Revenue Cycle Management

Behavioural Healthcare Provider

Integrated and analyzed data, including 835 data across various systems at different stages of the Revenue Cycle to provide transparency to identify potential revenue leakage, leading to an efficient RCM process

Streamlining Revenue Cycle Management (RCM) Processes

Revenue Cycle Management

Situation

- Client lacked transparency into various processes in the Revenue Cycle leading to inefficiencies and potential revenue leakages
- Merilytics partnered with the client to integrate data across various sources and provide real-time visibility into all aspects of the revenue cycle leading to an efficient RCM process

Accordion Value Add

- Integrated data across various systems which includes remittance data (835 data), billing data from claim management software such as EdgeMED and Allscripts, concurrent review/authorization data from Salesforce and EMR systems, Billing logs (Excel files with patient stay details)
- Analyzed the 835 data along with authorization and patient stay details to identify systemic issues in the claim's submissions and key drivers for claim denials. Proposed suitable actions to bridge the process gaps at various stages of the revenue cycle management process
- Developed and automated reporting infrastructure using Power BI to track Revenue Cycle (e.g., census, billings, authorizations, collections, denials & AR) on near real-time basis

Impact

- Improvement in Collections rate from both patients and insurers due to real-time visibility into top payers with pending balance. This helped the team to follow-up with the insurers on the outstanding collections
- Authorization rate increased by 20% and Resubmission rate decreased by 15%
- In addition, the increased transparency enabled the client to better identify risks such as claims approaching timely filing limits leading to a more proactive approach to Revenue Cycle Management

Value Addition Across the Revenue Cycle

	Patient Admission	Authorization	Claims Submission	Claims Management	Accounts Receivables Management
RCM PROCESS	**At the admissions stage, there is a need to ascertain payment and collect patient responsibility** • Verification of insurance coverage / benefits / copay • Patient credit check and pre-admission payment	**Authorization is essential to avoid claim denial during billing stages from payors** • Obtain authorization at regular intervals from payor for treatment plan • Prepare documentation as proof of medical necessity	**Submit claims to payors with all required details** • Timely submission of claims to payor • Follow up and provide additional documentation as needed	**Track and action upon claim rejections** • Analyze the reasons behind the rejection • Resubmit rejected claims after fixing issues • Analyze and mitigate process gaps in claim documentation	**Collect pending claims** • **Follow-up with insurer for reimbursement for claims** • **Follow-up with patient for outstanding payment collections**
MERILYTICS VALUE ADDITION	• **Patient financial responsibility tracking analysis** to ensure that the facilities were collecting the required amounts from patients • **Census trend analysis** to track census, length of stay and other KPIs	• **Built a daily authorization tracker to identify authorization status** for all patients by facility and payor. This enabled the Utilization Review (UR) team to identify and fix pending authorizations. • **Analyzed Electronic Medical Records (EMR) to identify the correlation between EMR text and authorization denials. A training program is using our findings to better train clinicians to decrease denials.**	• Reconciled claims submissions data from client's third-party billing vendor to **identify claims which have not been submitted** • **Prioritized claims based on timely submission limits** to minimize revenue loss	• **Analyzed the 835 data** to identify the claims with the pending balance and provided visibility into top payers with outstanding collections • **Tracked the denied claims (using 835 data)** to make the claims management process more efficient • Tracked **Medical Record Requests (MRR) and Appeals by facility, payor, etc.**	• **Tracked payments** received from payor and benchmark them with the baseline rates to track collection efficiency • **Track performance of collection process and identify the key systemic issues in claim reimbursements of the bills submitted to payor** • **Classified the claims in aging segments (based on the number of days the bill has been pending) to follow-up with insurers for reimbursement**

Process Flow

Setting up Raw data

- Set up database links to various data sources
  - **Collections software (Edgemed)** used by 3rd party collection agency, with status of all the pending claims
  - **Salesforce** with all patient details including copay/self-pay payments
  - **In Network insurance contractual rates** to estimate Net Revenue
  - **Billing logs** from facilities

