

# CAH Finance and Operations Webinars

June 8, 2023

## 10 CAH Revenue Cycle Priorities: What to Review Immediately

*The mission of the Oregon Office of Rural Health is to improve the quality, availability and accessibility of health care for rural Oregonians.*

*The Oregon Office of Rural Health's vision statement is to serve as a state leader in providing resources, developing innovative strategies and cultivating collaborative partnerships to support Oregon rural communities in achieving optimal health and well-being.*



## Webinar Logistics

- Audio muted and video off for all attendees.
- Select to populate the  to populate the chat feature on the bottom right of your screen. Please use either the chat function or raise your hand  on the bottom of your screen to ask your question live.
- Presentation slides and recordings will be posted shortly after the session at: <https://www.ohsu.edu/oregon-office-of-rural-health/resources-and-technical-assistance-cahs>.





## Upcoming CAH Operation and Finance Webinars

**July 13, 12 p.m. - 1:00 p.m.**

*The Post-Acute Care Lever: Hospital Swing Beds*

**Aug. 3, 12 p.m. - 1:00 p.m.**

*How to Build Revenue: Front-End Competencies*

**Aug. 31, 12 p.m. - 1:00 p.m.**

*The No Surprises Act: Revenue Protections and Transactional Compliance*

**Sept. 14, 12 p.m. - 1:00 p.m.**

*Fund Your Mission: Practice Steps to Move from Volume to Value*



Rob Bloom is a Principal at Wintergreen. Prior to joining Wintergreen as a Principal, Rob served as CFO for Carthage Area Hospital for over a decade. He previously held positions with the Hospital as Administrator of Primary Care Services and Interim Chief Financial Officer. In addition to his role as CFO at Carthage, Rob also served concurrently (2021-2022) as Chief Financial Officer at Claxton Hepburn Medical Center and Orleans Community Hospital in addition to providing consultative services to several other hospitals in rural New York.

# Top 10 Revenue Cycle Priorities

June 8, 2023



## **Defending Revenue**

1. Contract Analysis
2. Reimbursement Strategy
3. Denials Management

## **Collaboration and Cross Functionality**

4. Clinical and Financial Collaboration
5. Schedule Utilization and Effectiveness
6. Evaluate Duplication in roles, tasks and software

## **Revenue Integrity and Stability**

7. Evaluate and establish internal Charge Reconciliation processes
8. Evaluate and improve revenue cycle efficiency
9. Establish Analytics
10. Monitor Performance

# Defending Revenue

# 1. Contract Analysis

- Understand Terms & Structure
- Senior Leadership must be engaged in negotiations
- Identify a renegotiation priority matrix



## **Perform a thorough contract analysis.**

### Common Revenue Cycle Assessment Key Discoveries

- Failure to identify afforded benefits based upon designation.
- Failure to amend contract with language that is nonspecific.
- Failure to monitor and maintain provider services and demographics with payors.
- Failure to appropriately identify pharmacy and supply reimbursement.
- Failure to recognize provider-based departments/technical components.

## 2. Reimbursement Strategy

- Link to Strategic Plan
- Multidisciplinary approach
- Align incentives



**Perform an analysis to identify a reimbursement strategy that focuses on a past, present and future state.**

Common Revenue Cycle Assessment Key Discoveries

- Failure to identify preventative services and market no patient out of pocket.
- Failure to evaluate payment variances.
- Lack of participation, implementation, monitoring and expertise with incentive and quality programs.
- Lack of coordination across organization silos

# 3. Denial Management

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- Understand Revenue Potential
- Payer Pressures
- Lack of effort



## **Establish Denial Management Protocols**

Common Revenue Cycle Assessment Key Discoveries

- Many denials are masked as contractual adjustments.
- KPIs incentivize obfuscation of issues.
- A large percentage of denials are not resubmitted.

# 3. Denial Management



Establish

Establish a Team. Identify Resources to leverage expertise and input.



Organize

Organize Processes – Create an honest environment and routine reporting of denials.



