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From back-office operator to strategic enabler: Repositioning the revenue cycle

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The primary challenge for revenue cycle leaders today is also their biggest opportunity. They must build a patient-centric culture that supports the career growth of their employees, integrates effectively with all clinical units, drives a cost-efficient model, maximizes revenue realization, and supports the organization's strategic objectives.

That means repositioning the revenue cycle function from not simply a back-office operator that cleans up problems created elsewhere but also as a strategic asset for the enterprise. Doing so requires sharp focus, discipline to avoid distractions, and a relentless commitment to drive value.

Successfully Repositioning the Revenue Cycle Requires 5 Essential Elements

"Leaders will need to take a very intentional approach to how they reposition their revenue cycle function—encompassing strategy, design, and implementation of specific solutions that create an agile structure that will support the organization's goals while continually adapting to the regulatory environment," said Kevin Ormand, Director and Chartis Revenue Cycle Transformation Practice Co-Leader.

Five elements are especially important for executing this approach in a meticulous, thoughtful way:

1. A Focus on Streamlining and Enhancing the Patient Experience.

"Organizations need to create a holistic experience for patients," said Prashant Karamchandani, Director and Chartis Revenue Cycle Transformation Practice Co-Leader. "The revenue cycle is a key part of the patient experience and should be integrated with other aspects of the patient experience, especially as it is being driven through digital engagement. Ultimately, organizations need to provide a

seamless, frictionless experience for patients as that has cascading effects that will lead to improved financial outcomes and increased satisfaction.”

“Leaders must instill in each and every function—whether it’s the call center, financial assistance, billing, or any other function—that the organization has to focus on patient experience,” said Chirag Bhargava, Director and Chartis Revenue Cycle Transformation Practice Co-Leader.

Success comes back to making sure that the strategy, execution, and data capabilities all align with the overall strategic objectives of the organization. For many organizations, patient experience is high on that list.

Health systems that are working to integrate multiple organizations following acquisitions or mergers often need to place additional emphasis on this area.

“When organizations decide to come together, they often say the partnership will enhance the patient experience—but oftentimes, the revenue cycle functions remain disparate from one billing office to the next,” said Bhargava.

A consistent patient experience is an important component to making mergers and acquisitions successful—and a consolidated revenue cycle is an opportunity to achieve that.

2. Alignment and Integration of the Revenue Cycle Across the Organization’s Workforce.

“Organizations that succeed actually bring teams together to solve problems, rather than sitting in the traditional silos,” said Bhargava. “It needs to be a holistic approach of the front, middle, and back office. Adapting the culture for integration results in long-term improvements.”

Revenue cycle leaders must build strong working relationships with their peers in other units. That includes ongoing communication, giving people ownership of processes, and holding them accountable for outcomes—inclusive of the areas where the clinical and revenue cycle workflows are integrated. Additionally, building more transparency through data sharing will drive better accountability and engagement.

“When colleagues in other areas say, ‘We have a problem in revenue cycle with denials,’ it shows a lack of understanding of the root cause issues and where they occur,” said Karamchandani. “Denials are everyone’s problem.”

Building this alignment will impact many areas in addition to denials and will result in better revenue capture as well as an improved clinician, staff, and physician experience.

3. A Prioritization of Efforts Based on Return on Investment (ROI).

It's important to stay focused on achievable efforts that can make a difference—and even the lowest of low-hanging fruit can deliver a significant impact if organizations aren't chasing after the dozens of issues at play all at the same time.

For example, if an organization is facing performance and labor challenges with coding, leaders may look to procure new technology as a solution. But does the new technology solve the core issue, or does it create more internal work and potential duplication? Truly understanding the root cause is essential. Leaders must determine whether better technology would improve performance, productivity, and labor challenges or whether better training, education, and a focus on productivity will lead to better outcomes. The answer may be that it is actually a combination of both. But it is important to dig deep to ensure the course of action is truly making an impact versus prolonging the actual fix.

Prioritizing based on ROI will give revenue cycle management (RCM) leaders better guidelines in how and when resources are deployed and which investments to make that not only tie back to strategic imperatives but also improve key financial metrics that will increase cash and net revenue, mitigate revenue leakage, and control costs.

4. A Clear Strategy for Managing Technology Vendors and Data.

“The data-driven component can't be understated,” said Karamchandani. “But to be data-driven, you have to truly understand what your business looks like today—identify how you can optimize it and what's missing.”

One important piece leaders need to understand is how they will acquire, ingest, and decipher data. Process intelligence, for instance, can dramatically advance performance. By mining processes and analytics, leaders are equipped with a true knowledge of what their systems and people are doing—and how to optimize them, especially in a remote or hybrid environment.

Another important piece is how leaders will leverage their core tools to grow more mature data and analytics capabilities. Part of this is understanding how vendors appropriately support the organization in the execution of its strategy.

“When you choose a vendor, have them define an ROI that you hold them accountable to,” said Phil DeSantis, Director and Chartis Revenue Cycle Transformation Practice Co-Leader. “It is important to push vendors to delineate the ROI they suggest, identifying what they will do, how they will do it, and what they need from the organization to ensure it is successful.”

Many vendor solutions require time and resource investment from the organization to support

successful implementation and adoption—and there is a cost to doing that. Being clear and specific as to the true cost and the true measurement of results will help clear up any confusion and properly calibrate expectations.

5. A Self-Sustaining Governance Structure.

A multi-disciplinary structure can help with maintaining appropriate focus and seeing efforts through to full, ongoing optimization.

“Be clear about what you are focusing on and what you are not focusing on,” said Bhargava.

Common barriers to revenue cycle efficiency stem from both the effective management of competing priority initiatives across the organization and a failure to follow through on previous decisions. Opportunities for improvement can be wasted when systems are not updated, multiple vendors are working on a single function, or the productivity of a tool is limited because needed modules were never purchased.

“If the right governance process is in place, you are constantly evaluating your progress and addressing change opportunities from a strategic perspective,” said Ormand.

Using a multidisciplinary, metric-driven approach to governance will help align priorities, build consensus, and establish accountability for progress (and ultimately, success) that will provide clarity to an organization’s leadership team as well as RCM operators.

Reposition the Revenue Cycle as a Leading Strategic Asset

An optimized, data-driven, integrated revenue cycle can be a true strategic asset for organizations that are navigating today’s challenges and looking to future success.

A revenue cycle that is a strategic asset can help drive healthcare organizations toward workforce optimization, cost efficiency, and patient centricity. The teams managed within the revenue cycle meet regularly with stakeholders across the enterprise to identify inefficient processes and waste. Armed with appropriate data and analytics, the revenue cycle is well-positioned to help identify needed change and leverage their established pathways to promote that change.

In short, an optimized revenue cycle can help propel the organization toward a healthy, sustainable future.

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