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**From In-House To
Outsourced RCM:
Everything You
Need To Know**

From the benefits, to how to get started, we've got you covered. Plus, 10 FAQs to help you make informed RCM decisions.

Clinics, practices, hospitals, and other medical establishments often need to take second looks at their processes, especially those that involve revenue, workflow, and efficiency.

Not surprisingly, exploring the possibility of transitioning to a revenue cycle management (RCM) service company is often a result of those second looks.



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Outsourced RCM is a big change. We're here to help!



We know the thought of moving to RCM for doctors, practice owners, and other stakeholders is considerable. That's why it's critical to cover some common fears associated with collaborating with a revenue cycle management service.

Advanced Data Systems has vast experience (since 1977!) in helping new clients transition from their existing medical services billing services and systems to our platforms as first-time revenue cycle management services clients or from existing revenue cycle management services. Hopefully, this ebook will help answer all of your RCM questions and concerns.

Benefits of Switching to an RCM Service

Moving to an RCM service should provide the following benefits:

- a dramatic increase in cash flow as revenue from insurance claims submitted by the RCM company and patient payments begin to come in
- an equally as dramatic decrease in denials by way of proactive denial alerts
- an ability to operate efficiently through high levels of intelligent automation as supported by the RCM company
- the RCM company's expertise in medical coding by specialty and as it applies to E/M and CCI editing
- transparent, on-demand, anytime access by you to your data with nothing hidden
- financial and operational analytics review services with you empowered to produce your reports at any time
- access to an insurance discovery option for patients with missing insurance
- options for iOS/Android portal, telemedicine, kiosk, reminder, and balance-due texting which increases patient payments
- EHR options: use the RCM's EHR, or yours interfaced to the RCM or no EHR with the RCM's e-superbills
- MedicsRCM, with a nearly 100% success rate on the first attempt clearinghouse insurance claims, supports all of these revenue cycle solutions.

Typical Fears Involved in Transitioning to Revenue Cycle Management

You or others in your organization may have shut down transitioning to RCM because of any or all of the following common fears involving transparency, management, and temporary financial downturn.

Loss of Transparency

You're accustomed to seeing whatever you need, on-demand, with staff on hand to explain your observation or questions, whether they're at the office or working remotely.

But if the RCM service operates transparently with all of your data accessible to you 24 x 7, and if you can generate your reports in addition to the ones the RCM service should be routinely providing and explaining, then that fear is immediately allayed.

Unable to Manage and Oversee RCM processes

Losing control over an important process may cause some qualms in people who are so invested (mentally and financially) in their healthcare organization.

But the whole point of working with an RCM company is that presumably, it has experts in all facets of healthcare finance and medical billing operations along with the automation tools needed to intelligently move things along and generate revenue.

The revenue cycle management services company with which you partner will no doubt stay up-to-date on industry best practices and government initiatives. Remember, they should be motivated to be as effective as possible for their customers, especially since they don't get paid if you don't get paid.

- Loss of revenue during the transition period
- There could be some financial hiccups at first when you begin the transition to outsourced revenue cycle management services.
- But an RCM service that has experience should be able to transition new clients without missing a beat. Presumably, they've gotten the new client's EDI in order, have done and proven the data conversion, tested a few hundred insurance claims first, and were able to download all of the existing appointments into the RCM's scheduler.
- That type of RCM service would begin to generate patient service revenue from day one.



Reasons for Outsourcing

How do you know it's time to start outsourcing your revenue cycle management processes?

Growth

You've continued to grow, perhaps with multiple locations making revenue cycle management a more cumbersome process. Sending all data from your EHR setup to a centralized RCM generally enables even faster growth.

Recognition of Your Core Strengths

It's difficult - especially in healthcare - that government initiatives, changes in medical coding, etc., can make things unwieldy.

These contribute to an ability to focus on delivering the highest possible healthcare and patient experience. A solid RCM is doubtless on top of this enabling you to do what you are really in business for providing the best possible healthcare for your patients.

Issues in Cash Flow

You need maximized cash flow right now, especially since patient volume in many healthcare organizations might still not be at maximum levels. That means getting the highest possible value on your insurance claims and obtaining every possible dollar through payment from patients when their balances become due after insurance payments.

