



# Healthcare in 2021 and the Pursuit for an Optimal Revenue Cycle Process

## WHITE PAPER



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The Covid-19 pandemic tested the mettle of the healthcare sector like no other development in history. It has launched a full-fledged onslaught on the sector in the form of health risks to frontline workers, threats of complete operational collapse, and fast depleting revenue streams. Providers were forced to focus their priorities on testing and caring for COVID-19 patients while tackling severe equipment and supply shortage, besides the challenge of being reimbursed in the end. However, the resilience displayed by the industry was incredible; care providers not just put up a valiant fight to save their patients from the virus but were also successful in sustaining business and keeping the revenue wheel rotating.

As 2021 is now underway, the industry is bracing for a good year ahead, the accompanying operational challenges notwithstanding. Technology has been reshaping the healthcare revenue cycle process, and providers have been trying hard to realign their RCM structure to attain revenue excellence. While navigating through the after-effects of the crisis, care providers must focus on what lies ahead so that they can meet their healthy revenue cycle goals with ease.

Owing to the COVID-19 pandemic, the American Hospital Association estimates that hospitals and healthcare systems have lost over **\$202 billion** between March and June 2020.

# Healthcare Trends and Forecasts for 2021

## A Boost to Virtual Care

Remote patient care was already garnering wide spread popularity before the Covid crisis rocked the world. But a silver lining of this episode of turbulence is that it has underscored the need for virtual healthcare and the various advantages associated with it. Remote consultations and medicine allow medical professionals to see more patients in their busy schedules, regardless of the location of either side.

**In 2021,**  
**one-third of virtual care** consultations  
will be mental health-related.

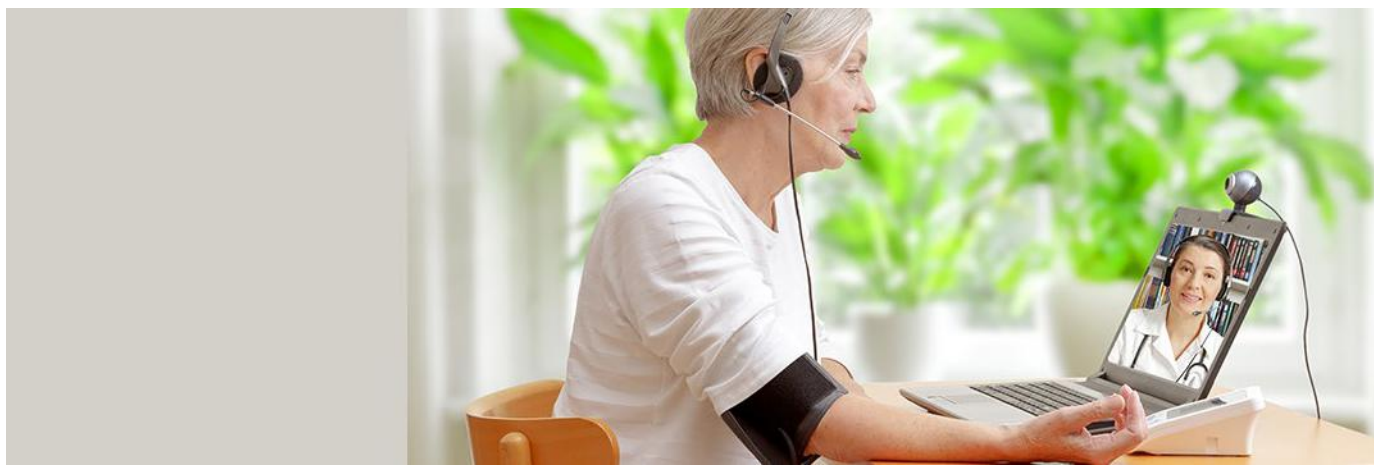


Telemedicine enables providers to cut down significantly on the patient no-shows by offering them great flexibility through automated text and phone call reminders. This reduces the revenue loss of the provider.



Owing to the convenient billing procedure in telehealth (comparable to online retail experiences, in some ways), the patient is usually willing to pay well for the services, adding to the revenue of the provider.

