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This report focusing on revenue cycle management is based on a recent survey of hospitals and health systems conducted by Dean Dorton Allen Ford, PLLC (Dean Dorton). All data presented in this report is based on responses from the survey.

We created this report for two main reasons:

1. To assess the impacts to revenue cycle management as the healthcare landscape continues to evolve with integration and evolving technology.

2. To provide our clients and contacts with insights into the struggles, successes, and barriers that other organizations are facing.

Our goal was to bridge these two objectives into this one report.

Personnel, technology, productivity, cost containment, and efficiency were some of the key drivers of this survey. We believed that by taking a deeper dive into the overall revenue cycle management of hospitals and health systems, we could help uncover some of the underlying themes of success and identify those pathways for potential improvement opportunities.
Dean Dorton received survey responses from more than 20 revenue cycle executives whose organizations account for nearly $5 billion in gross revenue annually.

**The Integration Challenge**
90% of the respondents reported that their organizations currently employ physicians, with 5 of those hospitals or systems employing at least 50 physicians.

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**Payer Mix**

- Medicare and/or Medicare managed care: 45%
- Medicaid and/or Medicaid managed care: 28%
- Commercial/managed care/other: 22%
- Uninsured: 5%
Nearly ½ of the respondents stated that their hospital system has not yet formed a revenue cycle steering committee.

For those hospitals that have formed a revenue cycle steering committee, the following departments participate in meetings and key decision-making:

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<th>Department</th>
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<td>Finance</td>
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Most revenue cycle steering committees are meeting on a monthly basis.
Nearly 1 in 5 respondents suggested that the coordination between the hospital and physician revenue cycle continues to be a source of frustration. However, 90% of those surveyed said that the collaboration between front end and back end revenue cycle personnel is improving with time and investment.

More than 70% of respondents stated that hospital and physician billing personnel are consolidated into one centralized business office.

Respondents’ ability to successfully onboard new hires/team members and retain their best revenue cycle team members:

- Excellent: 27%
- Good: 37%
- Fair: 36%
**Patient Accounting Platform**

Only 35% of the respondents are currently on a single patient accounting platform. Nearly 20%, however, said they were in process of transitioning to a single patient accounting platform. Common patient accounting platforms utilized were EPIC, CPSI, and Meditech.

**Upgraded patient accounting system in the last two years**

67%

**Electronic Health Records Platform**

Only 45% of the respondents were on one single electronic health records (EHR) platform, yet 10% of the respondents were in the process of transitioning to a single platform. EHR platforms that were used were:

90% of the respondents had upgraded or implemented an EHR platform within the past two years. Half had upgraded or implemented it in the past 12 months.

Only 45% of the respondents said that their current revenue cycle management platform supported their organization well. Another 45% said it works fine, but it is not utilized properly.
The responses varied when it came to which revenue cycle departments and tasks were outsourced to external vendors.

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<th>Fully Outsourced</th>
<th>Partially Outsourced</th>
<th>Not Outsourced</th>
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<tr>
<td><strong>30%</strong> Medicaid eligibility screening</td>
<td><strong>60%</strong> Medical coding</td>
<td><strong>100%</strong> Patient scheduling</td>
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<tr>
<td><strong>50%</strong> Early out collections</td>
<td><strong>40%</strong> Denial resolution</td>
<td><strong>100%</strong> Charge description master (CDM) maintenance</td>
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| **80%** Bad debt collections | **40%** Third party aged accounts receivable follow-up |}

There were two revenue cycle tasks that were managed and staffed internally by all respondents: Charge description master (CDM) maintenance and Patient scheduling.
The survey respondents utilized many different methods to capture and communicate performance metrics. All respondents used actual vs. budget metrics. The remaining metrics are illustrated below.

- **Actual vs. budget**: 100%
- **Monthly dashboard**: 90%
- **Daily scorecard or “flash” report**: 78%
- **Actual vs. historical**: 78%
- **Weekly dashboard**: 67%
- **Quarterly performance report**: 67%
60% had an internal reporting of less than 50 days in their accounts receivable.

Only 10% had an internal reporting of more than 60 days in their accounts receivable.

