

# A Future Look at Revenue Cycle Management



Revenue cycle management (RCM) is complex and becoming more so every day.

Leveraging economies of scale, the outsourcing of non-medical tasks is expected to increase. And, emerging technology, such as portals and in-office kiosks, will empower patients and providers with tools that streamline workflow and improve communication.

Here are some observations...

Patients will assume more financial responsibility for their healthcare.



80% expected to seek federal subsidies for premium expenses



65% of people choosing marketplace plans selected Silver (assuming 30% OOP; deductibles, co-payments and co-insurance)



52% of employers expect to shift to high-deductible plans by 2017

Many self-pay patients, particularly those buying coverage on the exchange, may struggle to pay for healthcare at point of service:

May not seek care as readily by "self-helping" themselves as much as

Obtain care when absolutely needed, but not pay the cost-sharing portion at time of service

Pursue other avenues (borrow funds, seek financial assistance elsewhere, etc.)

The Congressional Budget Office Estimates:

7 million gained coverage in 2014



11 million will gain coverage in 2015



12-13 million will gain coverage annually between 2016 and 2017



Fee schedules vary geographically; however, one thing is crystal clear: the expanding Medicaid pool will have a significant impact on RCM and collection potential.

2012 Medicaid Primary Care Fee-for-Service (FFS):

30 states: up to, but no more than 75%

Average for same service in all states: 59% of Medicare fee

CA, FL, MI, NY, RI: less than 50% of Medicare fee

\*\*numbers do not reflect Medicaid managed care Primary Care reimbursement rates

Primary care providers and specialists may manipulate patient populations as a mechanism for improving revenue stream potential going forward.

**40%** 40% of surveyed members responding to the American College of Physicians April 2014 survey said they would reduce the number of Medicaid patients accepted in 2015 if the "fee bump" expired, and it did

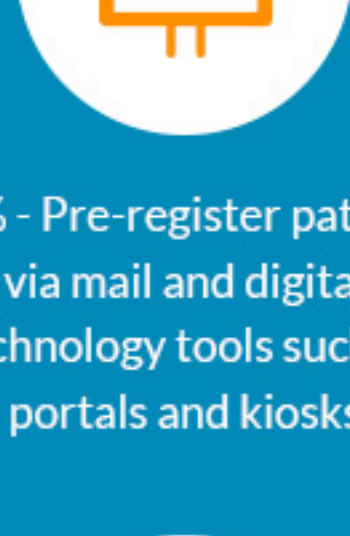
**90.7%** The number of doctors who accept Medicare rose from 87.9% in 2005 to 90.7% in 2012

**9,500** 9,500 doctors opted out of Medicare compared to 735,000 accepting Medicare patients

**6%** 6% said they would withdraw from Medicaid completely

Streamlining workflow processes will enable providers to develop customer-centric policies that improve RCM and patient experience.

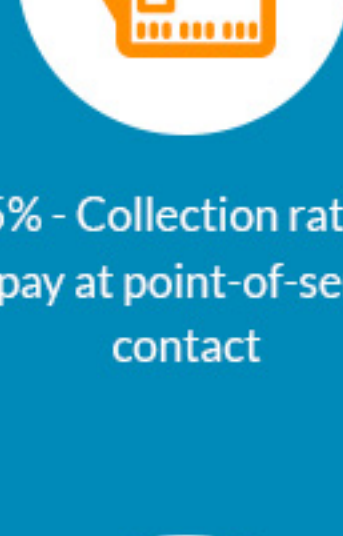
Private practice administrators may implement HFMA's recommendations for hospitals and clinics including



95% - Pre-register patients via mail and digital technology tools such as portals and kiosks



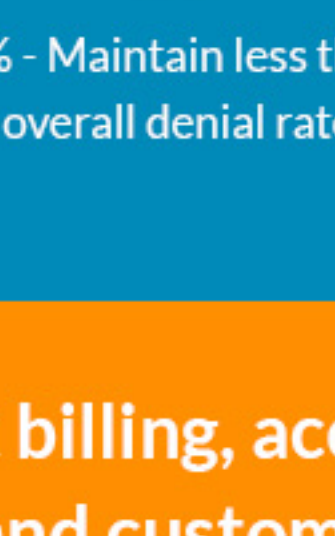
95% - Insurance verification rate was achieved prior to service



