Optimizing Revenue Cycle Management with the Radiology Patient in Mind

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Introduction

Revenue cycle management optimization is a major challenge, especially for radiologists facing one of the greatest public health crises in modern medicine's history. More Medicaid and self-pay patients, fewer radiologists, and a greater need for efficiency are prompting many practices to optimize revenue cycle management.

The fact is radiologists are still getting a handle on COVID-19 and will be managing its repercussions for some time. With declining volumes and revenues during the COVID-19 pandemic radiology practices are seeking ways to refocus revenue cycle management efficiency and effectiveness for a post-pandemic world.

The good news is 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.

After COVID-19, Radiology to Rethink Revenue Cycle Management

Declining volumes and revenues during the COVID-19 pandemic could spell big trouble for many radiology practices unless the providers refocus revenue cycle management efficiency and effectiveness for a post-pandemic world.

The COVID-19 pandemic has led to dramatic decreases in examination volumes—of up to 80+ percent in some cases—for private radiology practices that rely solely on revenues from examination interpretation, according to a special report from the RSNA COVID-19 Task Force.

The severe economic impact of COVID-19 has forced many practice leaders to take drastic cost-cutting measures to stay open, including decreasing salaries, paid time off, benefits, and hours of work despite increasing work responsibilities, the report's authors stated. While practices need to be fiscally responsible during these difficult times, it is not possible for groups to cut expenses as a solution to long term profitability.

"Some groups may prove unable to survive the COVID-19 pandemic, potentially fueling trends either toward consolidation into larger radiology groups or toward increased employment by hospitals," wrote lead author Richard Sharpe Jr., MD, MBA, a radiologist Mayo Clinic, and colleagues in a report that is one of many studies drawing attention to the economic impact of COVID-19 on radiology. "We anticipate that small radiology practices may be at greatest risk for consolidation with larger radiology groups that have a more diversified practice model regarding inpatient-outpatient mix, subspecialty service lines and geography."

While this new environment may cause some trepidation for independent groups and physician shareholders, it has also created opportunities for groups with long-term strategic goals and data at their fingertips, especially in consideration of merge light agreements. When groups "merge light," both entities share a tax ID number, a board of directors, and an executive committee while retaining their original compensation, benefits, and management structures.

Another study published in the Journal of the American College of Radiology during the early stages of the pandemic revealed dramatic volume declines across all types of radiology providers, while a more recent analysis found that work relative value units at community radiology practices declined by about 52 percent from a high of more than 120,000 in February 2020 to a low of 55,000 by April 2020.

While productivity is starting to rebound as communities reopen, this information could prove valuable for the survival of radiology practices in the long-term.

“With no end in sight to the current pandemic, such information could prove actionable for both radiologist workforce and practice financial planning, particularly if a predicted potentially disastrous ‘second wave’ of coronavirus disease indeed materializes,” Richard Duszak Jr., MD, of Emory University’s School of Medicine, and colleagues wrote in the July 2nd JARC analysis.

How well practices recover from the economic fallout of COVID-19 will depend on payers and patient demographics, according to radiologists from Yale New Haven Hospital.

State budgets are taking a hit during the pandemic and in response, Medicaid reimbursement rates are likely to fall even further to make up for state revenue shortfalls, they explained in a recent Radiology report.

Radiology practices will rely more on Medicaid and self-pay patients in the aftermath of the pandemic.

The Urban Institute estimates that 10.1 million people will lose their employer-sponsored healthcare coverage from a COVID-19-related job loss during the last three quarters of 2020. Of these individuals, the non-profit think tank projects about a third to switch to another source of employer coverage through a family member, but 28 percent will enroll in Medicaid and 6 percent in the non-group market.

Even worse, about 3.5 million people in this group will become uninsured by the end of 2020.

“As the economy struggles to return to normal, the demand for most imaging services should rebound above historical baseline levels as deferred, but necessary, imaging gets scheduled. Some of the revenue from this rebound will be offset by the aforementioned decreased percentage of commercially insured patients,” wrote the radiologists.

Best practices have developed over the years for radiologists, for instance, hanging films migrated to PACs systems. The ability to verify insurance coverage and engage patients early in the collection process must also take a similar evolution. As patient responsibility and liability continues to increase, groups must engage new and enhanced technology and processes to capture the lost revenue opportunity.

But radiology practices will have to adapt to greater patient engagement with a slimmer workforce. Collecting the most difficult dollars with a streamlined workforce requires more focused technology and effectiveness in the billing cycle.

Additionally, practice leaders will have to get comfortable with more remote work, especially as patients and providers seek to alleviate the pent-up demand for radiology services.

Technology investments and process improvements in the revenue cycle will be key to overcoming the financial and operational challenges of COVID-19.

For example, convenient payment options, such as payment plans and online bill pay, cost estimations prior to the service, prompt pay discount,s and early out programs for true self-pay will be required for practices to be successful and thrive, especially as more patients struggle to make ends meet during the recession. The addition of AI and machine learning algorithms will also solve the issue of coverage denials.

The enhanced patient digital experience uses an all-encompassing "omni-channel" approach to provide radiology practices with a fully integrated experience for addressing self-pay and bad debt issues.

Business intelligence and revenue cycle management systems can also support cost-cutting efforts radiology practices must undertake to increase efficiency amid unfavorable payer mix shifts. A data-driven approach to financial stability is key to understanding a practice's cash flow and physician productivity.

At the same time, however, the financial challenges of COVID-19 are still a human problem.

Radiology practices must still ensure a compassionate, personalized patient experience. Practice leaders must also keep their workforce in mind when implementing strategies for reducing overhead costs and redesigning the practice of radiology.

Balancing technology with highly trained staff will be crucial to surviving the COVID-19 pandemic and its economic fallout. Selecting a revenue cycle management partner who understands the specific challenges in radiology can help practice leaders achieve that balance.

A partner can help optimize revenue cycle management functions, such as medical billing and physician productivity tracking, and leverage automation to help front-end revenue cycle staff, for example, deliver accurate, upfront cost estimates to improve patient experience. Howard Pingston, Regional VP of Business Development in Radiology with Zotec Partners, agrees.

"Radiology groups will not only face an increase in bad debt, but also potentially an 8 to 11 percent reduction in reimbursement in 2021, depending on the CMS final ruling. Now more than ever, radiology practices need an RCM partner that is truly equipped to help them identify revenue opportunities and provide full transparency throughout the process in order to weather this storm in the near term and succeed in the long term," he says.

Rethinking revenue cycle management using a blend of technology and training will be key to succeeding in a post-pandemic world in which there are more uninsured patients, fewer radiologists, and a greater need for efficiency.

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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