



Moving Beyond Claims Processing

5 Steps to Transition Your Business Office into
a Revenue Cycle Management Powerhouse

Lorraine Lodigiani,
Product Manager Financial Solutions, American HealthTech

Your business is difficult enough to manage without the complexities and challenges that come along with payment model reform and increased reimbursement regulation. If you haven't started already, you need to create a comprehensive process for management of the entire revenue cycle process beyond just billing and collections. We'll help you get started:

What is “Revenue Cycle Management” for Skilled Nursing?

Let's start from the beginning: what is the difference between billing and revenue cycle management? Revenue Cycle Management (RCM) goes beyond conventional claims processing to encompass a complete process that spans from eligibility verification on the front end to collections and analytics on the back end. RCM automates, standardizes and streamlines tasks related to candidate assessment, resident admissions, billing, collections, claim status tracking, denial management, posting payments, managing audits and measuring performance. RCM incorporates the tools and insight you need to receive and manage reimbursement faster along with the efficiency needed to reduce the administrative burden on your organization. The result: improved financial performance with reduction in accounts receivable and an increase in cash flow.

Transforming your current billing operations to RCM is easy. Consider these five steps to help your skilled nursing organization make a smooth transition from billing to total RCM.



Step 1: Document your SNF Revenue Cycle Workflow



Check out the example of a skilled nursing revenue cycle workflow process below and consider it as a reference point. Start with documenting your existing workflow process to identify gaps and identify resources to manage the existing workflow activities.

Step 2: Use Technology to Adopt Electronic Transactions



Skilled nursing organizations have long embraced technology as an essential tool to support good clinical outcomes. Clinical care delivery automation, when properly unified with your financial operations, supports optimum organizational performance. With your revenue cycle workflow from step 1 in hand, consider how you can automate the functions required within each step with technology. When employed correctly, electronic systems should optimize your workflow efficiency and allow your staff to focus on higher-value work activities – like denials management – instead of making outbound calls to payers to verify eligibility transactions. Ideally, your staff should be able to use one system to carry out their everyday tasks with automation of transactions. Need help thinking through this step? American HealthTech can help!

Step 3: Build a Talented Team



Having the right team of experienced and talented billing professionals is paramount to a successful finished product. These individuals are the most important internal driver of revenue at your facility. By building a team of meticulous, organized and certified billers you can help ensure that coding is accurately and timely completed and that your organization optimizes revenue collected for the services it provides. Additionally, this

team needs to make use of best billing practices to help you a) minimize your audit risk and b) stay on top of industry billing changes. Furthermore, credentialed billing professionals can apply advanced standards that make a true difference in your cash flow – such as analysis of remittance data to discover variances in payer contracts. A good billing professional can take your skilled nursing organization to the next level and help you conquer your organization’s financial and operational business goals.

Step 4: Track and Work Denied Claims Quickly



The ultimate goal in this step is to avoid write-offs and understand why claims are being denied. Don’t be satisfied with just working denied claims; treat every denied claim as another opportunity to examine your admission process. Eligibility verification should be first and foremost in the candidate to resident intake process. Be sure to verify eligibility benefits and payers at the point of admission as well as prior to claims submission to guarantee that you can successfully bill for all services, for all payers. By having process steps in both intake and billing to verify eligibility benefits you will be safeguarded against denied claims.

Step 5. Analyze Accounts Receivable with Advanced Reporting Tools



Much like surveying the reactions, reporting and analyzing claim status and claim denials is a fundamental way to get a comprehensive understanding of your revenue cycle performance. It is necessary to have your billing team identify the top reason codes for denied claims. These error codes will tell you why these claims are being denied so that you can prevent them from reoccurring and – ultimately – reduce your denial risk in the first place. Remove the guesswork and see how your revenue cycle workflow impacts your financial performance.

Conclusion

Remember, one of the most important things you can do to transition your billing operations to true revenue cycle management is to turn transactions from manual steps to automated, technology-driven processes. This is an essential step for accuracy and efficiency. Along with documenting your processes, building a great team, and employing your power team to track claims and work denials quickly, you will be set up for a sweet transition to RCM.

About the Author

Lorraine Lodigiani,
Product Manager Financial Solutions, American HealthTech

Lorraine Lodigiani manages the financial and revenue cycle solutions at American HealthTech to help Long Term Post-Acute Care providers have a seamless product experience when managing their billing, financial, and business operations. Her articles have appeared in a number of healthcare financial news articles and blogs, including *Provider* magazine and *McKnight's*, with a focus on the latest technology innovations, best practices of revenue cycle management, and financial management.

About American HealthTech

American HealthTech is a leading provider of clinical, financial, and resident accounting software and solutions to skilled nursing facilities across America. We've been in business over 30 years and have over 3000 clients in 49 states. We offer more than a typical software vendor, including training, business optimization services, regulatory guidance, and overall level of service to succeed today and meet industry challenges of tomorrow. Visit us at www.healthtech.net.

© June 2015, American HealthTech. All Rights Reserved.