

Health Care Revenue Cycle Management

Getting back in balance

It's ironic that in today's environment, actually getting paid for the health care services you provide has become more challenging than ever. And more important too. Hospitals and other providers are losing millions in earned revenue because of the complexities associated with new regulations, multiple payers, intricate reimbursement methodologies and greater reliance on patients for payment.

Managing revenue is crucial for every business. But in health care, organizations have tended to view revenue cycle management as a necessary evil, and haven't always given it the attention it deserves. That has to change – from the moment a patient is scheduled for service until every dollar owed is collected.

Out of the shadows

With margin pressure on the rise, health care providers are looking to capture every dollar they're entitled to. In order to do that, they must overcome a complex set of new challenges. For example, healthcare reform is raising the bar on billing, documentation and transparency. At the same time, the shift from IDC-9 to IDC-10 is dramatically increasing the complexity of coding and reimbursement.

In response to these challenges, forward-looking providers are initiating a wide range of improvements. They're hiring or developing talent to be effective in a constantly changing business environment. They're replacing antiquated financial systems with integrated technologies that are web-enabled. And they're rolling out innovative operating models that are more efficient, scalable and flexible.

How we can help

Revenue cycle management is a business challenge, as well as a technology challenge. To meet those challenges, Deloitte offers among the most comprehensive set of Revenue Cycle consulting services in the health care industry. We are recognized for innovation and thought leadership, and have developed proprietary methodologies

and technology tools to help clients achieve their goals quickly and efficiently.

But don't just take our word for it. Deloitte Consulting LLP's Revenue Cycle Transformation practice earned the Best in KLAS distinction as part of the 2009 Top 20 Best in KLAS Awards: Software & Professional Services in 2009, for the second year in a row¹. Deloitte Consulting LLP also ranked in the 2009 Top 20 Best in KLAS in the Extended Business Office category². We have also been ranked as leaders by Kennedy Information and *Modern Healthcare*.

With more than 700 professionals dedicated to revenue cycle management in health care, we have the resources to help you tackle today's toughest challenges. Our services include:

End-to-end revenue cycle transformation.

Comprehensive improvements that cover every phase of the revenue cycle. Focus areas include: shared services, process standardization and integration, workflow automation, technology optimization, workforce planning and the patient experience.

Patient throughput. Improvements focused on managing patients through the inpatient delivery system. This includes both patient-facing interactions and behind-the-scenes activities.

Charge integrity. Improvements to the way charges are handled. Focus areas include: charge capture and pricing,



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health information management, clinical documentation, coding and third-party reimbursement.

- **Extended business office solutions.** Services that supplement a client's in-house capabilities in the areas of claims resolution, bad debt and accelerated cash collections.
- **Technology.** Assistance that helps our clients optimize the planning, design and implementation of large scale commercial technology for provider business offices as well as implementation of our own proprietary workflow technology.
- **Patient experience.** Improving efficiency and service quality for customer-facing activities. Focus areas include: operational/financial performance, employee engagement and customer approval.
- **Regulatory, compliance and reimbursement.** Services that support a client's ability to comply with technical revenue generating activities, including third party reimbursement, financial controls and compliance requirements.
- **ICD-10/HIPPA 5010.** Comprehensive assessment, planning and remediation approaches to complying with ICD10 mandates effective October 2013. Our services start with a complete detailed assessment focused on people, process, technology and clinical documentation integration.

Bottom-line benefits

We help our clients generate benefits, such as:

- Capture an additional 2 to 5 percent of revenue that would otherwise be lost
- Accelerate cash flow through faster receivables collection
- Reduce operating costs through improved productivity and efficiency
- Grow the business without a proportionate increase in headcount
- Improve customer satisfaction by providing a better patient experience

Five ways to create more value now

Know where you stand. A formal assessment of your operational performance across all phases of the revenue cycle provides a road map for improvement and helps quantify the potential benefits.

Invest in the front end. Improving the quality and rigor of data collection when patients are admitted delivers big dividends when the time comes to seek payment.

Consider new operating models. Healthcare reform and rising margin pressure give providers an incentive – and implicit permission – to explore efficient operating models that might have been off limits in the past. Shared services and outsourcing models, for example, can help you simultaneously reduce costs and improve service quality by taking advantage of scale economies and vendor expertise.

Pay attention to self-pay. Historically, health care providers have focused revenue cycle efforts on government and insurance payers because that's where most of the money came from. These days, providers can no longer afford to overlook self-pay collection. Recent innovations in analytical tools and management practices can help you tackle this thorny problem.

Upgrade your staff. The revenue cycle is becoming more complex and requires more sophisticated talent. Take a hard look at the skills and capabilities you will need in the future, and then adjust your hiring criteria and training plans to fill the gaps.

Revenue Cycle Management in action

- A multistate health system needed to close a \$33 million operating gap. Deloitte helped assess and plan a shared services center for revenue cycle management, supply chain, IT, finance and accounting that is expected to deliver annual cost savings of \$12 to \$22 million.
- An integrated delivery system that includes three hospitals needed to increase its cash flow and net revenue. We helped create a financial clearance center for inpatient admissions and high-dollar outpatient services. We also helped develop new procedures for market-based pricing and charge capture, and redesign the business office for remediation of denied claims and underpayments. Results include a \$9 million increase in cash collections in just the first three months.
- A multibillion-dollar health system with 9 hospitals and a 1,400-physician medical group was determined to offer the most remarkable patient experience in the industry. We helped develop and implement an innovative, patient-focused revenue cycle operating model that is expected to create a sustainable competitive advantage and boost market share, while providing a scalable platform for future growth.
- One of the nation's largest providers of critical laboratory services engaged us to help accelerate cash flow and reduce bad debt through the resolution of aged accounts receivable. Over seven years, we have helped the client manage \$637 million in receivables with a resolution rate of 93 percent, and have generated \$55 million in incremental cash on 181- to 450-day receivables.

Related insights

- [The Patient Experience: Strategies and Approaches for Providers to Achieve and Maintain a Competitive Advantage](#)
- [Surviving in the Age of Price Transparency: Deloitte and Cleveland Clinic Explore Value-Based Pricing Strategy](#)
- [ICD-10 Implementation for Health Care Providers: The business imperative for compliance](#)
- [Clinical Documentation Excellence](#)

Case studies

To find out more about how Deloitte has helped clients in revenue cycle management, visit: www.revenuecycle.com/success_stories.html.

Related offerings

- [Health Care Provider Performance Improvement](#)
- [Health Care Clinical Information Systems](#)
- [Health Actuarial Services](#)
- [Customer Strategy](#)
- [Outsourcing Advisory Services](#)
- [Shared Services](#)
- [Contact Center Strategy and Processes](#)
- [Finance Strategy](#)

For additional information

www.deloitte.com/us/revenuecyclestrategy

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