**76%** of Americans are likely to use telehealth; **74%** say that they are highly satisfied with telehealth.



## No Substitution for Data

Industry experts are convinced that the already tight margins would shrink further as the patient inflow would take some time to pick up pace due to the ongoing safety concerns of the virus. This is particularly true for patients with elective surgeries and outpatient visits. To ensure an encouraging bottom line amidst such trying times, data has to be exploited to extract actionable insights for decision-making.



2021 would see care providers pushing for intelligent analytics and data processing for accurate financial forecasting. Their first step toward this would be to retire the outdated manual data mining techniques that are fundamentally a drain on their resources.



Analytics tools would find a high scope of application in the processes of accounts payable and receivable, claim filing and denial, past due balances, and others. In addition, data would also be used to scale business by spotting opportunities and the associated risks.



**84 percent** of hospitals and **79 percent** of large physician practices have said that they have, or are planning to perform audits on their digital transformation capabilities

## Financial Clearance Grabs the Limelight

Today, healthcare setups are rattled by plummeting operational margins and rising bad debt, making immediate intervention critical. Practices must ensure to collect patient-responsible balances, including any outstanding amount, before patients are admitted to the facility. The year 2021 would see an increase in the work load of providers in the form of timely due collections as financial clearance and pre-registration payments would determine their future sustainability.



The patient must be made aware of their responsibility concerning their share of the payment. Providers must implement automation for routine but important tasks such as verification of demographic details of the patient, insurance coverage, and pre-certifications.



Besides patient care, providers must prioritize the reconciliation of missed payments before a patient schedules a new appointment. This is where analytics and automation are required to boost critical RCM processes.

## Administrative Burden will be Tackled with Vigor

It's a tragedy that frontline medical staff, including physicians, have always had to take on the time-consuming administrative facets of the business despite their round-the-clock availability to patients. If improving the care quality is the focus in 2021, this additional burden on the provider's shoulders has to go. Care facilities are already pursuing digitalization to streamline their workflow and cut down on the administrative load.



Care facilities are exploring all available avenues to streamline their revenue cycle and maintain a lean organization, prioritizing workflows around the most appealing return on investment.



As they plan their roadmap to step into the future, an increasing number of providers are turning to third-party RCM experts as part of their workflow restructuring. Such a move would be highly effective in addressing the growing complexities in claims processing.



costs

## Skyrocketing Demands for Better Financial Experience

Patient experience is the most common buzzword and is critical for the efficient RCM cycle. Since the RCM process involves the bank account of the patient, providers must ensure total transparency and agility in the ecosystem. They must focus on refining the way treatment costs, benefits, and responsibilities of the patient are conveyed upfront, leaving no room for ambiguity at the time of filing claims.

Between 2006 and 2016, the average value of patient deductible grew from **\$303** to over **\$1,200**, complicating the healthcare revenue cycle.



Practices are likely to allocate a higher budget to invest in technology for improving their billing and collection processes and cutting down the costs involved. They would also want to monitor and adhere to the financial regulations to ensure unhindered operations.



They must facilitate easy payment methods for patients. A fitting example is a payment portal that accepts patient payment at the point of care anywhere in the system, making the payment experience the same whether the patient is in a hospital or a medical office.

**62%** of patients say that knowing their out-of-pocket expenses in advance influences their likelihood of pursuing care.

# RCM Challenges and the Way Around Those

The preceding section delineates the way the healthcare scenario is likely to unfold in 2021. However, the way to capitalize on the trends passes through certain roadblocks and drawbacks of the ecosystem that have been a perennial concern for providers.

## Worrisome Patient Finance Responsibility

Over the past years, the healthcare sector has witnessed a steady rise in the patient's responsibility ratio in the form of higher copays and deductible plans. It's not surprising that a high percentage of the patients is worried about the out-of-pocket costs that a hospital admission episode entails. They are also unhappy with the billing and payment processes and the unclear charge dates offered by providers.

