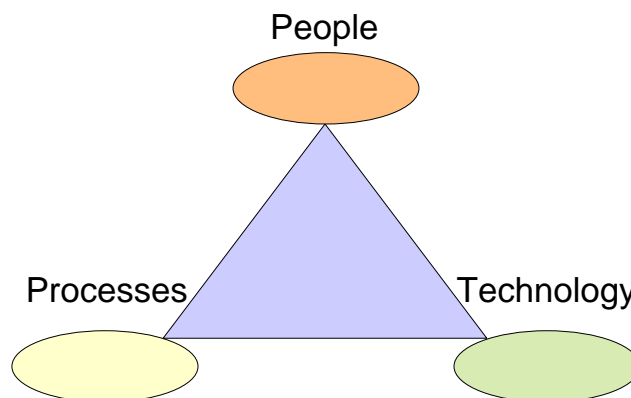
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Revenue Cycle Outsourcing Basics

How it's done:



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Critical Success Factors

People:

- Staff members dedicated to healthcare revenue cycle management and have extensive experience in the applicable expertise
- Seasoned healthcare professionals
- New employees receive adequate training prior to any patient interaction or billing activities and ongoing education on policies and procedures, updates on industry trends, and legislative and regulatory developments



Critical Success Factors

Processes:

- Integrated closely with hospital procedures to provide a seamless view to patients
- Designed to minimize cost and maximize efficiency and improve patient relations
- Aligned with most healthcare mission statements
- Multiple controls and check-points including bulletproof reconciliation process
- Superior performance reporting
- A Corporate Responsibility Program that ensures appropriate ethical and legal business standards and practices are maintained and enforced.



Critical Success Factors

Technology:

- **Sophisticated two-way interface process that electronically synchronizes and reconciles activity between facility's system and partner's system**
 - Interfaces to major patient accounting systems
 - Customized interfaces for proprietary, internally-generated systems
- **Comprehensive set of connectivity tools to support communication between client facilities and partner**
- **Must assist with achieving financial performance and operational improvement tracking**
- **Web enabled access**
- **IT resources that are scalable**



Outsourcing Methods

What Makes A Difference?

- **Value-based pricing – guaranteeing performance**
- **A true partnership for implementation of “Best Practices” for Admitting, Medical Records, Chargemaster, and Denial Management**
- **An unsurpassed model of business designed in partnership with a large health system**
- **Attention to data integrity that is second to none**
- **Results-driven model with incentives tied to aligned responsibilities**



The Bottom Line

Pricing Model

- Develops and utilizes a unique approach to defining projects – not canned
- Proposes services using a Proforma – projects the assignments, dollars and number of accounts for initial and on-going services, return on investment for the project, and expenses if applicable
- Approach specifically outlines expectations and the resources that will be expended on the projects
- Clearly shows reasonable fees and depicts what is promised to be delivered



Questions and Discussion

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Thank You