Optimizing Revenue Cycle Management with the ED Patient in Mind

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Introduction

Revenue cycle management optimization is a major challenge, especially for emergency medicine providers facing one of the greatest public health crises in modern medicine's history. Independent facilities have had to overcome significant declines in both patient volumes and revenues during the COVID-19 public health emergency while managing a surge of patients infected with a novel virus.

Emergency medicine providers and those practicing in other specialties 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 Emergency Departments Can Overcome Revenue Cycle Challenges

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The COVID-19 pandemic has exacerbated several of the emergency department's most pressing challenges while creating new financial and operational obstacles for emergency providers to overcome.

Foremost, emergency department (ED) visits declined by 42 percent during the early pandemic period compared to the same period the previous year, according to data from the Centers for Disease Control and Prevention (CDC). Many groups saw volume losses in excess of 50 percent with pediatric volume losses of 60 to70 percent. While certain ED adult volumes are trending up or back to normal, the pediatric ED volumes remain down year over year.

While some of the decline indicated the success of shelter-in-place orders and other measures taken to stop the spread of the novel coronavirus, the drastic reduction also suggested that patients with serious conditions were avoiding the emergency department. These lost ED volumes are unlike the losses in scheduled surgeries and procedures, which are and have been rescheduled. The ED volumes will not be rescheduled and are lost.

Such extreme reductions in emergency department visits also pose a major challenge to the sustainability of healthcare's safety-net. Over 20 percent of rural hospitals according to a 2019 Navigant study were financially insolvent pre-COVID-19 and when rural hospitals and EDs close mortality rates increase 5 to 6 percent in rural areas.

Many emergency departments in rural or underserved communities are seeing a decline in patient volume—likely a positive outcome from official recommendations to stay home. But this is one of several economic realities that puts emergency departments that already operate on razor thin margins in a precarious position and forces difficult decisions to remain operational, according to the American College of Emergency Physicians (ACEP).

Emergency departments are cutting benefits and reducing shifts to maintain financial stability. But ACEP likens these actions to "signing a 'Do Not Resuscitate' order for many emergency departments."

Keeping the revenue cycle stable is key to maintaining that necessary and oftentimes the only source of care available to patients now and after the pandemic.

Automate Revenue Cycle Functions

The revenue cycle is a complex, multistep process that requires an entire team of staff members. During a pandemic, however, finding and keeping a team of qualified medical professionals is difficult.

With the volume losses and increased PPE and labor expenses, the Medical Group Management Association (MGMA) report stated that approximately half of physician practices had to furlough staff at the start of the pandemic, while nearly a quarter were forced to permanently lay off employees.

Hiring personnel to follow up on claim denials, aging accounts receivable, and patient statements is expensive and challenging for emergency departments in the current economic climate. Emergency departments are analyzing every cost and expense and cannot afford to increase revenue cycle management (RCM) costs in this environment.

Automation in the RCM process is key to reducing costs, avoiding costly errors and time-consuming workflows.

Emergency departments should implement RCM solutions that automate routine revenue cycle functions, such as following up with payers throughout the claims management process. Technology provides real-time follow-up, freeing up a smaller revenue cycle team to work on more complex, value-adding revenue cycle management activities.

Avoiding "bolt on" applications and solutions also facilitates a direct communication link to enhance the patient experience—to meet patients where they are with texting, interactive voice response, call centers, mobile apps and live chat functions.

Bolster Patient Registration

Patient registration is oftentimes an emergency department's weakest revenue cycle link. Collecting accurate and complete patient information is a major challenge in the fast-paced environment of emergency medicine—and in many cases, it can be nearly impossible.

Yet, complete and accurate patient registration data is crucial to timely payment from both payers and patients.

The COVID-19 pandemic is only making this step in the revenue cycle more critical.

Two in five work-age adults do not have stable health coverage because of pandemic-related job losses, the Commonwealth Fund recently reported. Unemployment is at record levels and COBRA benefits are expensive to extend commercial health insurance policies. With no apparent COBRA funding or relief coming from Congress, these unemployed patients—many of whom do not otherwise have access to healthcare—will convert to self-pay in states that have not expanded Medicaid and to Medicaid in the states that have expanded Medicaid.

Solutions that automate the aggregation of patient data and verify and/or identify insurance options can also support RCM optimization in a constantly evolving and unstable healthcare environment.

Utilize Business Intelligence, Data Analytics

Emergency medicine is unpredictable, especially amid a global pandemic, but business intelligence and data analytics offer emergency departments predictability.

Tracking utilization, physician productivity, average days in A/R, and other top revenue cycle management KPIs is key to maintaining financial stability and revenue cycle efficiency, especially in emergency departments where volumes have declined and expenses increased to respond to the pandemic.

Emergency departments should also strive to dive deeper into financial data

Even prior to COVID-19, emergency departments operated on razor-thin margins due to a payer mix skewed heavily toward public payers. And for most emergency departments, the large increases in unemployment and commensurate losses in commercial insurance have placed additional strains on their economic model.

Understanding performance by payer, condition, or other variables allows emergency departments to quickly identify opportunities for improvement and adapt to sudden shifts in performance, which are likely to occur coming out of a pandemic.

Data dashboards in practice management systems and other business intelligence analytics also give providers the information they need to know about the future of their facilities. The tools allow emergency department leaders to employ a data-driven strategy for revenue cycle recovery after the pandemic.

Across these strategies, selecting a trusted technology partner is crucial. The right partner can offer the measures of predictability that emergency departments must have during an uncertain time. Jeff Fowler, National VP of Business Development in Emergency Medicine with Zotec Partners, agrees.

"Automation, business intelligence, and analytics are increasingly important for the survival of emergency departments, but a technology partner also needs to balance the provider's need for real-time information with the delicate patient experience during a time of emergency," he says.

Balancing both sides of the emergency department's financial experience is key to overcoming the challenges presented by COVID-19.

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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