

THE FUTURE OF THE REVENUE CYCLE

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



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OVERVIEW

- 1 Survey At-a-Glance
- 2 RCM Technology Trends/EHRs
- 3 Revenue Integrity Trends
- 4 Uncompensated Care & Patient Engagement Trends



Survey At-a-Glance

According to an HFMA/Navigant survey of 125 hospital and health system CFOs and revenue cycle management 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).

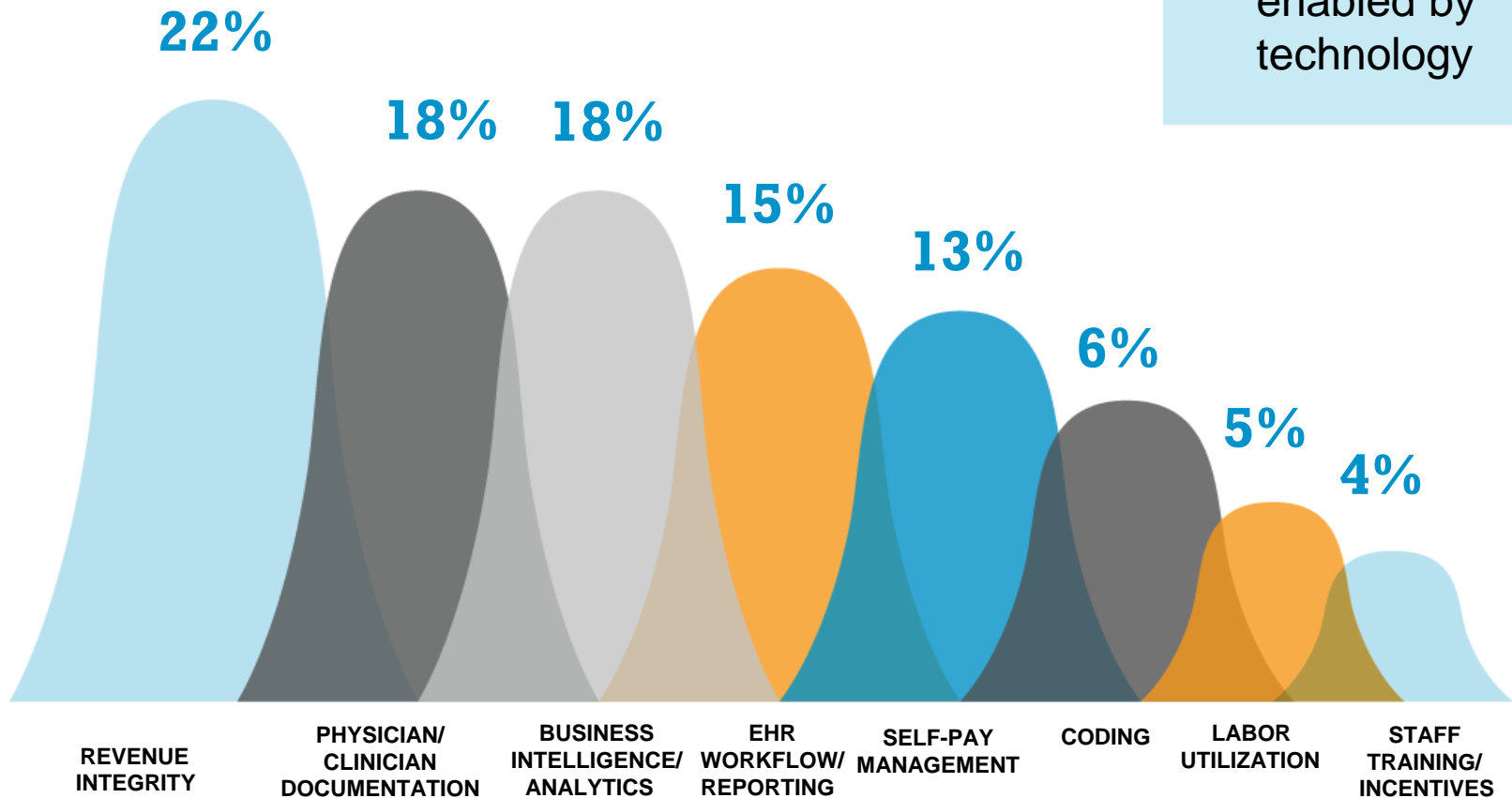
74%

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