A survey of over 1,600 adult patients revealed that **39%** of them are worried about the Covid-19 patient financial responsibility.

### The best way out

Providers must focus on streamlining their financial policies and processes by leveraging automation, analytics, and other forms of technology. Patients must be supported with efficient payment options that help them understand balances, make payments, and communicate better with the care providers.



## The Interoperability Factor

Data interoperability has always been a success enabler in the modern healthcare ecosystem. Interoperability is important since an admitted patient's case might involve multiple health IT systems, for example, radio imaging applications, electronic medical records, therapy applications, etc. Such disparate systems capture a high volume of clinical data that must be collated for future reference and filing claims.

### The best way out

Providers must implement an efficient data infrastructure that readily facilitates inter-system data exchange, supporting coordination for clinical activity capture. The system in place must present a holistic view of the patient's status and ensure unhindered integration of relevant financial information in the provider's workflow. For this, they can either opt for a home-grown digital system or go with a reliable off-the-shelf solution as per their requirements.

## The Need to Enhance Patient Experience

Staff productivity is a topic of debate in the round table discussions in healthcare facilities. However, the bottom line is that most facilities are understaffed and lack efficient operational structures, resulting in overburdening of doctors and support staff to the extent of burnout. The archaic applications are simply not up to mark in meeting the dynamics of modern-day healthcare. They also lack staff performance tracking methods and trigger issues like attrition, untrained employees, etc.



### The best way out

Operational efficiency is critical for patient satisfaction and therefore, the revenue cycle. Today technology makes it possible to reimagine the entire healthcare ecosystem with robust, integrated, and intuitive workflows that enhance back-office operations as well as front-end patient experience. Modern RCM solutions enable better patient engagement, reimbursement strategies, and visibility into the care cycle, with less time and manual effort.

## The Unpredictable Regulations

The healthcare sector has forever been closely monitored and tightly controlled, owing to the high stakes involved; uncertain times like the Covid-19 pandemic intensify it further. In 2021, the industry would see some fundamental changes in the care quality and operational requirements. This will add to the pressure on providers, who would be striving hard to balance the patient care quality while adhering to the state and federal regulations.

### The best way out

Besides their efforts for minimizing penalties and maximizing reimbursements, providers have to embrace progressive practices to handle the stringent and evolving regulatory requirements. A good option here would be to seek help from external RCM service providers who offer custom regulatory frameworks for compliance.

The U.S. spends about **\$750 billion** every year on expenses not directly linked to healthcare.

## Frightening Overheads

Managing a modern care facility requires massive finances. As patient care continues to get expensive, providers are getting desperate to contain their operating expenses. With shrinking margins, rising patient volumes, and the constant pressure to cut down on healthcare costs, care facilities must consider restructuring their workflow to optimize their total operational expenses.

### The best way out

For a better revenue flow, providers must recalibrate their charge capture enablement process, denial management efficiency, and payer contract compliance. Outsourcing the RCM services has always been the trump card for healthcare setups to boost care quality while reducing costs.

Since the mid-1960s, healthcare costs in the U.S. have regularly climbed by up to thrice the annual inflation rate.

# Healthcare Revenue Cycle and Patient Access

Patient Access, in its basic sense, refers to the ability of a patient and their family to decide on their healthcare. It involves patient scheduling and registration, financial clearance, and patient collection. For a hospital, patient access is a reflection of how effective the center is as a whole. It refers to the operational aspects of the facility – the doctors, the nurses, the facilities, scheduling, and even the coordination among referring providers.

