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Bringing it all Together: Successful Revenue Cycle Management During Health Care Affiliations

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As the focus on containing health care costs intensifies, effective revenue cycle management (RCM) plays a key role in the overall success of a health care organization. It requires a coordinated effort that begins with the front desk associate, extends through to the providers, and ends with accurate payment for services.

RCM is an extensive process with multiple components, and it presents many opportunities for error, especially during affiliation. Investing in strong RCM provides a set of checks and balances that alerts executives if cash flow is reduced or other monetary operational changes occur. The result? Changes can be made when necessary, and delivery of care and payment for services can continue uninterrupted.

For hospitals considering strategic partnerships and affiliations, ensuring the strength and efficiency of the RCM process is crucial. An effective RCM system monitors the financial stability and activities that keep the facilities and affiliated groups running smoothly, and it ensures a steady and accurate stream of revenue. Assigning resources to building a strong RCM system in the early stages of an affiliation saves providers time and financial resources in remediation.

Maintaining the Integrity of RCM during affiliation

In the time leading up to, during, and after any kind of affiliation, it's critical to have a strong RCM process and team in place. During the affiliation process health care organizations need a consolidated view of care delivery and revenue management across multiple providers to identify areas of strength and weakness for each entity. A complete revenue cycle assessment can help highlight these areas and identify potential areas of concern. Additionally, establishing key performance metrics is critical in helping to quickly determine when a business partner is not profitable, analyze the root causes, and identify possible ways to remedy the situation. It is important for health care facilities to have integration strategies in place that will help them successfully combine resources and best practices.

During the formation of strategic partnerships, additional factors related to revenue cycle management must be considered, including:

- Clean-up of old accounts receivable
- Evaluation of charge structures, payer contracts, and information systems across entities
- Maintenance of revenue cycles while building economies of scale
- Normalization of data and optimization of technology
- Ensuring consistency across disparate organizations
- Coordination of training to ensure operational performance across all areas and facilities

In addition to the considerations

for all affiliations, certain revenue cycle considerations are specific to traditional operations. Of primary concern is the need to survive revenue cycle system conversions. Generally, revenue cycle system conversions are a daunting task with a very small margin for error. While bringing a new financial system live, no organization wants to suffer the ramifications of lost claims or disruptions to cash flow. Ensuring that a revenue cycle conversion goes as smoothly as possible depends largely on the relationship between the provider and vendor as well as that between the revenue cycle managers and IT departments. Success also depends on having ongoing, visible buy-in from senior management and the appropriate resources to support the conversion in its entirety.

We're Here to Help

Bolstering revenue cycle management processes during affiliations is crucial to ensuring uninterrupted revenue streams. Contact your Moss Adams health care partner to learn more about RCM—in particular, where to look for errors in each step and how to streamline your organization's processes, monitor key performance indicators, implement best practices, and improve revenue performance.

See more at: http://mossadams.com/articles/2015/january/rcm-during-health-care-affiliations#sthash.w765irQn.dpuf

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