With the correct tools, a revenue cycle management service should optimize insurance revenue and even prove that to you in advance of engaging with them. And then, they no doubt have the technology for estimating patient balances in advance and provide a portal option that supports secure online payments. Even better is when they have a balance due text reminder option that drives patients to the portal for payment.



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Factors in the Decision Making Process

Make sure you obtain references on any revenue cycle management companies you're considering. Be specific in asking how the migration was handled, did they come from either having their system or an existing revenue cycle management service or were they a new entity that had nothing before transitioning? Of course, also check reviews.



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Ongoing Learning to Make the Most of Outsourced RCM Services

Making the transition to outsourcing your revenue cycle management is a serious undertaking, but the effort should be worth it. Your team will be able to focus more on what you do best while experts in revenue cycle management ensure your revenue generation and efficiency are improved.



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Revenue Cycle Management Step-By-Step

The revenue cycle in a medical practice can be envisioned in 7 basic steps, beginning with deploying **RCM** software or **RCM services** outsourcing the work to a third party, authorizing patients before service, determining patient eligibility and benefits, submitting claims, dealing with posted payments, managing denials, and generating reports. It should become clearer that having a process in place for revenue is crucial for any healthcare providers' billing cycle.

With that in mind, here is a complete walkthrough of the **healthcare revenue cycle management** in 7 steps:

Revenue Cycle Management Step-By-Step

Step 1: RCM Software or Outsourcing Processing

Deciding how to handle your processing is the first step in the cycle. How big is your **medical organization**? If you are fairly limited in scope and have a good IT team in place as well as the staff who are well versed in using dedicated software for medical billing, you may prefer to install RCM software on your servers.

However, if you run a larger organization, such as one with several physicians across multiple satellite offices, the best approach might be to **outsource** the process to third-party experts. Practices with limited staff expertise in **RCM** will also find it beneficial to rely on outsiders for this task, so they can focus on their core capabilities and inpatient treatment.



Step 2: Patient Pre-Authorization

The next step in Revenue Cycle Management is the pre-authorization of each patient. The U.S. government defines pre-authorization as a decision by a health insurer or plan that prescription medication, procedure, service, or equipment is medically necessary. The exception to pre-authorization would be in cases of a medical emergency.

It's important to remember that pre-authorization for a procedure or medicine does not necessarily mean that the insurer will cover its cost, though. Patients and healthcare providers have to double-check if there is any doubt about coverage.



Revenue Cycle Management Step-By-Step

Step 3: Eligibility & Benefits Verification

Some of the drudgeries of your front office staff have to do with checking on **eligibility** and benefits for patients. When done over the phone, it can be a grueling and time-consuming experience that results in poor employee morale.

Modern medical office software will include automatic checking of patient eligibility via the Internet over secure channels, meaning that using dedicated **RCM** software offers proven results that speed up the verification process of whether or not a patient is entitled to a particular benefit.



Step 4: Claims Submission

Payment will not be forthcoming until your office properly submits claims for the work you do for your patients. Practice Management or PM software is invaluable in this situation. You use it to submit claims automatically, including the option to do this in batches. Since human error is always a factor to contend with in submitting claims, you'll want to position PM software tools that include an option to detect mistakes and then explain them to you so you can learn and fix the problem. Then you can immediately resubmit the claim.

Accelerating the flow of **billing** in your organization will be easier when you gain tighter control over claims and have tools in place to weed out common errors and improve total revenue cycle management.



Revenue Cycle Management Step-By-Step

Step 5: Payment Posting

After the **claim** is successfully submitted and reviewed, the payment is posted and can be paid by your patient. **RCM service** and software can help in this respect not only in the convenience it offers for generating billing statements but with the entire collections experience.

You can even use the system to send messages to patients electronically with a “click here to pay” option to encourage patient payments to happen more quickly. Billing over networks like this is done via Electronic Data Interchange (EDI).



Step 6: Denial Management

How often are claims denied for services rendered out of your facility? If your quarterly reports are showing a downturn in revenue because of too many denied claims, it's time to investigate the matter. Properly executed denial management will, in the end, boost earnings if revenue has lately been slow because of problematic claims.

Including this process of **denial management** in your cycle can help you recover revenue that might otherwise have remained overlooked because of forms filed incorrectly to health insurance companies. You might uncover patterns, such as more denied claims when certain people are working together (or not working very hard when they are scheduled on the same shift) or billing problems for certain types of procedures or members of your patient population.

