
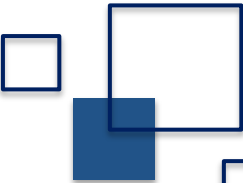




White Paper

Medical Coding: Advancing the Healthcare Revenue Cycle





From surging patient volumes to a widespread labor shortage, hospitals and healthcare systems have weathered unprecedented challenges in recent years. The coronavirus pandemic, rising inflation and mass resignations have disrupted provider productivity, the patient experience and the healthcare revenue cycle.

U.S. hospitals suffered a collective revenue loss of at least \$53 billion in 2021, according to the report [COVID-19 in 2021: The Potential Effect on Hospital Revenues](#), which was commissioned by the American Hospital Association (AHA). And that figure may be conservative; the report notes that losses may exceed \$120 billion as more providers finalize their annual financials.

To combat these ongoing crises, many healthcare systems are re-evaluating their revenue cycle management (RCM) and turning to outsourcing and scalable RCM technologies. A natural starting point for healthcare organizations is [medical coding](#).

Medical coding is an integral component of patient care and provider profitability. It is the foundation for all claims data and every aspect of the revenue-capture pipeline. It is also, as this paper will explore, rapidly evolving and providing new opportunities for automation and other benefits.

The State of Medical Coding

The pandemic placed significant strain on healthcare revenue streams and posed a serious threat to business continuity for many providers. The pandemic's impacts were amplified by the Great Resignation, which saw healthcare workers — including medical coding professionals — quit their jobs in droves.

Approximately [18% of healthcare workers have quit their jobs](#) since the pandemic began, and qualified replacements have been hard to attract and retain, especially skill positions like medical coders. Current prospective coders are often inexperienced, and coding professionals who remain are often tasked with heavy workloads.

It's no wonder that the pandemic has also been accompanied by increases in [medical coding errors and healthcare claim denials](#).

These circumstances have made medical coding and other health information management (HIM) career paths desirable fields of study for future job seekers. The Bureau of Labor Statistics predicts nearly 10% [job growth for the medical records and HIM sector](#), which includes medical coders, through 2030.

That doesn't relieve the current coding needs, however. Yet even as the demand for expert coders exceeds the supply, the news isn't all bad.

Medical coding options, including those within an end-to-end RCM solution, are available to fill the gaps. And the advantages of RCM-focused medical coding services extend well beyond revenue.



Moving Medical Coding Forward



While some healthcare organizations have scrambled to fill vacant coding positions via traditional tactics, others have looked to more innovative resolutions, including outsourcing medical coding services and adding [fully integrated RCM platforms](#).

Partnering with an experienced third-party medical coding provider offers immediate and long-term benefits for healthcare providers. An external coding team can completely oversee all coding-

related revenue-capture processes or augment existing team members.

Working with a third-party coding team allows providers to budget at a fixed rate while receiving consistent coding and billing practices that reduce claim denials, accelerate the revenue cycle, and contribute to increased profit.

In addition to medical coding partnerships, more healthcare systems are also replacing outdated technologies with advanced, scalable RCM solutions that incorporate — and even automate aspects of — medical coding. A comprehensive RCM apparatus improves every touchpoint along the revenue cycle.

State-of-the-art revenue cycle management solutions are cloud-based, which eliminates the need for manual installations and updates, and they provide exceptional data security. Modern RCM solutions also employ AI-enhanced capabilities, including medical coding functionalities.



Embracing RCM and Medical Coding Technology



Approximately 80% of hospitals and healthcare systems have implemented automation technology in their revenue cycle management, according to a [recent survey conducted by the Healthcare Financial Management Association](#) (HFMA). A majority of healthcare leaders surveyed said outsourcing and automation technology have become priorities since the pandemic's onset.

Most healthcare systems that utilize end-to-end RCM and medical coding solutions report decreased claim denials, faster payment times, increased revenue and improved patient experience. So why do many organizations cling to outdated technology and approaches that impede the revenue cycle rather than refine it?

Reluctance to Outsource

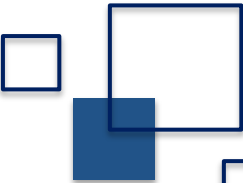
Some stakeholders and key decision-makers are simply reluctant to outsource functions as critical as medical coding or revenue cycle management to a third-party entity. This is an understandable concern as it requires a provider to relinquish some of its control over patient data and certain processes.

But working with a business process outsourcing (BPO) provider who possesses extensive and exclusive healthcare experience mitigates these risks. The optimal partner should provide peace of mind that they are accustomed to operating within the healthcare sector and have a comprehensive understanding of all relevant regulatory requirements. And their results should speak for themselves.

Concern About Up-Front Costs

Another concern for some health systems is the initial out-of-pocket costs. In the midst of revenue disruptions, the last thing that providers want to do is to make a massive investment in new technological resources and outsourcing services.

When confronting this reluctance, health systems should examine the true “value-added” proposition involved in outsourcing and technology. Upon outsourcing medical coding services and implementing an RCM solution, health systems can experience significant



improvements across all performance markers.

