Optimizing Revenue Cycle Management with the Anesthesia Patient in Mind

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Introduction

Revenue cycle management optimization is a major challenge, especially for anesthesia providers facing one of the greatest public health crises in modern medicine's history. Not only do anesthesiologists continue to be forced out of networks and private insurers terminate their physician contracts with little to no notice, but a new Medicare reimbursement rule is also seeking to increase payment rates for certain services. This means there will be cuts in other areas of the Physician Fee Schedule, including those commonly used by anesthesiologists.

The fact is anesthesiologists are still getting a handle on COVID-19 and will be managing its repercussions for some time. But technology and automation can help to alleviate the revenue cycle management challenges created or exacerbated by the virus, such as increases in self-pay and uninsured patients, friction in the patient experience, and lack of data transparency, to name a few.

Technology can provide end-to-end transparency to streamline the billing process, getting cleaner claims out the door quicker and accurate reimbursement in the door sooner. These technologies can also take the friction out of the patient financial experience by improving front-end processes to avoid back-end pain points and catering to consumer demands for more transparency and more convenient payment options.

Aligning revenue cycle management with the patient financial experience—and having the analytics and reporting to track that—will be key to overcoming the financial and operational challenges providers are up against.

How Anesthesiologists Can Keep The Revenue Cycle From Going Under

COVID-19, contract terminations, and rate cuts are slowing the anesthesiologist's revenue cycle, but a technology-driven strategy with a focus on patient experience can help practices maintain financial stability and maximize revenue.

Ensuring financial stability and maintaining a smooth revenue cycle has gotten harder and harder for independent anesthesia practices.

Many anesthesiologists are being forced out of networks as private insurers terminate their physician contracts with little to no notice, according to the American Society of Anesthesiologists (ASA). Furthermore, a new Medicare reimbursement rule is seeking to increase payment rates for certain services, which would mean cuts in other areas of the Physician Fee Schedule, including those most commonly used by anesthesiologists.

On top of all this, anesthesia practices are up against one of the greatest public health emergencies of the time—COVID-19.

A recent survey of anesthesia administrators and executive members of ASA found more than 90 percent of practice respondents reported case volume decreases by over 50 percent—most were at 70 to 80 percent—since the declaration of the national emergency and the cancelation of nearly all elective and non-emergent care.

Communities are resuming normal operations since the height of the pandemic earlier this year but coming back from drastic volume, and subsequently, revenue declines will be tough for independent practices. But it is not impossible—in fact, financial stability and profitability are still achievable goals for practices.

Strategies For Overcoming COVID-19, Other Revenue Challenges

Revenue cycle management optimization is crucial to overcoming the financial and operational challenges brought on by COVID-19 and other events in the healthcare industry, like unexpected payer contract terminations.

A critical first step in the optimization process is leveraging data analytics and automation to streamline revenue cycle processes and increase efficiency. Despite troves of technological advancements in healthcare, the revenue cycle is still a largely manual process. About 88 percent of providers, for example, rely on paper bills and statements to collect patient payments in this digital world. Consequently, most providers reported that collections usually takes over a month, making patient receivables a top primary revenue concern for respondents.

Seeking out improvements for employee utilization and operating room productivity is one way to leverage the data. A well-managed operating room not only results in high surgical turnover, but also reduced postoperative complications and improved patient-centric outcomes. Groups can achieve significant improvements in efficiency by analyzing operating room data and devising strategies for maximizing the most common delays, while subsequently measuring physician accountability, streamlining procedures, enhancing interdisciplinary teamwork, and collecting accurate data.

Technology solutions automate key revenue cycle management functions, like coding, payer follow-up for claims and the generation of patient statements, which can increase top-line revenue while reducing expensive labor costs and the risk of human error.

Since inaccurately billed cases could mean lost revenue, it's important to utilize coding processes that accurately capture services to maximize base units, for instance seeking a system that automatically files the correct payer code combinations even when the payer is not known at the time of coding.

Additionally, practices can seek out partners to help automate revenue cycle management for optimal financial performance. Technology implementation is a hefty investment for physician practices, and practices have many options when it comes to point solutions for revenue cycle management.

Outsourcing revenue cycle management to a third-party partner can help practice leaders determine the right balance of automation and technology for their individual practice. The right partner, for example, can help practices overcome the challenges of disparate EHR and technology systems to optimize revenue cycle management without multiple, costly fixes.

Practices can also choose their level of integration with a third-party partner. One size does not fit all, and practice leaders can choose to outsource parts of the revenue cycle to a partner for optimal performance. This enables practice leaders to focus on bigger-picture opportunities to capture revenue and engage patients.

Focus On The Patient As The New Payer

While revenue cycle management optimization will support practice efforts to maintain financial stability, practice leaders should also keep an eye on the future of healthcare – increased consumerism and patients as the new payer.

Patients are becoming more responsible for the costs of care—annual premiums for families have reached over $20,500 a year and the average deductible has increased to $1,655 for single coverage, according to the Kaiser Family Foundation—and the COVID-19 pandemic is likely to push more costs to patients.

More than two of five working-age adults do not have stable health coverage because of COVID-19, the Commonwealth Fund recently found. Furthermore, one-third of this population reported having medical bill problems.

“Currently, anesthesiologists find themselves increasingly working in this new business-to-consumer model, and they need to transform themselves and excel in their ability to connect, bill, and collect from thousands of individual payers rather than scores of corporate payers,” says Mike Conklin, a regional vice president of business development with Zotec Partners.

Revenue cycle management optimization should prioritize the patient experience to safeguard practice revenue as patients manage higher out-of-pocket costs and demand more from their financial experience with providers. This could be especially important if Medicare decides to further reduce reimbursement rates for services commonly billed by anesthesiologists.