Notes mapping

- **Classification of claims** based on the status notes written by third party collection agency
- Based on the above mapping, created an **automated workflow to classify claims using denial codes**

Cashflow forecasting

- Forecast expected Net Revenue by calculating **'*Gross to Net%*' at a payor, facility and level of care combination**
- Included **timeline impact of cash flow because of claim delays** based on classification
- Estimated **Bad Debt % based on settled bills** at a payor, facility and level of care combination and included the results in cash flow forecasting

Workflow management

- Created a process workflow to **identify the denied claims using the 835 data** for re-submitting claims and **following up on the pending claims** with outstanding collections
- Also, automated the process to identify the **systemic issues at the facility/payor level** in claim reimbursement and key drivers for claim denials

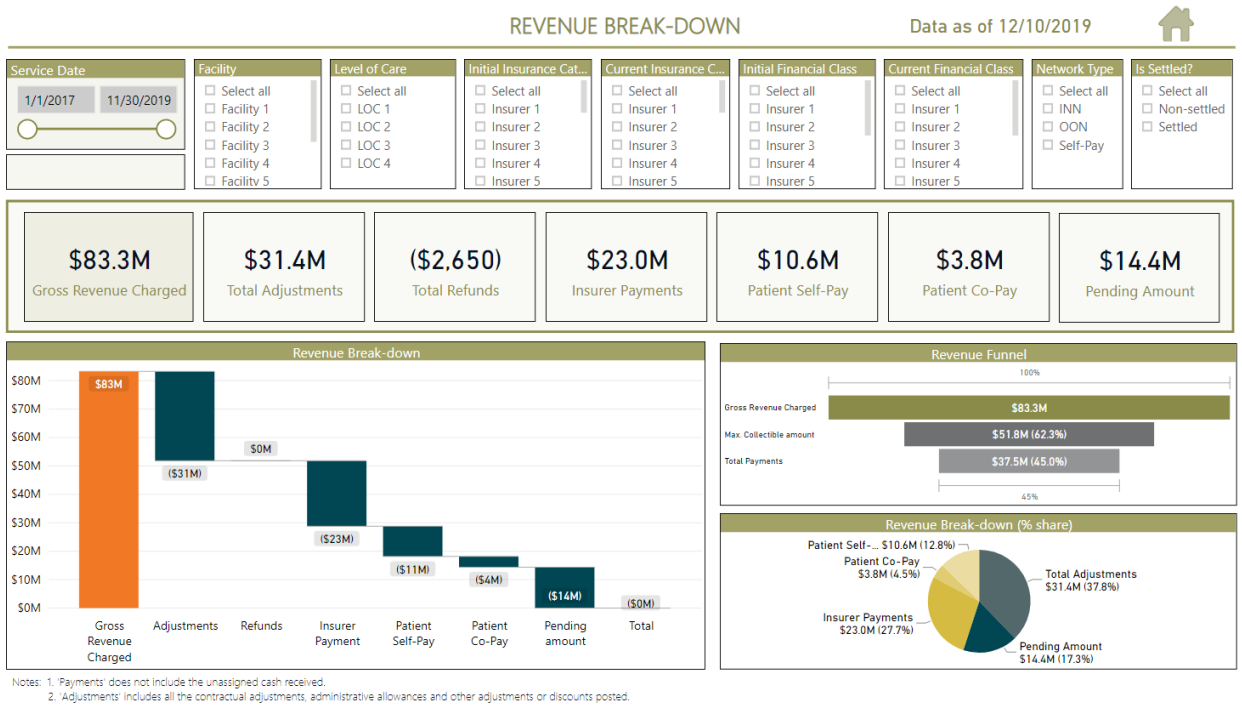
Power BI Dashboard

- Provided a **snapshot of the collection process** with the help of KPIs such as #Avg days to payment, etc.
- Provided **visibility into the top systemic issues by facility/payor** level that needs immediate attention