In addition, it's essential to note that leading-edge revenue cycle management solutions are offered in either SaaS (software as a service) or PaaS (platform as a service) formats. While the billing structure for SaaS and PaaS solutions varies, this payment model allows health systems to transition to more dynamic technology without making a massive upfront investment.

Hesitancy to Adopt New Technologies

In order to facilitate outsourced medical coding or update related technologies, health systems must integrate other applications that can access patient data and other information. Some healthcare leaders fear that such software is potentially invasive and could lead to data breaches or other problems.

However, cloud-based solutions — including the RCM technology that facilitates medical coding — are as secure or more secure than on-site hardware. Systems that are managed through location-bound resources like servers require constant vigilance for updates, patches, and cyber threats.

Poor Prior Experience

Finally, some health systems have attempted to outsource medical coding or other services in the past and experienced underwhelming results.

These poor past experiences are often due to health systems partnering with providers that serve multiple industries and lack deep healthcare knowledge. When partnering with a third party in an industry as heavily regulated as healthcare, it's vital to choose a specialized provider.



AI and Other Medical Coding Trends



In recent years, several significant advances related to medical coding have likewise helped advance the healthcare revenue cycle. Two of the most notable are single-source coding and support AI.

Single Source Coding

In traditional medical coding structures, one entity is tasked with processing hospital services, and another is responsible for entering physician codes. Recently, there has been an

increased demand for single-source coding when hospitals seek outsourcing services.

As the name implies, this method involves the use of a single medical coding vendor to process both sets of data. By condensing multiple touchpoints into a single pathway, health systems can experience benefits that include but are not limited to clear communication and timely reimbursement.

Single-source coding facilitates clearer communication between healthcare providers, healthcare payers and patients. It provides a centralized administrative resource instead of having to relay information between multiple sources. This further maximizes payment processing and reimbursement efficiency.

Support AI

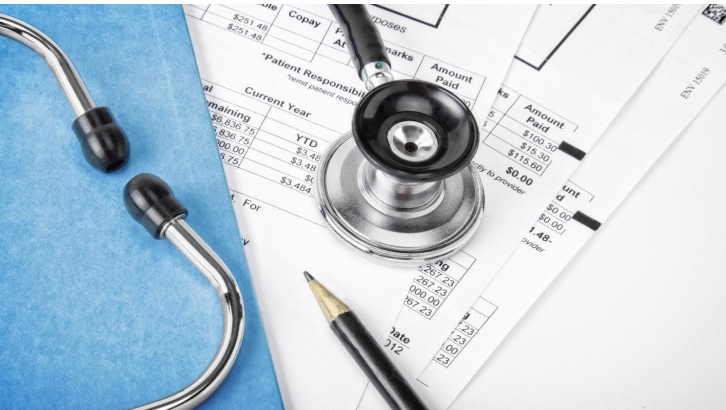
Artificial intelligence has already altered the medical coding industry. And [AI-enabled medical coding](#) is only going to improve.

Leading third-party coding providers pair experienced coding professionals with innovative machine-learning algorithms to increase the accuracy and effectiveness of a system's medical coding. AI provides added checks and allows for the automation of some redundant coding tasks.

Increased coding productivity with fewer errors leads to higher claim approval rates and faster payments. Within the context of an end-to-end RCM solution, AI technology is also able to process and interpret volumes of data that can inform knowledge-backed decisions about revenue strategies.



Medical Coding: The Core of a Robust Revenue Cycle



Effective medical coding shines through nearly every facet of a healthy healthcare revenue cycle. Failure to accurately capture and transmit patient data throughout their journey impedes a healthcare team's productivity, obstructs a provider's ability to collect timely payment and erodes the patient experience.

For health systems that haven't already considered a medical coding partnership or upgrading to a fully integrated RCM

solution, now is an ideal time. Medical coding is intertwined with everything from patient intake to claims submission to accounts-receivable (A/R) practices. Deficient medical coding contributes to claim delays and denials, and lost revenue, none of which healthcare providers can afford amid the current health, economic and labor adversity.

When assessing avenues for revenue cycle improvement, healthcare leaders must [prioritize medical coding and billing management](#).

Coding Errors: The Root of Claim Denials

It's no secret that [medical coding errors](#) contribute to a high rate of healthcare claim denials. But there are a few habitual coding-error culprits:

Unbundling

Unbundling occurs when medical coders use several current procedural terminology (CPT) codes to document individual aspects of a procedure when a single code is available.

Upcoding

As the name implies, upcoding occurs when physicians report high-level evaluation and management (E/M) services, notwithstanding the condition that a patient is suffering. Billing for a 60-minute session when a visit only lasted 15 minutes is a prime example of improper upcoding.



Overusing Modifiers

Overusing modifiers, and in particular [modifier 22](#), can cause claims to be rejected. This modifier must only be used when a specific treatment was made more difficult by unique patient factors; other medical coding modifiers have similarly narrow applications.

Inadequate Infusion and Hydration Reporting

To bill infusion and hydration services, start and stop times must be properly documented. A lack of proper record-keeping by providers can make it difficult for medical coders to bill for these services.