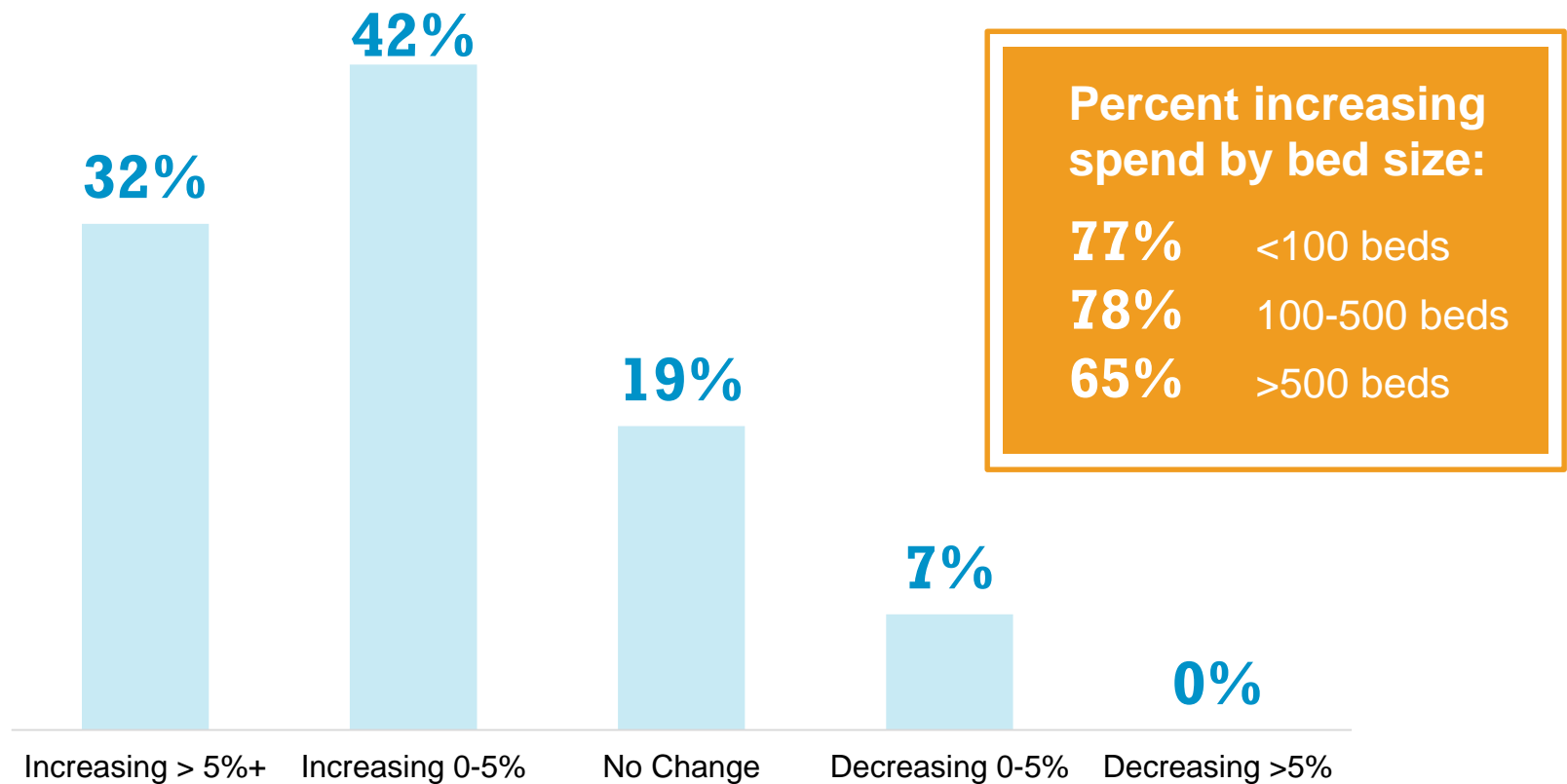
Which RCM capability or tactic is your organization most focused on for improvement over the next year?

79% of these areas involve or are enabled by technology

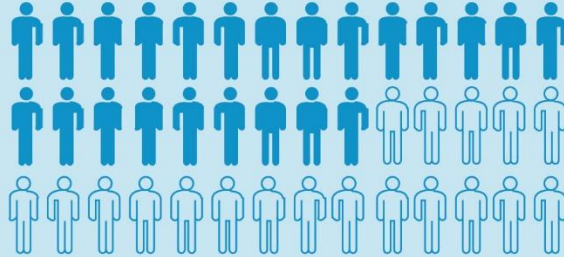


Nearly Three-Quarters of Respondents Will Increase Revenue Cycle Technology Spend

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



MORE THAN 50%



say their organizations can't keep up with EHR upgrades or fail to maximize functional, workflow, and reporting improvements.