RCM Power BI Dashboards (1/2)

ILLUSTRATIVE

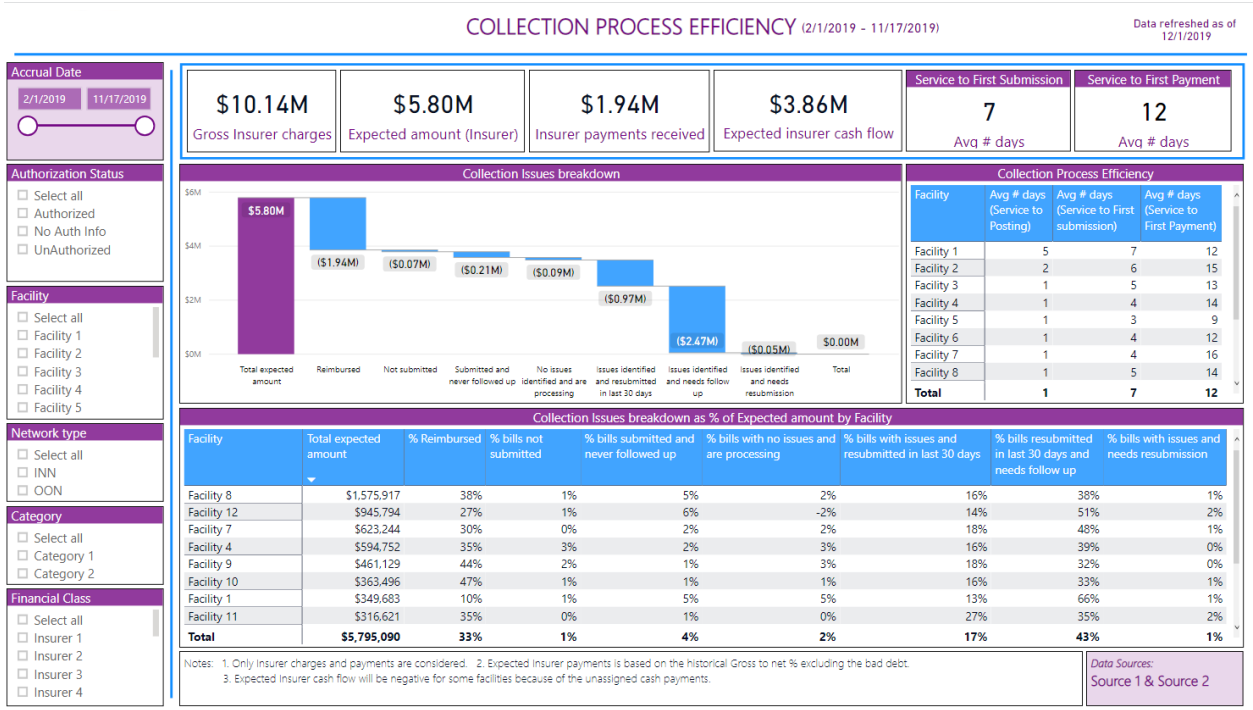
Revenue recovery cycle



Notes: 1. 'Payments' does not include the unassigned cash received.
2. 'Adjustments' includes all the contractual adjustments, administrative allowances and other adjustments or discounts posted.

