Choosing a strategic service partner for A/R recovery: Considerations and opportunities

Provider organizations continue to experience dramatically fluctuating margins while battling escalating costs and struggling to retain qualified revenue cycle staff. Half of CFOs in a recent survey believe it's more difficult to recruit and retain qualified finance and revenue cycle staff now, than in the past.[1] Because of these and other challenges, providers are increasingly turning to strategic service partners.[2]

One area of opportunity is accounts receivable (A/R) recovery — an area directly relating to a provider's bottom line — that also influences other key areas like patient experience. A/R recovery relies upon a dedicated, specialized team to help ensure maximum cash flow and minimal collection periods and related costs. Health care leaders increasingly are turning to an experienced third-party team to ensure that financial responsibilities are being met efficiently, effectively and in a compliant manner.[3]

The following key considerations will help you identify the best partner to truly become an extension of your business office and manage your payer-related A/R recovery.

56%

of medical groups say their time in A/R increased recently.[2]

Over 10%

The RCM business process service (BPS) market is expected to grow at greater than 10% YOY in the near future based on an increased focus on savings, outcomes and customized offerings.[4]

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How qualified is the A/R recovery firm's staff?

Government and commercial payer guidelines can be complex and difficult to navigate. Many A/R recovery vendors use staff members who are not well-versed or highly experienced with these rules, leading to less than full reimbursement for provider organizations. For best results, find a partner with tenured staff who have revenue cycle skill certifications from an accredited institution or industry association (for example, Healthcare Financial Management Association, HFMA).

How advanced is the supporting technology?

When working with payer receivable recovery, rely upon sophisticated technology that lets you harness data and prioritize high-impact areas while you plan and prepare for industry changes. Leverage patient-centric technology that enables automated workflow, document management and system integration to help you manage the entire revenue cycle with ease. The right technology integrates disparate data, documents and activities so you can effectively manage the revenue cycle – from the enterprise level to the patient level. Utilize technology to gain visibility and transparency to identify bottlenecks and improve processes and procedures. Today's tools can help you pinpoint problem areas, improve financial decision-making and measure the effectiveness of changes. Advanced technology can also help you add capacity with elements like automation and artificial intelligence, enabling team members to take on other core work functions.

Does the firm's A/R recovery staff specialize in certain payers or claim types?

The payer landscape is filled with ever-changing payer-specific mandates and regulations. To be more effective, top-performing A/R recovery firms organize their staff by payer or claim type. For example, complex claims often require clinical expertise to overcome payer issues, so staff assigned to these types of claims need to have different skill sets than a team member working on simpler, patient demographic claim issues.

Does the firm use a mix of onshore and offshore talent and resources to make a service more effective and affordable?

Using both onshore and offshore revenue recovery resources allows partners to offer a more effective model and competitive cost structure. Having offshore resources allows A/R recovery work to be done during off-hours so the recovery follow-up pipeline is more continuous, making the collection progress more efficient.

Why consider a strategic partner?

- Improve revenue, increase cash flow
- Efficiency and cost reduction opportunities
- Access to scalable talent and related resources

A patient-centric revenue cycle:

Improving A/R can also enhance the patient experience by making billing and payment timely, convenient and seamless – differentiating your patient experience and leading to greater satisfaction and retention.

Strategic service partnerships: A rising trend

With ongoing staffing challenges, plus sweeping modernization trends including rapid expansion and adoption of technology, providers across acute and ambulatory care settings continue to show increased openness to service partnerships. Subsequently, revenue cycle managed services are experiencing double-digit growth.[4] This is a testament to widespread revenue cycle challenges provider organizations are experiencing, including escalating volumes of unresolved claims and accounts.[5] In fact, 36% of health care leaders in a recent survey said they had plans to find a service partner to support their revenue cycle in the next 6 months.[2]

It may not be feasible to eliminate all claim and account challenges, but a partner with a strategic approach to managing them can lessen their impact on the bottom line. That strategic approach should be based on proven best practices and data analysis, and supplemented with automation and leading technology. Careful evaluation and selection of potential partners can help ensure collaboration with your organization to achieve desired operational and financial objectives.

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