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

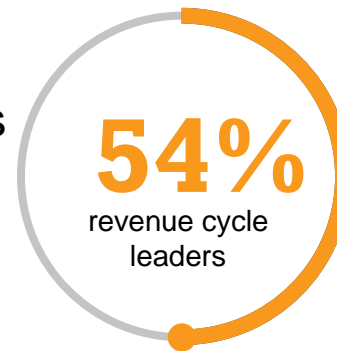
38%

Underutilize functions available

This Perspective Changes Depending on Job Title

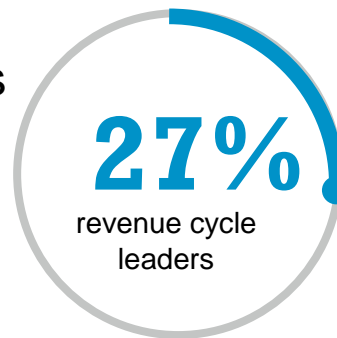
Quickly able to implement/utilize new functional releases from EHR

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



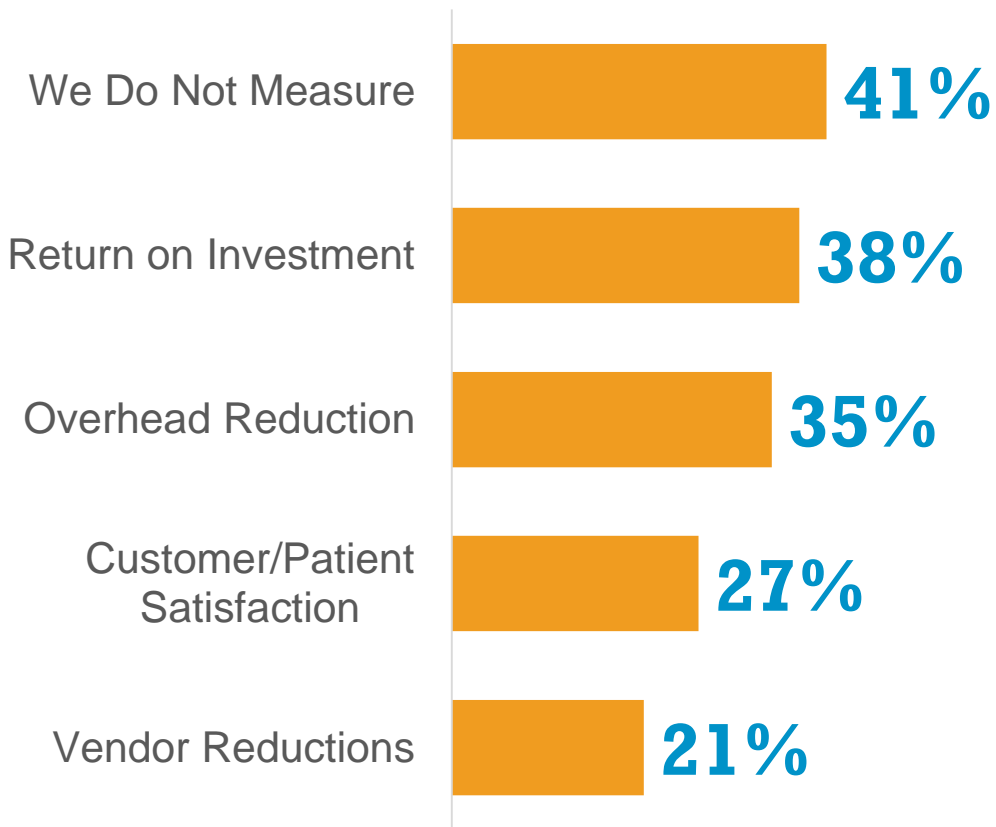
Underutilize functions today

- 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?



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

Many health systems lack a comprehensive RI approach.

44%

say their organizations have established RI programs.

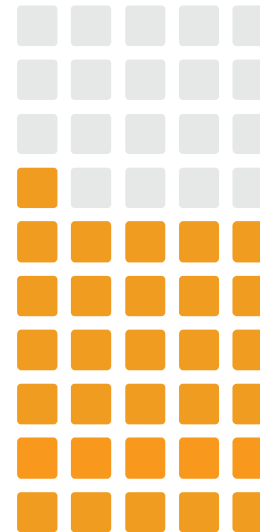
Which problems/issues has your revenue integrity program helped your organization address?

