In the Journey from Volume to Value, Are You Realizing Your Full Revenue Potential?

The journey from volume to value is introducing unprecedented transformational change into the healthcare delivery model. Not only is it asking healthcare providers to reduce and eliminate costs but to do so while improving the patient experience and health outcomes. A critical factor for any provider hoping to make a successful transition, is ensuring you can generate sufficient capital to fund it. This requires making certain your strategic goals and your revenue management model are in sync.

**Full Revenue Potential**

There are three components to the full revenue potential equation:

1. **Total Collectible Revenue.** All financial streams, including contracts, incentives and reimbursement models should directly support your scope of services and market strategy. Your organization should optimally, compliantly and systematically pursue improvements for all sources of revenue to maximize financial returns for services provided.

2. **Optimal operations efficacy.** Optimal operations efficacy is the product of efficiency and effectiveness. It is more important be effective and ensure the right result is achieved, then be efficient through continual process improvement. A key measure for the effectiveness of an organization’s revenue model is rooted in its ability to stay connected with the overarching organization strategy, which in many cases, is evolving as organizations transition from volume to value. Efficacy can be measured with standard key performance indicators (KPIs) that are already well-established in the industry such as HFMA’s MAP Keys ([http://www.hfma.org/mapkeys/](http://www.hfma.org/mapkeys/)). Variances from industry standards can highlight areas to prioritize for performance improvement efforts. Optimizing the tools and processes for revenue collection is essential in the full revenue potential equation.

3. **Positive Patient Experience.** A positive patient experience has become a major driver in achieving full revenue potential. While clinical quality is arguably the ultimate driver for patient satisfaction, patients and their families’ interactions with the associates, processes and technology across the revenue management model are key influencers to the overarching patient experience. There are multiple touch points including but not limited to: scheduling, registration, financial clearance, identification of patient responsibility, patient statements and collections efforts.
Key Questions to Consider

As you begin to assess your full revenue potential and your organization’s ability to achieve it, there are several key questions to consider:

1. **How does our revenue model align with organizational strategy, and is it structured to support enterprise strategy for the next one to five years?** Knowing the requirements to support strategic imperatives for organizational growth such as acquisition or consolidation improves efficacy. In the transition from volume to value, there are often new expectations for revenue cycle operations to support funds flow, patient flow and the transition between care environments. Efficacy is also driven by fully utilizing technology enablers and in some cases, acquiring new capabilities to maximize operational effectiveness and efficiency.

2. **Are we optimally, compliantly and systematically pursuing improvements across the revenue management lifecycle, to maximize financial returns for services provided?** Operational improvement opportunities exist across the lifecycle. Identifying the best payor source for all patients and assisting with the enrollment is one example. Securing and pursuing all contractually-obligated reimbursement for services delivered is another. Insurance verification, underpayment analysis, denials management, and bad debt reduction are all ways to ensure your organization is being reimbursed for services delivered. It’s important to optimize pricing through a compliant and transparent approach; balanced with the impact to patient responsibility and market segment alignment. Evaluating the case mix and cost to charge ratio will help you discern risk with governmental payor reimbursement and identify potential improvement strategies. Physician compensation and incentives should also be aligned.

3. **Do we provide a positive patient experience that is timely, convenient, efficient, easy to navigate and affordable with financial transparency?** The patient’s engagement is as critical to securing total collectible revenue as it is to capturing a complete and accurate clinical story, as both processes are equally dependent upon information provided by the patient/family. Patients want to be recognized, remembered and have a seamless care experience from start to finish. By assessing the revenue management model, disconnects that cause repetition and frustrations for the patients and facilities can be identified. Self-service enablement technologies such as kiosks and portals can further improve the patient experience. Integrating the care coordination process with the revenue model requirements is another important step to ensure smooth transitions from one care setting to the next.

For More Information

Please contact us for more information on the full revenue potential equation and how your organization can achieve it.

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