Improper Injection Code Reporting

Another common source of claims denials is improper injection code reporting. Medical coders should report a single code per treatment session instead of using multiple units of the same code.

The Rewards of Expert Medical Coding and End-to-End RCM

A healthcare provider may adopt third-party medical coding as a standalone service or as part of a scalable, fully integrated RCM solution. Both offer numerous merits, whether individually or in conjunction with each other:

Accuracy

Medical coding assisted by AI-enabled technology can [significantly boost accuracy](#). Greater accuracy upfront means faster approvals, fewer denials, and a more predictable revenue stream.

When considering a third-party coding vendor, it's crucial to work with an agency whose coders are certified by either the American Health Information Management Association (AHIMA) or the American Academy of Professional Coders (AAPC), or both. Reputable medical coding partners also have accuracy benchmarks and processes for maintaining high levels of reliability.

Consistency

Partnering with a single-source vendor for medical coding provides health systems with stability and consistency.

Consistent, precise coding improves claim approval rates and shortens the time between patient care and payment. An expert, third-party coding partner will also have the resources to maintain consistency and precision through spikes in processing loads.



Cost Reduction

BPO services like medical coding can [reduce costs in numerous ways](#). For example, a qualified, third-party coding team prevents coder fluctuations in a provider's workforce and practically eliminates the expenses associated with recruitment, training, and related infrastructure.

That team is also scalable to meet a provider's changing needs and is generally available at a lower per-hour cost than on-site employees. Cost savings can be extended when medical coding services are part of a comprehensive RCM solution that relays related data to other revenue cycle functions.

Revenue Growth

Cost reduction alone does not necessarily pave the way for increased revenue.

But the abilities to achieve higher rates of clean claims, and to [integrate clinical and financial data](#), open multiple revenue-capture opportunities. The analytics tools of an RCM solution can further aid healthcare leaders in identifying potential revenue sources and making knowledge-based decisions about their revenue cycle strategies.

Medical Coding's Reach within the Revenue Cycle

The benefits outlined above are not simply anecdotal. Many health systems, hospitals and individual physicians have reported positive results across multiple performance and financial markers from the use of medical coding and RCM services.

Based on client case studies conducted by GeBBS Healthcare Solutions, a recognized leader in medical coding and RCM technologies, providers experience notable improvements in the following categories:

Accounts Receivable

Clients that adopted A/R solutions experienced a 20% reduction in A/R days, a 90% reduction of aged A/R (>90 days), and 100% collections plan enrollment. These performance improvements resulted in an average 20% increase in collections vs. prior month-on-month baseline and 30% collections increase for outstanding A/R accounts.

Health Information Management

Clients also encountered significant improvements in HIM. On average, adopters experienced 96% HIM accuracy, an 85% reduction in turnaround time, and a 50% reduction of in-house overtime.

On the financial front, that translates to an average of 30-40% cost savings vs. provider-based coding. These entities also experienced a 10%-plus revenue lift.

Medical Billing

Medical billing solutions also led to performance and financial improvements. Specifically, clients saw an average 60% reduction in credit balances (>180 days), 25% reduction in denials and 65% reduction in charge lag.

These entities decreased unbilled services from \$1M to approximately \$90K, which is a 90% decrease. Enhanced medical billing management also allowed these providers to resolve approximately 75% of credits within 6 to 8 months of the service date.

Patient Contact and Experience

Revenue cycle management is not just revenue driven. RCM solutions are ultimately patient focused.

An RCM platform that incorporates medical coding elevates the patient experience in part through prompt, accurate data collection that accelerates claims processing and minimizes denials and the need for continued follow-up. Patient contact solutions offer reinforcement.

In GeBBS's case studies, patient contact solutions allowed health systems to answer 90% of calls within 20 seconds. This approach reduced the average call abandonment rate from 25% to just 4%.

Facilitating patient contact via RCM technology resulted in a 30% cost savings when compared to provider-based service desk options. These solutions also increased monthly collections rates an average of two-and-a-half times within the first month.




GeBBS Healthcare Solutions: Forward Thinking



Accurate, efficient medical coding is paramount to a successful healthcare revenue cycle, and its importance has taken on new light amid the ongoing public health emergency, economic hardship, and labor upheaval.

Healthcare systems need an enterprise medical coding provider who understands the healthcare industry's nuances and offers scalable solutions that



produce measurable results. GeBBS Healthcare Solutions is a KLAS-rated leader in technology-powered RCM and HIM services, including medical coding.

GeBBS's coding teams are 100% AHIMA and/or AAPC certified. Their extensive experience includes an understanding of industry best practices and geographic coding peculiarities. Their efforts are backed by proprietary workflow management, production monitoring and compliance tools.

Headquartered in Los Angeles, GeBBS maintains a global workforce of healthcare specialists dedicated to helping GeBBS's partners improve their profitability, sustain regulatory compliance, and strengthen the patient experience. GeBBS has gained additional renown as one of Modern Healthcare's Top 10 Largest RCM Firms, Black Book Market Research's Top 20 RCM Outstanding Services and Inc. 5000's Fastest-Growing Private Companies in the U.S.

[Connect with GeBBS](#) today to request a consultation.



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