CHANGE HEALTHCARE

White Paper

Patient Access and Revenue Cycle Analytics— Perfect Together, Yet Often Ignored

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Why bringing analytics into patient access can radically improve a health system's ability to get under the hood, understand what's influencing financial performance, and improve the metrics that matter.

Some things go naturally together. Pen and paper. Thunder and lightning. Chocolate and peanut butter. And here's a surprising one: patient access and revenue cycle analytics. You may have never thought of bringing the last two together, but no one thought of bringing chocolate and peanut butter together until it happened. Well, hospitals can make their revenue cycle much sweeter by applying revenue cycle analytics to improve patient access. And in this paper we're going to tell you why, and show you how.

But first, some context.

While there's no shortage of revenue cycle analytics solutions, their use to improve front-end processes is lagging. KLAS Patient Access research looked at 98 providers' frequency of using financial clearance technology to improve billing/collection and reduce denials. The overwhelming majority (99%) used eligibility verification, followed by patient responsibility estimation (76%), patient address/ID verification

(68%), registration QA (66%), and point-of-service collections (56%). Just 34% used performance analytics to improve billing and collections.[1]

We can't be sure as to why people aren't investing more in analytics. Perhaps it's due to a lack of understanding of how analytics can help re-tool revenue cycle for the value-based world. The ability to analyze and use patient access data to guide process improvements can help drive significant improvements—potentially totaling millions of dollars for a single facility.[2] So let's look at how revenue cycle analytics can be used to help improve the patient access function, boost registration and eligibility accuracy, and reduce downstream denials.

Reimbursement Tops Patient Access Priorities

After ensuring a quality patient experience, two top priorities for a patient access department are to secure correct reimbursement from insurance and from consumers. There are other

[1] Patient Access 2014: Assembling a Winning Pit Crew, KLAS Research, 2014
[2] Change Healthcare internal analysis

priorities related to reducing the cost to collect, increasing patient volume, and boosting patient satisfaction, but reimbursement tops the list.

The rise of consumerism and complexity of emerging payment models challenge providers more than ever to secure timely and correct reimbursement from both. And, ultimately, the success or failure of these collections begins at the front-end of the revenue cycle.

This makes the patient access function more important than ever, not only because registration/eligibility errors account for the largest percentage of denials, but because patient access contains vast amounts of untapped data.[3] To remain viable—and to thrive—revenue cycle leaders need visibility into the front-end data to identify opportunities for improvement.

Denial Prevention & Management

Denial prevention and management requires two things: First, new levels of visibility and knowledge of where and why problems originate on the front-end. Are patient responsibilities being accurately estimated? Are estimates being leveraged to drive higher POS collections? What is the overall success rate with patient collections?

Second, prevention and management requires staff flexibility to change processes and workflows to which they have grown accustomed. This is where patient access analytics comes in. The revenue cycle contains many touchpoints, presenting ample room for error. Any attempt to control denials reactively or in an isolated manner will result in inefficient use of staff and a continuing denials issue.

Strategically addressing denials with an analytics-driven approach that drills down into root causes can improve the efficiency of the entire revenue cycle, accelerate reimbursement, and boost overall revenue cycle performance.

Consider what happened to a 600-bed system that had overall denial rates substantially higher than comparable health systems. It analyzed why denial rates were so high and found that

registration and eligibility issues were the primary denial causes. Based on that analysis, it targeted specific patient access processes, and the related registration/eligibility denial rate plummeted from 11.66% to 1.23%. Over a four-month period, that led to $2.4 million in revenue paid on initial submission.[4]

Using Analytics to Pinpoint Front-End Issues

With 30%-40% of denials stemming from front-end registration/eligibility issues, providers need to understand how the up-front patient access process affects collecting payment for the care they provide.[5] Analytics can pinpoint what shortcomings in the process lead to denials

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or non-payments—and exactly how much additional revenue providers can expect if they make operational and process changes.

Determining the correct insurance reimbursement and the right consumer out-of-pocket at registration is vital to collecting payments down the road. So is securing pre-authorization for specific kinds of services upfront. Using patient access analytics can show providers exactly where they're falling short, and offer opportunities for specific improvements that impact the entire revenue cycle.

Patient-access analytics can also identify at what point payments should be collected from specific

[3] Change Healthcare internal data
[4] Change Healthcare customer data
[5] HBI Academy Research, Registration Errors Significantly Impact Reimbursements

patients to increase collection rates. Payers can determine from which patients payments should be collected at the point of service, at pre-discharge and/or post-discharge to increase collection rates. Patient access analytics can also help identify how efficient a provider's patient access workflow is, and pinpoint ways it can be improved.

Again, there's no shortage of analytics tools on the market, but there is a shortage of tools that let revenue cycle leaders get to the patient access metrics that matter quickly and easily. Some existing solutions are so complicated that they require consulting services to make sense of the data. What hospitals and health systems need are analytics that are built for the value-based era.

What to Look for in an Analytics Solution

Not all analytics solutions are equal, particularly when it comes to offering insights into the patient access process. When choosing, look for a solution that supports consumer effectiveness (the ability to provide credible, defensible estimates) and insurer effectiveness (the ability to pinpoint process issues related to eligibility and authorization). The solution should serve up data in meaningful and user-friendly formats, and be vendor-neutral so it can be integrated with existing revenue cycle solutions and EHRs.

Avoid tools that cannot analyze historical data trends within and across facilities and drill down to identify the primary causes of issues. A solution should be fast and provide instant access to data, so you can analyze financial performance and operational results in minutes without burdening or waiting for IT resources.

Take special care that any solution you consider offers actionable visibility into eligibility and registration processes to support root cause analysis and help guide corrective action that can positively impact downstream results and cash flow.

Also, look for a solution that offers flexible tools for customized reporting, such as pre-packaged reports designed to analyze key revenue cycle data that aligns specifically with your business processes.

Here's an essential capabilities checklist for an analytics solution to help improve patient access performance:

- Analyze data from across your revenue cycle:
  – Consumer effectiveness (estimations)
  – Insurance effectiveness (authorization, eligibility)
  – Team effectiveness (time, cost to collect)

- Standardize your data with organization-wide reports

- Offer a library of customizable reports aligned with your business processes

- Automatically generate reports on your timetable

- Provide at-a-glance visibility into performance– historical, real-time, and across facilities

Mind Those Metrics to Improve Hospital Health

Many providers have been using analytics solutions to identify issues related to claims management for years, and now that same level of insight can be applied to the front-end of the revenue cycle to secure more timely, accurate reimbursement from both the patient and the payer.

By providing visibility into eligibility and registration processes and supporting root cause analysis to drive corrective action, patient access analytics can help providers improve point-of-service collections, reduce denials, and support downstream success of all revenue cycle activities.

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