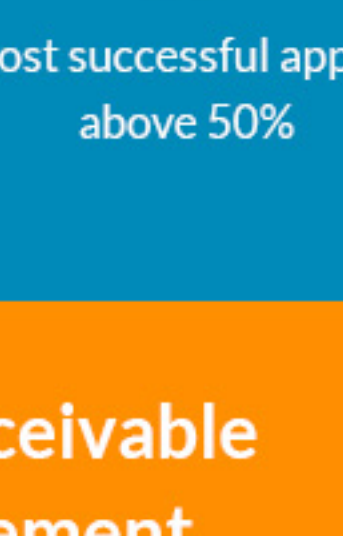
95% - Collection rate of co-pay at point-of-service contact



Reduce bill hold window to 4 days maximum



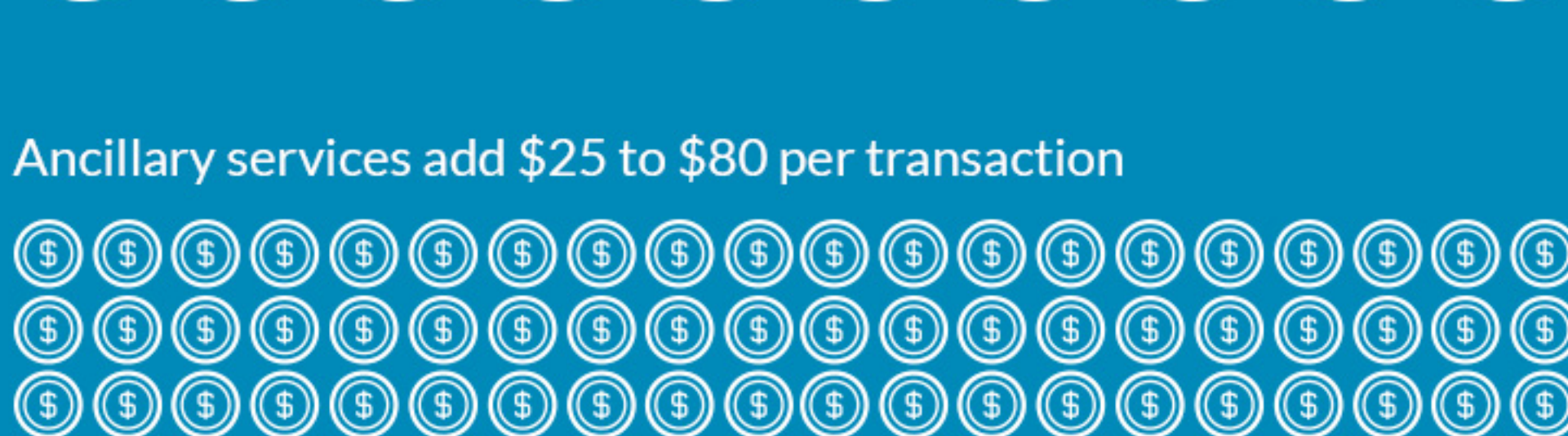
4% - Maintain less than overall denial rate