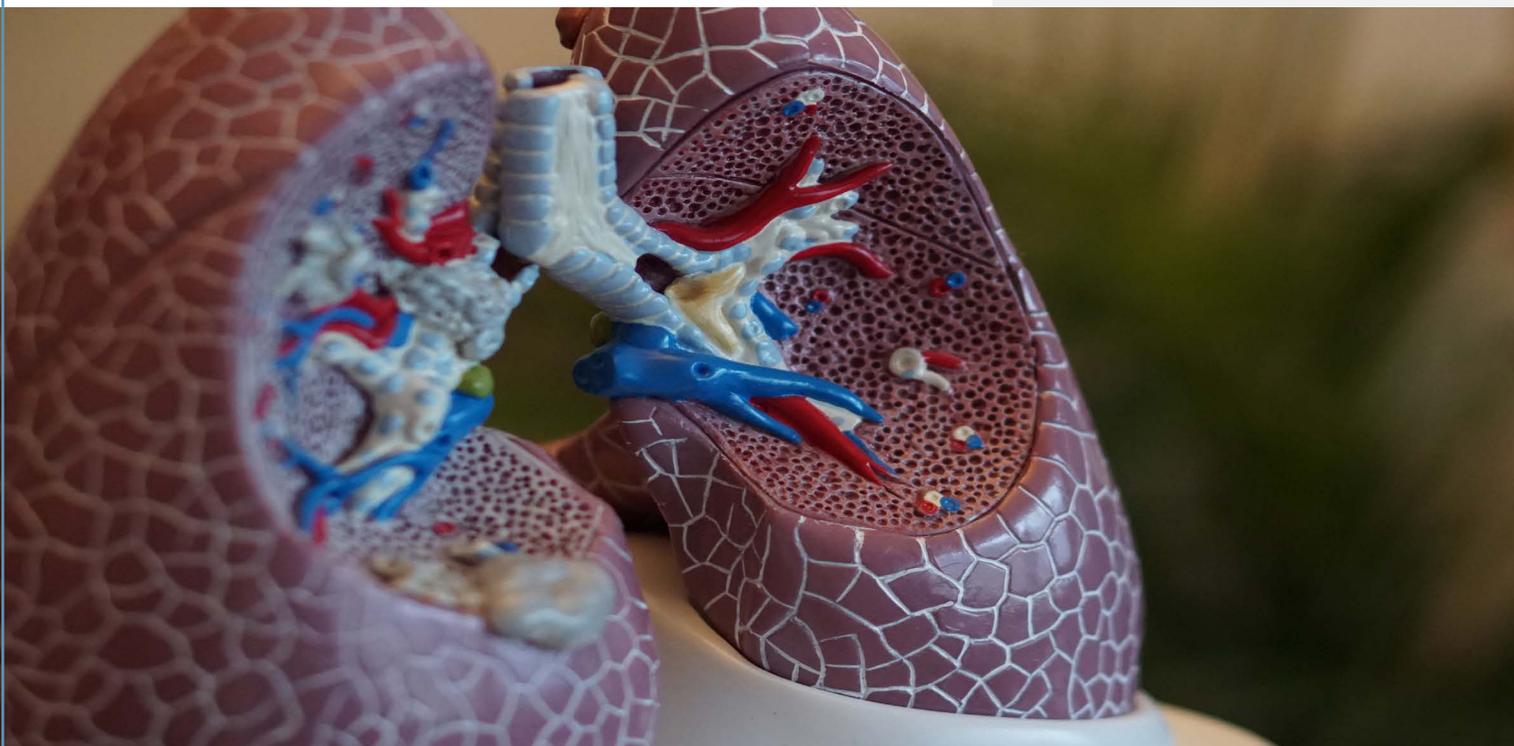


Revenue Cycle Management Step-By-Step

Step 7: Reporting

Medical practices or hospitals without detailed **reports** can have hidden problems that may be growing worse. You need to generate a range of data reports for your meetings. Use the RCM software tools to define customized reports, including financial data, **information management services**, and key performance indicators to see if your staff is meeting benchmarks. **RCM AI** can also help with this.

What's more, when using a modern, state-of-the-art RCM system, you can generate reports at will, not having to worry that the processing might slow down for other users. Your practice will work more productively as a result.