Patients are seeking more convenient, digital ways to connect with their providers and pay medical bills. To survive in the current landscape, practices should invest in consumer-facing solutions that patients can use to determine expected costs for services, pay medical bills, and connect providers with questions.

These solutions can also automate and improve front-end processes by engaging the patient early on with the financial experience. The more improvements on the front-end translates to less headaches and claim delays down the line.

“Anesthesiologists wanting to improve their patient satisfaction ratings, decrease bad debt, and gain an edge on the competition should create multiple traditional and non-traditional options to interact with patients, and especially taking into consideration the electronic and mobile demands of today’s patient consumers,” Conklin explains. “Whatever the direction, it is essential to no longer just believe insurance carriers are going to pay for services rendered and ignore the third largest payer...the patient, which ultimately affects the bottom line.”

Mobile Tech Key to Patient Financial Experience During COVID-19

COVID-19 has radically changed and impacted nearly every aspect of our daily lives. From social distancing and self-quarantines to employment and home stability, the pandemic is forcing everyone to rethink how they get things done. The healthcare industry is no different. Doctors, practice managers, and providers are thinking critically about how they can still focus on the same great care and patient financial experience at a time when nothing feels normal.

However, the healthcare industry is one of great imagination and ideas, and even in these uncertain times, this presents opportunities for innovation. Even before COVID-19, it was clear that patients desire the same consumer-driven options they receive from other industries. This idea of "healthcare consumerism" means that organizations must provide services and bill in a convenient, secure format that carefully preserves the distinctive patient-provider business relationship. In this new age of COVID-19—and the prevailing feeling of a lack of control—this push for customer-focused efficiency couldn't come at a better time.

That being said, if healthcare organizations are determined to make the leap towards a satisfying, retaillike consumer experience for patients, they may want to start by simplifying the most prevalent source of friction and confusion—the patient financial experience—while also addressing the key factors of staying viable under new social and public health mandates.

Eliminate Friction

To successfully ride the consumerism wave and balance the high levels of patient satisfaction that support value-based reimbursement with new needs for social distancing, healthcare organizations must view their financial processes through their patients' eyes. Then, they must reduce points of friction—defined as any negative aspect affecting the consumer experience.

Mobile phones have become a staple in consumer lives. Apple realized that its customers preferred to pay for transactions with their phones because using a credit card created friction. Therefore, Apple Pay, Samsung Pay, PayPal, and other financial mobile apps have been successful in reducing the friction of financial transactions. But they also represent a way to keep people safe during transactions and interactions.

By harnessing contactless payments through mobile pay, both patient and provider can stay safe without interruption during the billing cycle. By removing common sources of friction, this kind of technology helps create harmonious financial relationships reflective of the patient-centered clinical care delivered by providers. That's increasingly important, given the rise in reimbursement models that tie hospital and health system reimbursement to overall patient satisfaction.

Implement Patient-focused Financial Strategies

Reducing friction, emphasizing safety, and strengthening the patien-tprovider business relationship requires engaging in patient-focused financial conversations from pre-registration through post-discharge. By helping patients understand what they owe—and why—hospitals and health systems can keep them from being blindsided and upset by unexpected bills. Here are a few strategies to do that:

Enable mobile scheduling. Begin the positive financial experience with the convenience of mobile scheduling, which can reduce appointment delays as well as satisfy patients and keep people safe.

Personalize communication methods. Even while many people are still apart, communication is a chance to be together. Meet the diverse needs of patients and enhance engagement by offering flexible financial communication strategies. In other words, let patients choose the communication method that works best for them. For instance, a millennial may ask to receive a text with a link to set up a payment plan, but a baby boomer might prefer to write a check after receiving a printed statement. Offering a variety of communication methods raises the odds that patients will feel comfortable and pay their bills.

Tailor payment options. Knowing how much a procedure will cost doesn't always mean a patient can afford it. Using technology to forecast patients' ability and propensity to pay out-ofpocket expenses can help healthcare organizations ensure they connect each patient with the appropriate payment options or financial assistance in advance of services.

Deliver upfront cost estimates. Focusing on the consumer means understanding that financial security, particularly as it comes to healthcare costs, is emotional for patients, as well as one of their biggest priorities. Leverage technology to calculate remaining deductibles and out-of-pocket costs, and then use this information to provide financial transparency to patients prior to service. Doing so gives patients the chance to prepare for what they owe—both practically and emotionally—before ever stepping foot in the facility. It allows them to make care decisions confidently and increases the likelihood they will be willing and able to provide payment.

Offer payment convenience. Allow patients to select the payment method that provides the greatest convenience. For instance, providers can alert patients to their balances through text messages and let patients submit payments via text message, a website, an interactive voice response system, or by calling a customer service representative.

Simplify, Engage, And Grow

Aligning the healthcare revenue cycle with consumer needs and demands is key, particularly in the rapidly changing world of COVID-19. Engaging patients throughout the financial process with mobile technology can help hospitals and health systems sustain their own fiscal well-being while providing a satisfying, retail-like experience to patients.

As care increasingly expands out into the community—into retail clinics, schools, mobile units, and more—these efforts have the potential to better and even save patient lives. But to do so, healthcare organizations will need a transparent, patient-centered approach that mirrors the conveniences found in other industries. Anywhere healthcare is delivered, the right financial management tools can help simplify the patient experience and strengthen the unique patient-provider business relationship.

About Zotec Partners

Zotec Partners is one of the largest, privately-held, end-to-end revenue cycle management providers in the country. Our technology solutions and processes are designed with one goal: simplify the healthcare financial experience. By partnering with all types of providers and their patients to disrupt the status quo, we are embracing the evolution of healthcare delivery and reimagining revenue cycle performance.

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