45 Average percentage of the organization’s overall net (cash collected) to gross (actual charges) collections.

13% of our respondents’ A/R aged greater than 90 days.
The respondents described their revenue cycle processes and outcomes as:

- **Good**: 75%
- **Fair**: 25%

Not one respondent described their revenue cycle as excellent.

Respondents’ opinion of their internal key performance indicators as compared against leading industry benchmarks:

- **Excellent**: 0%
- **Good**: 62%
- **Fair**: 38%
Out-of-Pocket Patient Responsibilities
Only 25% of organizations have implemented a process or technology solution to estimate out-of-pocket patient responsibilities but 50% are in the process of doing so.

Patient Insurance and Benefits Information
Almost 90% of organizations have implemented a process or technology solution to verify patient insurance and benefits information.

Fifty percent of respondents described their organization’s overall ability to leverage technology to resolve outstanding insurance denials as good. The other 50% described it as fair or poor.
There were different responses when it came to how our respondents were concerned with certain issues, as revenue cycle leaders within their organization.

- **Most Concern**
  - Timely and accurate claims processing from third party payers and deterioration of key performance revenue cycle metrics
  - Staff turnover within key revenue cycle departments and regulatory changes such as Affordable Care Act and ICD-10
  - HIPPA compliance, performance of outsourced revenue cycle vendors, and compliance around billing and coding

- **Least Concern**
  - Internal controls around personnel, fraud, and cash
More than 80% of the respondents reported they were adequately prepared for ICD-10, but only about 20% of the 80% said they were confident that the planning would produce good results. The other 20% of the respondents were concerned and unprepared.
Nearly 75% of respondents commented that their organizations’ revenue cycle goals are clearly defined and communicated across all departments, with the majority of the organizations having one single leader over the revenue cycle.

90% use a separate tracking and management of revenue cycle metrics for their physician practices.

60% of organizations measure and monitor revenue cycle staff productivity. The remaining 40% are in the process of implementing it. The respondents use standard daily reports, monitoring, and national standards to obtain this measurement.

75% of organizations’ most important key revenue cycle performance indicators have improved in the past 12 months.

Only 30% of organizations utilize an integrated business intelligence or analytics tool for revenue cycle benchmarking.
The survey respondents have successfully integrated the following areas and departments into their overall revenue cycle strategy.

- **New practice acquisition**: 10%
- **Clinical management and outcomes**: 30%
- **Managed care and payer contracting**: 40%
- **Clinical documentation management**: 40%
- **Physician practice management**: 50%
- **Ancillary services management**: 50%
- **Reimbursement optimization**: 70%
The most difficult aspects of managing the hospital or system’s revenue cycle outcomes were:

- Lack of resources
- Lack of access to relevant data
- New processes being implemented without involving the appropriate people

65% of respondents described their ability to leverage business intelligence to pinpoint “backlogs” across the revenue cycle as fair or poor.

75% of organizations are engaged in active conversation as it relates to population health management and other shifts in reimbursement with most of them investing in technology and/or process improvement initiatives to prepare for these changes.

Only 15% of organizations surveyed had not collaborated with other providers in the community to share clinical data and outcomes.
The healthcare industry is going through enormous changes. Consolidation among providers, a changing reimbursement landscape, evolving relationships between providers, payers and employers, and an ever increasing demand for improved technology (both information and clinical) are just a few of the challenges facing healthcare executives.

Our firm has positioned itself as a thought leader and subject matter expert in matters regarding healthcare regulatory and reimbursement issues that are impacting providers across the nation. Valued-added services such as revenue cycle assessments, Medicare Disproportionate Share analysis, and ICD-10 preparedness have allowed us to establish an ever growing presence in both the local and national healthcare marketplace.

Our healthcare team has continued to evolve to help our clients navigate through these issues. We have assisted clients as they face consolidation issues, been their technology advisor, improved their reimbursement through DSH, MDH and revenue cycle management, and provided the strategic thought processes to help their boards develop plans for future success. Our healthcare team consists of audit, tax and consulting professionals and exists both to serve our clients more efficiently as well as to continue to strengthen our industry knowledge.

Adam Shewmaker, FHFMA
Director of Healthcare Consulting Services
Healthcare Team Leader
ashewmaker@ddafhealthcare.com
502.566.1054