Revenue Cycle Management Step-By-Step

Key Takeaways:

- Revenue Cycle Management solutions or RCM is a complicated process that you need to be familiar with to run your practice successfully and in a more efficient manner.
- There are 7 basic steps when it comes to **RCM services**, and you have an option to accomplish this with a third party or by taking care of it in-house with your software system.
- Managing RCM in a healthcare environment begins with the pre-authorization of patients since you cannot offer services without taking care of this key task.
- You can avoid billing issues after providing services by having a policy to always verify eligibility and benefits.
- It's best to submit claims using a system that has a denied claims manager—so you can fix errors quickly and get paid in a more timely manner.
- RCM software should make it easy to customize financial reports for your organization so you can quickly get an overview of the state of your practice and **keep costs down**.
- Further reading on **AI RCM** to ensure you're not leaving money on the table.

Now that you have a good overview of the steps in the healthcare revenue cycle management process, you'll need to apply what you know toward improving the flow of money within your hospitals or medical practices. The more knowledge you have, the greater insight you can gain into billing and getting paid on time. To help you stay abreast of healthcare billing developments, revenue cycle solutions, and other news related to medical care, we want to encourage you to [click here](#) to subscribe to our blog so you won't miss a thing.



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10 FAQs About RCM Services

ADSC is here to help you learn more about revenue cycle management and how it impacts your practice. Here are 10 frequently asked questions - and their answers - about RCM services.

1

What are RCM services?

When you bring up RCM services, you are talking about the administrative functions and tasks that go into capturing, managing, and collecting revenue for services that you provide to each of your patients.

Smaller medical organizations may initially handle RCM tasks in-house, but as they grow in size and scope, it soon becomes evident that professional services from a third party will be more suitable for managing future growth. After all, when you can outsource a core task to experts that can take care of RCM services more efficiently than you can in-house, it starts to make a lot of sense to make the switch from doing it yourself.

2

What should I look for in an RCM Services provider?

Determining if they have an excellent reputation in the industry is a good starting point. Make sure to do some comparison-shopping, and reading reviews in industry publications, websites, and blogs to help you see what people are saying about the most prominent RCM service companies.

A good track record of helping practices turn their finances around is something to look for. How long has the RCM services provider been in business? How many companies do they currently assist? In addition to checking out their professional affiliations, you will also want to evaluate them in terms of customer service. Do they answer calls for help promptly, or is it hard to reach someone when you have an issue with your account?

Your RCM services company should provide ongoing training and certification for its team and will place a priority on making sure each employee follows guidelines for filing claims.

Ask professional colleagues for their opinions on RCM service providers they've tried in the past and which ones they rely on now to get a good overview of what's available to you.

10 FAQs About RCM Services

3

Are certified coders in charge of your account?

In any industry, including the healthcare industry, it pays to work with certified individuals. Since so many rejected medical practice claims are the result of improper coding, it makes eminent sense to verify that any RCM services provider you are considering has hired certified coders. Being certified shows that you have appropriate competence in coding.

There are two organizations in the United States that provide this certification. The AAPC and AHIMA require that their members have demonstrated practical experience in coding, that they have passed all testing requirements to get their credentials, and that they keep up with coding certification requirements by getting proper continuing education credits.

4

How much do RCM Services cost?

It's natural to want to get a firm grip on how much revenue cycle management services will wind up costing your organization. But keep in mind that each case will be different. The number of patients you serve, the number of different insurance providers you must deal with and the number of patient encounters will vary to a wide degree from practice to practice. Which state you are doing business in will also affect the flow of revenue.

Instead of focusing on how much the RCM services will cost you, it's more useful to consider how much you stand to save in the near term as well as the long term. For example, if you have been growing your organization and were planning on hiring more people to handle the increase in revenue, you can consider the cost of new hires compared to the cost you are being quoted from different RCM service providers.

You will also want to take into account the added revenue you can expect to start coming in after the RCM company takes over, minimizing denied claims and speeding up the flow of income.



10 FAQs About RCM Services

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Does the provider offer denial management on current claims?

It's prudent to work with a service provider that will offer you denial management on your existing claims. Consider that according to Healthcare IT News, 44% of hospital executives participating in a Healthcare Information and Management Systems Society Analytics (HIMSS) survey said that they do use a revenue cycle management vendor to manage their denials, compared to 31% using manual processes and 18% using tools they developed in-house, according to a report from Medical Billing.