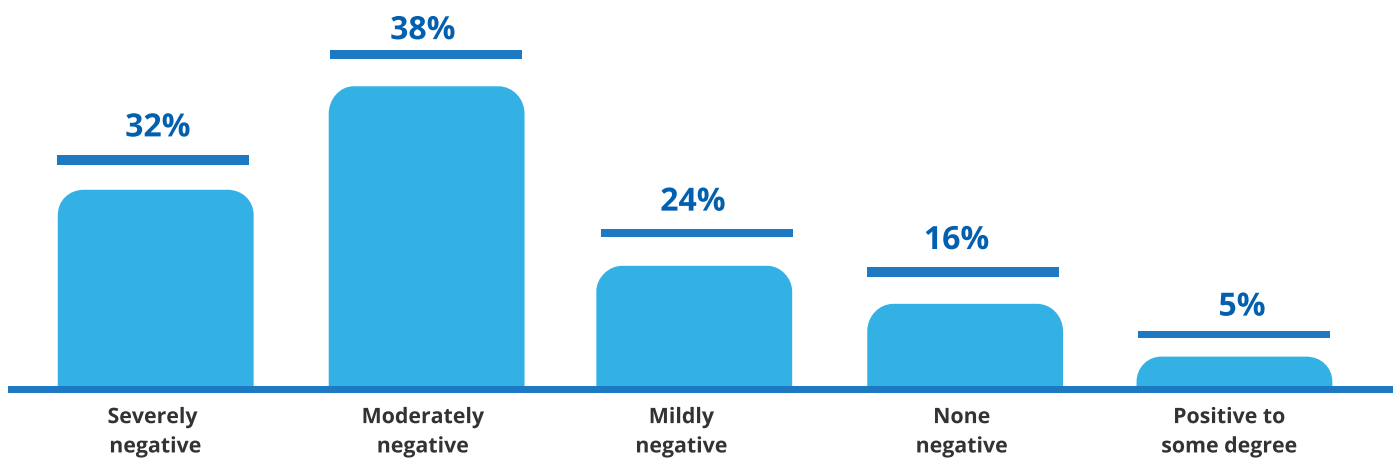
## The RCM-Patient Access Equation

There is a direct and easily discernable link between patient access and the healthcare revenue management cycle. Improved patient access tremendously boosts the revenue opportunities for care facilities. If gaining access to the care they need is a pain point for patients, it would land a blow on the revenue generation cycle of the provider. With the patient in the center of the ecosystem, peripherals such as billing, insurance, financial clearance, and others, mean nothing and would cease to exist.

Despite its importance in the healthcare landscape, stakeholders have never been able to completely clear the hurdles marring patient access. The barriers in establishing a patient connection with care were underlined by the Covid-19 pandemic.



## Impact of COVID-19 on healthcare revenue cycle operations



To enhance patient access and therefore, its impact on the revenue cycle, providers must consider a patient-centered access center that creates patient access points, establishes patient trust, and supports them throughout their care journey. It would be a centralized place for all patient requests, inquiries, and referrals, and enable health systems to optimize patient access.