- This dashboard provides much **needed transparency into the revenue collection process** for the leadership team which accounts for every dollar of gross charges and breaks out the **gross revenue at various stages of revenue cycle**

Collection process efficiency



Facility	Avg # days (Service to Posting)	Avg # days (Service to First submission)	Avg # days (Service to First Payment)
Facility 1	5	7	12
Facility 2	2	6	15
Facility 3	1	5	13
Facility 4	1	4	14
Facility 5	1	3	9
Facility 6	1	4	12
Facility 7	1	4	16
Facility 8	1	5	14
Total	**1**	**7**	**12**

Facility	Total expected amount	% Reimbursed	% bills not submitted	% bills submitted and never followed up	% bills with no issues and are processing	% bills with issues and resubmitted in last 30 days	% bills resubmitted in last 30 days and needs follow up	% bills with issues and needs resubmission
Facility 8	$1,575,917	38%	1%	5%	2%	16%	38%	1%
Facility 12	$945,794	27%	1%	6%	-2%	14%	51%	2%
Facility 7	$623,244	30%	0%	2%	2%	18%	48%	1%
Facility 4	$594,752	35%	3%	2%	3%	16%	39%	0%
Facility 9	$461,129	44%	2%	1%	3%	18%	32%	0%
Facility 10	$363,496	47%	1%	1%	1%	16%	33%	1%
Facility 1	$349,683	10%	1%	5%	5%	13%	66%	1%
Facility 11	$316,621	35%	0%	1%	0%	27%	35%	2%
Total	**$5,795,090**	**33%**	**1%**	**4%**	**2%**	**17%**	**43%**	**1%**

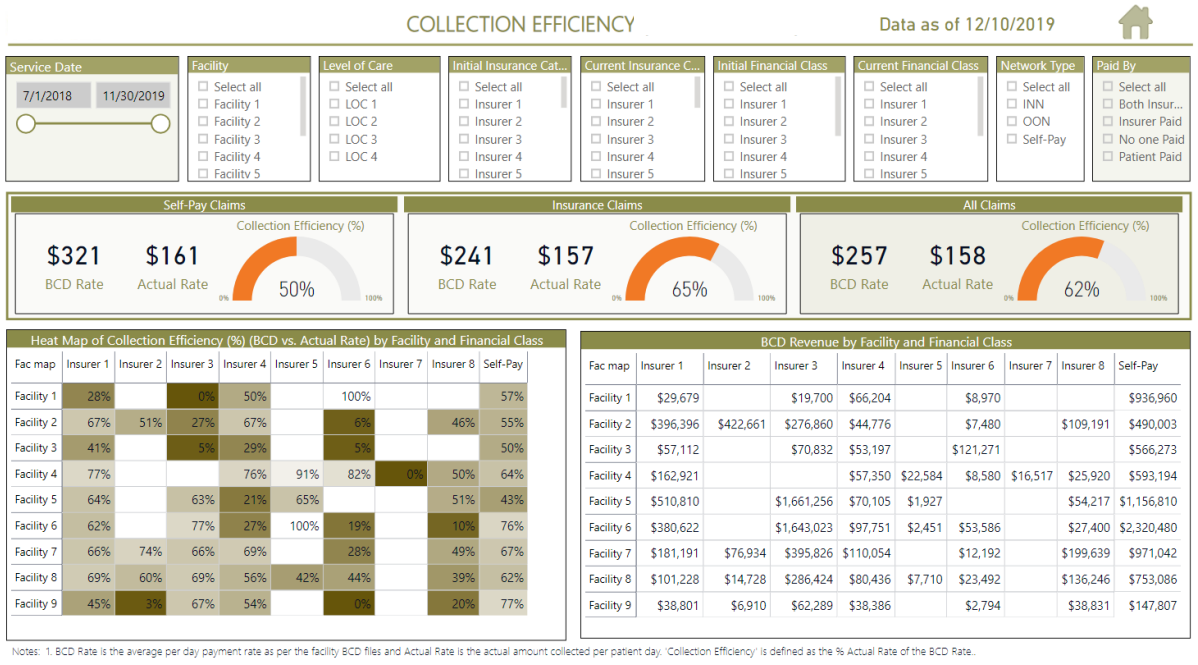
Notes: 1. Only Insurer charges and payments are considered. 2. Expected Insurer payments is based on the historical Gross to net % excluding the bad debt.
3. Expected Insurer cash flow will be negative for some facilities because of the unassigned cash payments.