Organizations that rely on outsourced RCM services can improve their bottom line when they rely on experienced professionals to lower the number of denials as much as possible. Part of the solution is for the RCM services provider to automate tasks to get to the root cause of denial and speed up the resubmission process.

6

Will they analyze and track all of my rejected claims?

What do you think the main reasons are for so many rejected claims that are causing problems for your practice? Wouldn't it be great if highly knowledgeable medical billing professionals were on the case for you? They won't need as much time as your less-prepared staff to get to the heart of why certain types of claims are being rejected more than others.

Analytics provided by your RCM services company will show you the reason for these problems, so you can then instruct your staff on how to avoid them in the future. Data analysis plays a big part in how quickly you can get paid the first time, on time instead of waiting to clear up coding problems and other issues that would otherwise continue delaying the flow of revenue.

10 FAQs About RCM Services

7

Will investing in RCM Services make us better?

Without a doubt, investing in RCM services will make you a much better practice. After all, you are bringing professionals into the picture to help you with your revenue cycle management, and you can count on their team to be more up-to-date on best practices for RCM.

You can now focus more of your attention on diagnosing and treating patients, while the RCM experts labor for you in the background, keeping everything humming along nicely.

8

Will investing in RCM Services save us money in the long term?

Think of how much time and other resources you have to expend just to put out a call for more claims workers if you continue handling these tasks in-house. It costs you time and labor to recruit and evaluate new workers, and then you have to arrange for ongoing training and certification. What's more, you can expect that RCM services companies will attract highly motivated billing experts who want stability from working at a large firm that focuses on revenue management.

By relying on third-party experts who devote themselves to RCM, you can take advantage of their efficiencies as well as their expertise. They simply will be able to do the same job you do in-house, but much faster. Getting your revenue in a much more timely manner means you have more funds at your disposal too.



10 FAQs About RCM Services

9

Why shouldn't I just manage my billing in-house?

It's fine for beginning practices to take care of their billing in-house. When you see a limited amount of patients and aren't dealing with a multitude of different insurance providers, it will often make sense to keep your operations small and lean. But the more work you put on your staff for RCM, the more time it will start to take to finish these tasks. And what do you do on days when members of your staff are out sick or on vacation? Will you have to hire temporary workers to pick up the slack, or will you need to divert resources from within? Either way, you have to make up for the deficit in staffing in your budget.

Furthermore, when you take care of billing in-house, you don't get the benefits that come from working with a dedicated third-party team of experts who spend all their time, every day, working on revenue cycle management issues. The sheer experience and expertise that come from focusing on RCM for a healthcare organization will make your RCM services provider a much better option.

10

Does the billing company prepare you ahead of time for fee schedule changes?

Your team may not be staying on top of the industry and governmental regulations and other changes in how we process payments for the healthcare services being provided. For instance, when Medicare is preparing to update its fee schedules, will your employees be on top of this and know what to expect for the coming year?

You will want to verify that your RCM services provider monitors such information. If the billing company prepares you ahead of time for any upcoming fee schedule changes, you can plan accordingly, knowing that you can expect to make less money for certain billing codes next year. The RCM services provider will be an integral part of your annual budgeting efforts.

As you can see, there are a lot of considerations when it comes to improving the flow of revenue in your medical practice. For many organizations, it no longer makes sense to handle revenue cycle management in-house, when help from reputable professionals is so readily available to them now. Working with an RCM services provider may be the best thing you wind up doing in your practice this year to improve your financial standing.

10 FAQs About RCM Services

Key Takeaways:

- Revenue cycle management or RCM services have to do with the administrative functions that are involved with capturing, managing, and taking in revenue.
- Busy medical organizations that need to improve the flow of revenue have the option to continue handling this work in-house or working with a third-party expert.
- It's useful to make a checklist of things to look for in an RCM services provider before you start making comparisons.
- Make sure to ask the RCM firm if they employ certified coders to work on your account.
- You'll want to verify that the RCM provider is capable of offering denial management on your current claims.
- Find out if the RCM services company will keep track of claims and analyze them to improve efficiency.
- In general, you can assume that using RCM services will give you a better return on your investment than trying to take care of all the processes in-house.





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