# Realizing a Patient-centered Access Center

## Advance Access

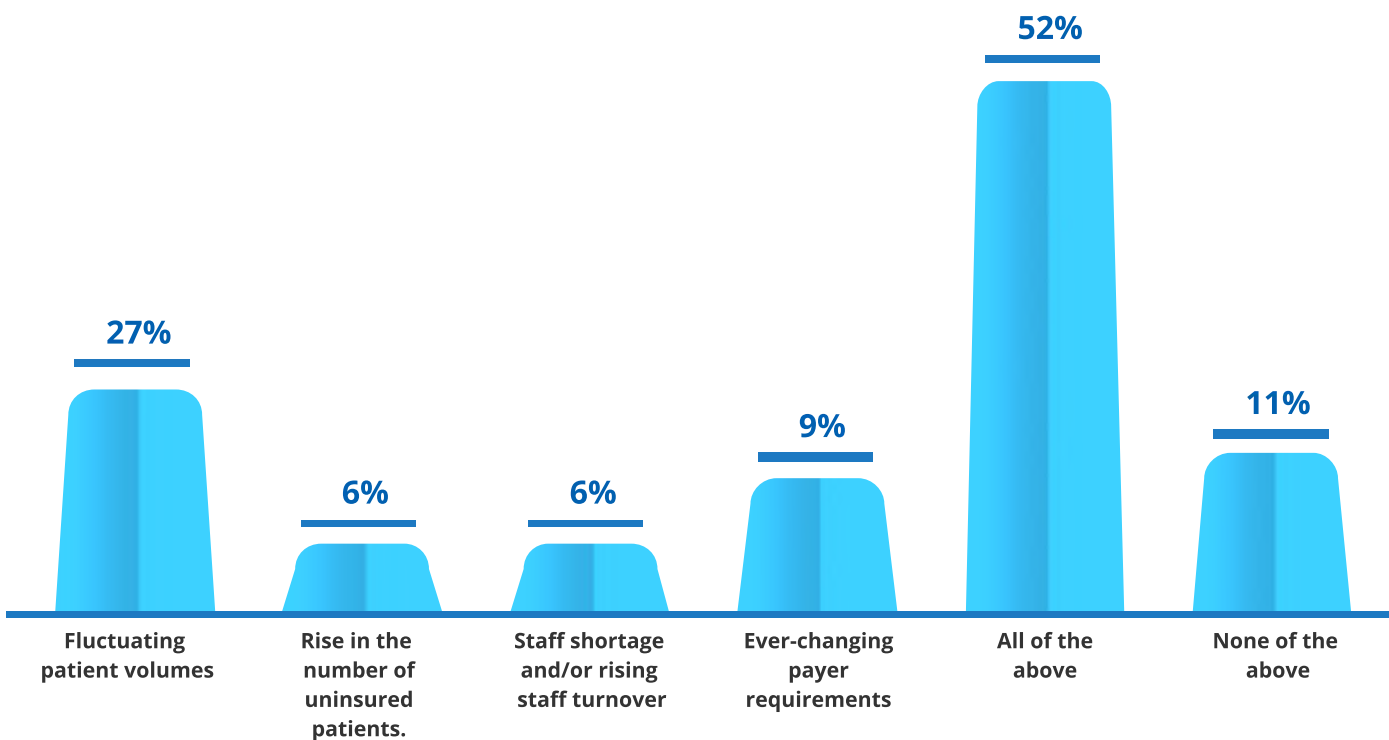
Advancing patient access, as opposed to the traditional decentralized patient access, involves centralizing the ownership of orders and referrals through a patient-centered access center. It enables effective training of the staff to provide patients with a consistent experience throughout the system. This eliminates the chances of patient confusion and dissatisfaction, leading to an enhanced patient experience.

## Impact on revenue

Centralizing referrals ensure a better patient response to service requests by matching them to optimal service, enabling enhanced access and satisfaction. This results in higher efficiency, more procedures, and, therefore, increased revenue.



## Healthcare business risks



## Optimize Resources

It involves addressing schedule management differences by optimizing patient access resources through standard templates and protocol guidelines. When the same workflow is followed by every member at the access center, the need to recreate the workflows by different access center teams is eradicated, allowing health systems to optimize their limited resources. They can also empower the staff by introducing the best practices for schedule management and unifying them across departments.

### Impact on revenue

When the staff is trained to handle every type of patient access request, the patient need not be transferred to another team. This enables the center to grab every opportunity to provide care to the patient, thus minimizing the missed or canceled appointments and boosting the revenue.



## Engage Stakeholders

A major concern for healthcare organizations is the presence of multiple internal stakeholders in the form of disparate departments, which makes it difficult to effect any change in the organization. This makes stakeholder engagement critical in improving patient access. For this, there is a need for collaborative governance structures to drive goals, issue resolutions, and performance evaluation tactics. They can also focus on evaluating their referral and demand processes and identify ways to improve them.

### Impact on revenue

Engaging stakeholders for improving patient access enables health systems to prioritize patients. It also cuts down on referral leakage, and improves cross-departmental communications, adding to the revenue of the facility.



# RCM Outsourcing and its Implications

It has been a constant challenge for care facilities, the small and mid-sized ones, in particular, to find that sweet spot between quality care and optimum revenue flow. And with the ever-increasing flow of patients and patient demands, and the soaring operating cost, striking a balance is next to impossible for them. Considering all the variables, joining forces with a trusted third-party RCM solutions provider is the best bet for hospitals. This would allow them to focus on the truly important facets of the job - patients, relieving them of the need to correct and resubmit claims.