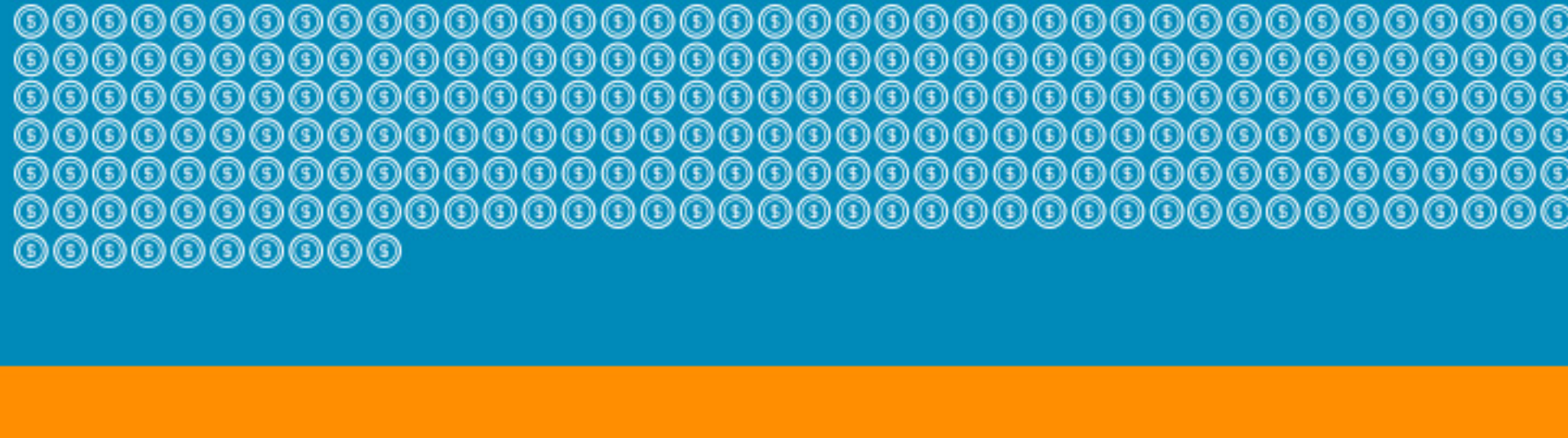
Boost successful appeals above 50%

Integrated direct billing, accounts receivable management, and customer engagement strategies not only relieve staffing burdens, but improve collections and reimbursement patterns

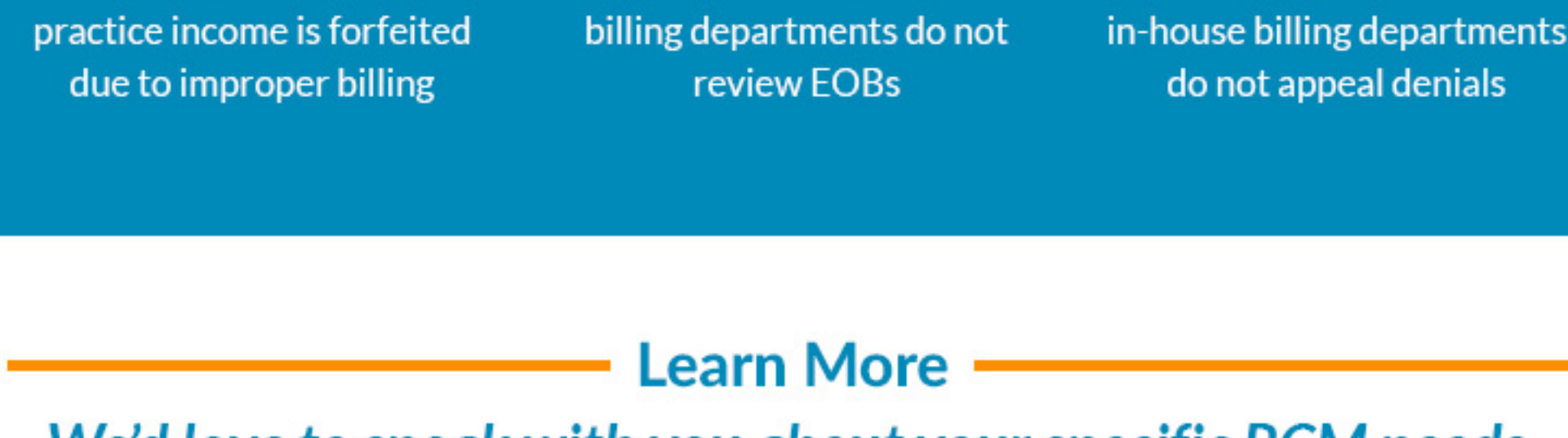
Each healthcare transaction costs approximately \$25



Ancillary services add \$25 to \$80 per transaction



Claims paperwork costs \$250 billion annually



Research indicates:

25% - 30% of all medical practice income is forfeited due to improper billing

Almost 60% of in-house billing departments do not review EOBs

More than half (55%) of in-house billing departments do not appeal denials

Learn More

We'd love to speak with you about your specific RCM needs.

Request a Quote