- This dashboard summarizes the collection details and **breaks out the systemic issues in the collection process**
- Provides visibility into the **top collection issues as a share of the total expected amount** for the leadership team

RCM Power BI Dashboards (2/2)

ILLUSTRATIVE

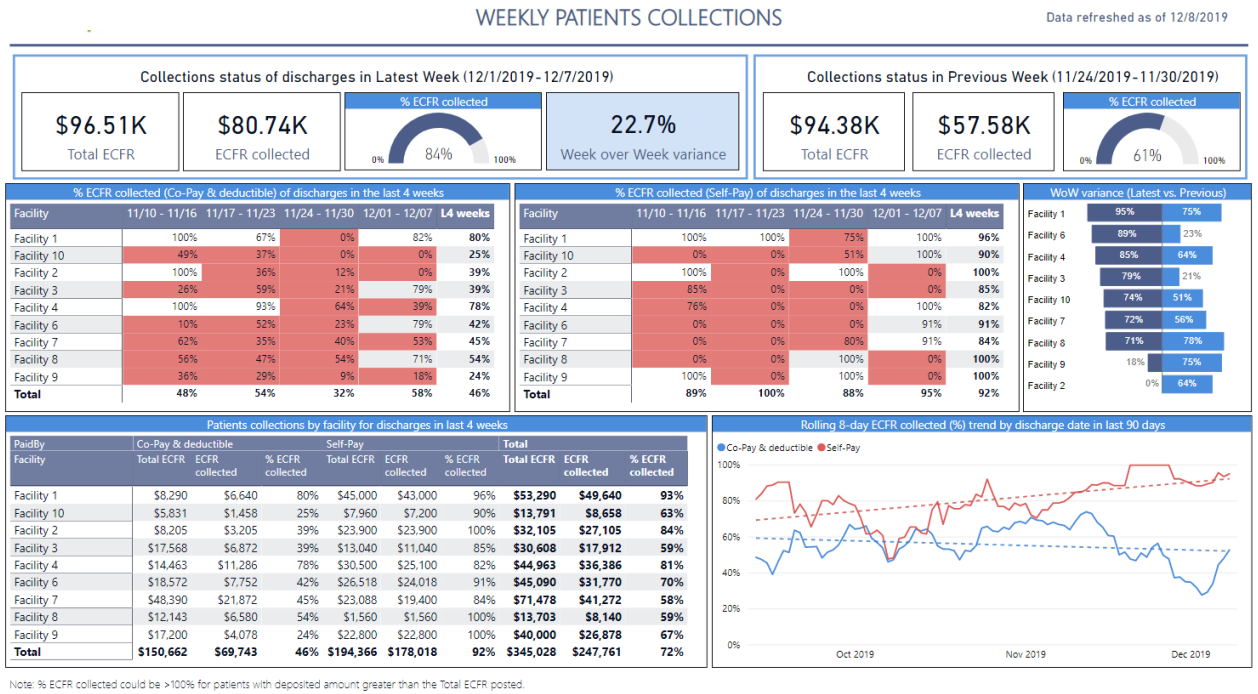
Collection efficiency



Notes: 1. BCD Rate is the average per day payment rate as per the facility BCD files and Actual Rate is the actual amount collected per patient day. 'Collection Efficiency' is defined as the % Actual Rate of the BCD Rate..

- **Collection Efficiency** is the actual amount collected as a share of the contractual/baseline rate
- This dashboard provides the visibility into the Collection Efficiency by Payor/Insurer type, authorization status, facility and financial class

Weekly patient collections



Note: % ECFR collected could be >100% for patients with deposited amount greater than the Total ECFR posted.

- **Compares the patient collections** for the patients discharged in the latest week with the previous week
- This share of patient collections as a ratio of total outstanding amount is benchmarked against the company standards