(C.) RCM PROCESS
PROBLEMS AND RECOMMENDATIONS

BUSINESS REPORT, [redacted] BUSINESS SERVICES

Gurjas Singh Chhabra,
Management Trainee
(RCM Division)

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[redacted]
REVENUE CYCLE MANAGEMENT

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Problem Analysis

This section details the business problems plaguing the R.C.M. process.

(A.) Sub-standard Verification

[redacted] has been facing quality assurance issues in the verification process. Outright negligence, inadequate training and lack of auditing have allowed the number of verification errors to inflate.

Effects

Ongoing client retention issues can largely be attributed to poor verification services.

- A newly contracted client is onboarded progressively. In the first stage the client is only provided the verification service. The client uses the quality of verification to gauge whether other processes should be outsourced to [redacted]. Failure to deliver the promised quality standard has caused loss of business.
- Losing a single client means losing the business of every organization that the client is acquainted with. In the RCM industry, positive word of mouth is imperative for organic business development.
- Incorrect verification cripples the rest of the billing process as well. Effective verification will allow the billing, posting and A.R. teams to focus on their primary tasks instead of following up on verification errors and denials.

Recommended Solutions

- Maintaining a catalogue of mistakes that caused [redacted] to lose business in the last 4 to 5 months. Holding people accountable for these errors and keeping a track of which other clients these executives have worked for.
- Incentivizing quality over quantity. Incentivizing quantity encourages executives to move on to the next verification form without being thorough with the one they are working on. Monetarily penalizing executives for severe verification errors will encourage them to prioritize quality.
- Setting up a dedicated audit team for quality assurance with a revenue oriented focus on 'cash cow' clients. (To mitigate further loss of business)
- Identifying and fixing training gaps will mitigate further errors.
- Hiring level 2 executives from competing organizations

Performance Metrics: -Decrease in average number of mistakes made by flagged executives in one month
-Improvement in client churn rate

(B.) Poor Retention Rate of Executives

On the divisional level, there has been a failure to hire and retain high quality operations executives. [redacted] quality of services is bound by the skillset of its' operations team. And the quality of services in turn affects our client relations. Failure to provide healthy work environment and a rigid compensation model have driven off experienced and qualified industry Subject Matter Experts.

Effects

- Problem (A.) and (B.) share a causal relationship. Substandard verification is caused by substandard operations executives.
- Level 1 verification team largely comprises of immature and inexperienced executives looking to make a quick buck instead of building a long term career. This immaturity and shortsightedness amongst level 1 executives has bred casualness towards their quality of work.
- Qualified human resources are pushed away from [redacted] due to the rigidity of the compensation model.

Recommended Solutions

- A robust compensation model based on cost analysis and selective resource allocation.
- Considering the cost constraints, a specific ratio of level 2 and level 1 executives should be maintained.
- Qualified verification executives from the competition should be acquired to learn from the competition and understand industry standards.

Performance Metrics: -Number of executives that stayed with [redacted] for at least 6 months
-Number of employees that can be graded as trustworthy in terms of quality

(C.) Lack of Sync between Correlated Stakeholders

(i) Payment Posting and Account Receivables

Inability to sync these complimentary sub-processes hinders revenue maximization. However, due to logistical reasons, delegation of responsibility amongst the managers is divided based on day and night. This necessitates the creation of a channel of communication between these two functions.

Effects: Excessive unaddressed backlog of denials and follow up calls

Recommended Solutions:
-Creation of an internal tracker that is accessible by both teams. The tracker will be designed in MS excel and it will allow payment posters to open cases and A.R. Executives to address them. This will enable tracking of unaddressed claims.
-Measuring A.R. Payments as a percentage to aggregate revenue collection.
-Bi-weekly or monthly briefings of both the teams under the same convener to improve coordination

Performance Metrics: Average time taken to close a case

(ii) Management Trainees

In the medium run, the management trainees will collaboratively run the operations. Currently, the trainees have been placed in different functions and there is no official channel of communication between the trainees. Regular briefings and workshops will expedite their learnings and lay the foundation for future partnerships. Trainees can 'exchange notes' about what kind of functions and tasks they have learned. Doing so will allow them to have a complete picture of the RCM process and accommodate to each other's style of work.

(iii) Executives Working on the Same Client

Across the four functions, a team of five to ten executives collectively provides RCM services to the client. The functional division of work makes it impossible for executives to coordinate tasks across functions. For example, the biller for a specific client is clueless about who is handling the other three functions for the same client. The quality of work of one function is highly dependent on other functions. Thus, it is important that every executive should be aware of who is he/she collaborating with.

(D.) Obsolete Report Design

Reports maintained by executives need to be altered for better data management and accountability. The daily end users and creators of these reports should be consulted regarding how these reports can be designed better. The objectives while redesigning these reports must be to remove unnecessary actions and better performance reporting.

(E.) Slow Product Scaling and Development

Product scaling is not proportionate to the business development efforts. There isn't enough production capacity to render services to all the clients in a fiduciary manner. Furthermore, in terms of quality the services are not developed enough to satisfy the clients and build long term relations.