68%



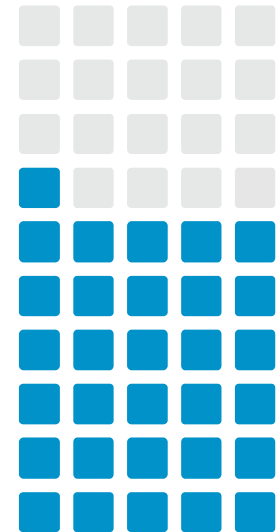
OVERALL INCREASE
IN NET COLLECTION

61%



OVERALL GROSS
REVENUE CAPTURE

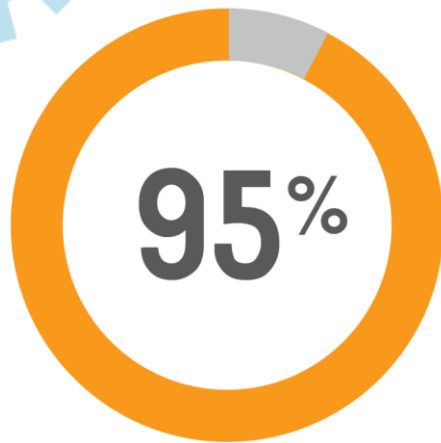
61%



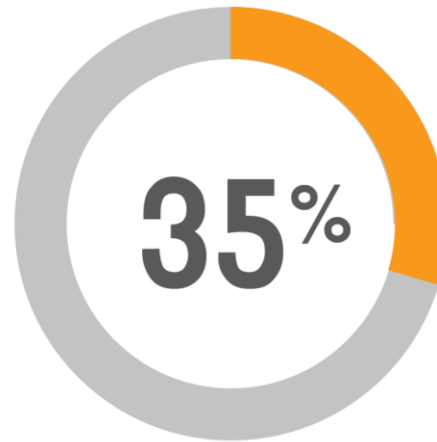
REDUCTION IN
COMPLIANCE RISKS

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

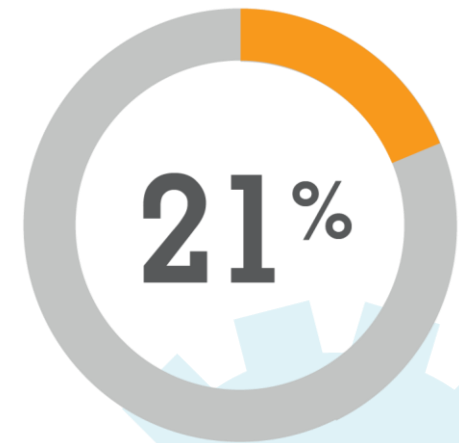
Please indicate which areas within your organization have deployed a clinical documentation integrity (CDI) technology solution.



Inpatient



Outpatient



Clinics

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*

Patient Engagement and Consumer Self-pay

Engaging and educating patients and customizing communications are essential in the changing reimbursement environment.



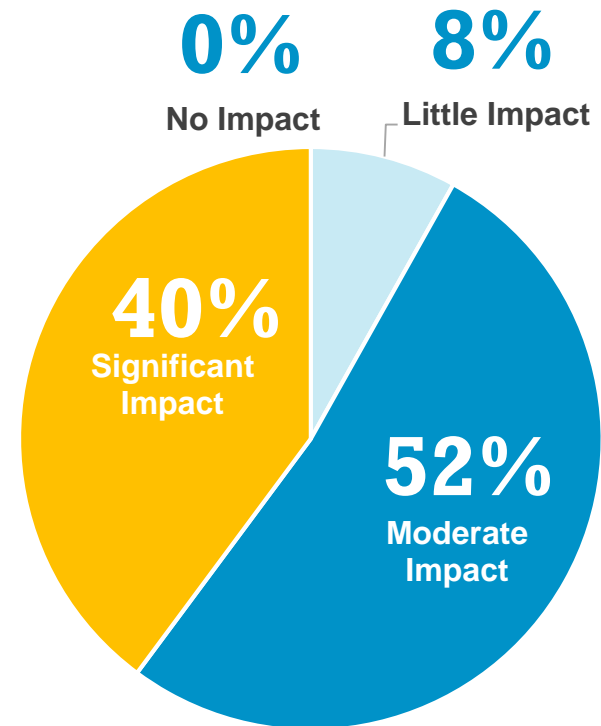
Almost All Providers Concerned About Increase in Consumer Self-Pay

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 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.

14%

USE ADVANCED
MODELING/TOOL



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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