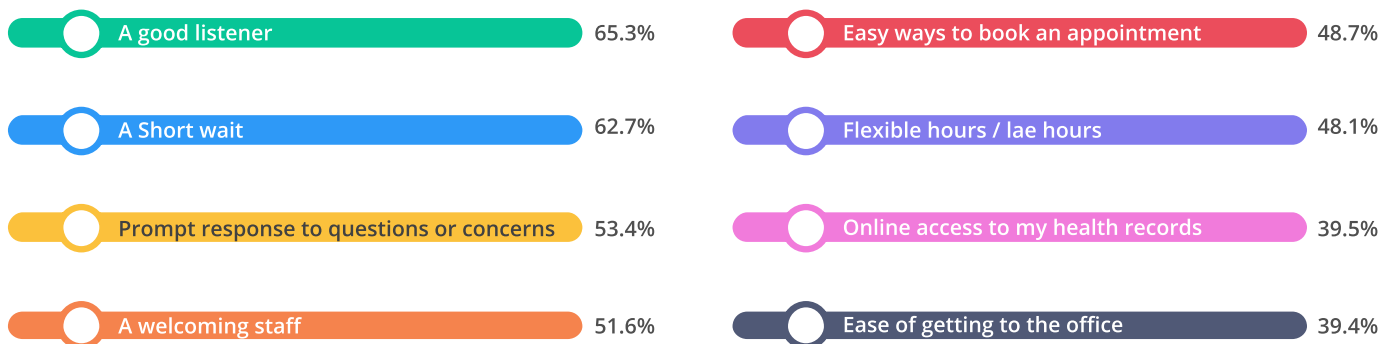
**30 cents** of every dollar spent is never actually collected by the healthcare facilities. Also, the reason behind one-fifth of all uncollected funds is either incorrect coding or inaccurate insurance status at the outset of treatment.



## Patient at the Center

As the RCM-specializing firm commits to turnaround the revenue flow of the client, the provider can focus single-mindedly on boosting the care-quality as per patient expectations. Also, the RCM partner enables the client to stay compliant while primarily focusing on patient health.

### Things patients want the most from providers (besides quality care)





## Timely Reimbursements

A professional RCM firm uses digital systems for error-free billing to enable timely reimbursements for an uninterrupted cash flow. Form gathering and verifying patient enrolment data to ensuring correct medical codes to liaising with payers, they optimize the revenue cycle end-to-end.



## Regulatory Compliance

It's imperative for providers to stay on top of all compliance issues and regulatory changes. An external RCM partner helps the client with custom models that assure compliance. They engage dedicated resources specializing in predicting upcoming regulations and ensuring adherence to all-payer policies.



## Easy Scalability

The RCM services provider gives the client a platform to scale operations and explore new opportunities. Their flexible engagement plans enable the client to optimize resources as needed at a given point in time. Also, they appoint a project manager as the client's single point of contact, making performance monitoring easy for providers.

Till 2026, the RCM Market  
is expected to rise at  
**12.4% CAGR.**

Healthcare providers face unexplored opportunities and challenges in 2021. Revenue cycle optimization is the first step toward staying viable and profitable by taking in more patients and offering the best care possible. To emerge victorious, they should adopt a holistic approach for their RCM process, which would also ensure success and sustainability. With patient care as their top priority, care providers can rope in an RCM experts who would assume full responsibility for keeping their revenue cycle optimized while the client stays engaged with patients.



## Who We Are and Why Count on Our RCM Services?

At MedBillingExperts, we specialize in redefining the entire RCM layout for healthcare providers. Over the years, we have leveraged cutting-edge technology and our domain expertise to enhance the revenue cycle of our healthcare clients. Our custom RCM solutions have enabled several international healthcare providers to inject accuracy into their billing, coding, and clinical documentation applications, leading to fewer errors and faster reimbursements. With us taking the reins of the revenue wheel, our clients can focus on what they specialize in – patient care.



Call Us Now

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