Identify

Identify Trends and root causes. This is not a blame game but rather survival mode.



Implement

Implement solutions, identify clear and concise policies/ protocols to ensure recovery of current denials and prevention of future denials.



Analyze

Establish Analytics. Sometimes what is reported for denials, is not the entire picture. Ensure a standard data method to capture and report denials and internal controls for monitoring..



Act

Act Quickly. Timeliness of denial workflows is extremely important. Expectations should be clearly identified to billing staff and adherence must be monitored.



Celebrate

Celebrate Success and Build Team Confidence. Monitor recoveries and incentive staff. Staff that feel valued and that they are making positive contributions to the organization

# **Collaboration and Cross Functionality**

# 4. Clinical and Financial Collaboration

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- Collaboration is a must
- Communication is critical
- Clinical leader education
- Service awareness



## Implement Collaborative Teams

### Common Revenue Cycle Assessment Key Discoveries

- Collaboration and Routine meetings with clinicians can help improve service revenue. Often, providers simply need the education of if..., then....
- Revenue Cycle leaders don't understand provider scope of service.

# 5. Schedule Utilization and Effectiveness

- Map Current State
- Set template based on best practice
- Determine resource requirements
- Address patient driven inefficiencies
- Establish Benchmarks



## Optimize processes

Common Revenue Cycle Assessment Key Discoveries

- Providers influence templates based on preference.
- No shows are not proactively addressed.
- Limited real time monitoring of performance.

# 6. Identify Duplication and Redundancy

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- Perform a software analysis
- Request vendor optimization assessments
- Map processes for duplication
- Routine monitoring of changes



## Seek efficiency

Common Revenue Cycle Assessment Key Discoveries

- Multiple vendors provide same service.
- Failed implementation.
- Duplication of effort.

# Revenue Integrity and Stability

# 7. Charge Reconciliation Processes

- Ensure timely and accurate charge capture.
- Reduce charge lag and improve revenues overall.



## Complete regular charge reconciliation.

1

Establish a standard of acceptable charge lag limit when entering charges. Best practice 48 hours.

2

Establish accountability at a department level, ensure departments reconcile frequently and track missing charges.

3

Maintain and review an up to date Charge master with departmental review and input.

4

Establish routine monitoring and responsibility of a charge lag report.

5

Educate departments, providers and key stakeholders on missed charges that are identified.

# 8. Revenue Cycle Efficiency

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- Evaluate and balance workloads.
- Seek opportunities to automate
- Identify core tasks



## **Optimize processes for efficiency.**

### Common Revenue Cycle Assessment Key Discoveries

- Unbalanced workloads create overreliance on individuals and limit efficiency.
- Automation is underutilized.

# 9. Establish Analytics

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- Establish Key Performance Indicators.
- Set improvement expectations
- Beware Perverse Incentives



## **Establish Focused Analytics.**

Common Revenue Cycle Assessment Key Discoveries

- Staff have no performance expectations.
- KPIs incentivize hidden write offs vs cash maximization.

# 10. Monitor Performance

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- Drive improvement culture
- Celebrate wins
- Make changes!



## Monitor and adjust accordingly.

Common Revenue Cycle Assessment Key Discoveries

- Staff fear identifying problems.
- Staff lacks awareness of goals.
- Failed processes are not adjusted



Rob Bloom  
rbloom@wintergreenme.com

315-405-1535



# ORH Announcements

- **July 13, 12 p.m. | The Post-Acute Care Lever: Hospital Swing Beds ([register here](#))**  
A hospital swing bed program can serve as a vital patient care service and an untapped revenue growth resource for rural hospitals across the country. This presentation focuses on specific opportunities to enhance the performance of the swing bed program by improving operational efficiencies and increasing utilization of them, while exposing misconceptions related to price setting, contribution margin analysis and contract negotiations with commercial payers.

# Thank you!

Sarah Andersen  
Director of Field Services  
[ansarah@ohsu.edu](mailto:ansarah@ohsu.edu)