

White Paper

How Business Excellence Helps Providers Unlock Value in RCM



Optimizing revenue cycle management (RCM) is critical for any successful medical practice.

While this has always been true, it is becoming even more essential as healthcare providers face the challenging margins of the past few years. With the changing regulations and reforms, providers need to evolve and keep revenue strong in an increasingly value-based care reimbursement model. In fact, 75% of hospitals report experiencing “adverse revenue cycle impact” with increasing expenses, oversight, and decreasing income.

Many providers look to automate random processes when searching for ways to streamline RCM. However, optimizing takes more than random tactics. Business excellence is required to ensure everything runs at the best possible level. Having the right practices in place will ensure that your operations are ideal today and that they continue to be most effective in the long run.

What does business excellence mean? Read on to learn more about what it is and the layers required to unlock the most value from your RCM operations.

What is Business Excellence in Healthcare?

Business excellence is a collection of outstanding practices to optimize how businesses perform. Business excellence is a holistic approach that considers all aspects of business. Rather than rely on random and scattered tactics, business excellence relies on models based on how world-class organizations operate. These business frameworks help organizations focus their actions towards a more structured and systematic approach to drive performance, improve the patient experience, and increase income.

As the healthcare marketplace faces increasing prices and oversight, business excellence and optimizing RCM practices are no longer optional. It is required to ensure providers remain profitable even with less margin. Business excellence drives operational excellence within the organization and helps providers be competitive in a marketplace where large hospital groups [increasingly dominate](#). Many smaller medical practices that cannot improve their processes find that they can't keep up with larger groups that can rely on sheer volume to maintain revenue.

Business excellence goes beyond simply improving and automating processes. It encompasses the entirety of a business and helps providers excel in all aspects, including patient satisfaction, cost, and growth. It requires embracing technology and using platforms that seamlessly facilitate provider-payer interaction.

The 4 Layers of Business Excellence

When it comes to optimizing RCM, updating data analytics, or automating a few processes is not enough to make a real difference both now and in the future. Instead, it takes improving processes at each layer of business and working from the ground up to enhance and automate across the organization.

Four main layers make up implementing business excellence in medical practices that consider each aspect of the organization.



1. Quality Assurance

The first layer of business excellence is ensuring that revenue cycle management practices are at the highest level.

Medical coding is the heart of RCM and proper reimbursement. Inaccurate practices lead to extra work and decreased revenue as providers are forced to contend with denials. Accuracy is becoming more critical than ever as payers increasingly deny reimbursement claims. The latest figures stated payers deny about [one in every 10 submitted claims](#).

Many providers are either up-coding or down-coding in their practices without solid quality assurance (QA). This lack of QA means a loss of value and revenue with poor coding practices. When providers under-code, they lose revenue and valuable chances to provide patients with better treatment and options. However, over-coding comes with the risk of compliance issues and penalties.

How providers code is central to the overall success of their practices. Perfection is impossible when coding, but the more accurate the practices can be, the more value they can realize. While providers can't stop value leakage 100 percent, reducing it to improve profitability.



Ongoing assurance mechanisms are part of healthy coding practices and a critical way to reduce value leakage. Many providers end up creating a significant number of unpaid accounts receivable (AR) without health quality assurance. During and after challenging times, quality assurance programs are one of the first ways that practices can regain their financial stability.

[The right quality assurance practices](#) enable providers to follow healthy daily rhythms, such as following the proper training practices, coding standards checklists, and standard operating procedures (SOP). Digital tools are critical to making this a reality. Providers need to have the right knowledge management system to ensure everything is coded right the first time.

When practices follow the proper quality assurance practices, claims can pass through clean and don't end up sitting in the collections bucket. It is critical for providers to save money since claims in the collection bucket take additional resources and time to recover the money. In some cases, these claims are completely lost, and practices are forced to eat the cost, which can significantly cut their profits.

Quality assurance tools enable providers to look at their current processes, identify best practices and industry standards, find ways to reduce errors, and help employees do

tasks accurately and quickly. When providers start at the quality assurance layer when optimizing RCM, they reduce value leakage and maximize revenue for their practices.

2. Automation

Once comprehensive quality assurance practices are in place, the next layer is leveraging the tools to optimize these processes. Business excellence requires recognizing which tasks could be automated through tools such as robotic process automation (RPA), artificial intelligence (AI), and machine learning (ML). These technologies help support and improve quality assurance, reducing value leakage and speeding critical payments even more.

Providers who leverage [automation](#) significantly reduce the cost per patient or visit, depending on how a provider wants to measure their costs. Research shows that using automation for revenue cycle operations lowers [the cost-to-collect by 0.25 percent](#), which could add up to millions of dollars in savings for some larger medical groups. However, even smaller practices still benefit significantly from the cost savings.

Volume fluctuations are a common challenge across the healthcare industry. Scaling up staff members during busy seasons is not always an option but could slow down payments and lead to errors from overwhelmed staff. Plus, it is difficult to scale up significantly at short notice. Automations ensure providers can rapidly handle volume fluctuations and scale up and down.

Not only does the ability to scale up operations seamlessly reduce disruption in services and payments, but it reduces additional staffing costs. According to one report, medical and dental practices could save up to [42% on annual administration costs](#) using workflow automation.

Business excellence means adopting automation across processes. Research shows that [79% of RCM organizations leverage outdated technology](#) in stand-alone applications that fail to integrate into many manual processes. To maximize technology, it is critical to automate the entire RCM workflow, including:



Pre-claim



Patient
appointment



AR
follow-up



Claims reporting
status



Payment
posting

The right automation tools assist across the entire cycle, not just isolated processes .

3. Optimization

Layer three is about achieving optimization. Automation tools are not the end of optimization and streamlining. Once providers leverage automation to outsource and simplify their tasks, they'll likely find that they generate significant amounts of data. Instead of relegating it to unorganized data lakes, it can become an effective tool for business excellence.

Analyzing data can help providers identify more opportunities to improve their processes, identify issues or potential problems, help more patients, and solve even their most challenging AR cases.

Data mining and [data analytics](#) help providers realize the next level of optimization. They improve operational efficiency by identifying which claims setting in the AR have a high probability of resolving the first time and which have the least likelihood of resolving. That way, the administration can better prioritize their work to improve their effectiveness and resolution rates.

The gamut of insights that providers achieve by collecting a large amount of data allows them to achieve another level of efficiency and improve cash flow generation. And to reach the next layer of business excellence to increase revenue.

4. Training and Workforce Management

The last layer of business excellence is administration of training and workforce management. Providers miss out on a valuable opportunity to improve revenue cycle management operations without including staff in the business excellence process. Creating a well-rounded team is essential for any practice's overall strength and sustainability.

No matter how much automation a provider can achieve, there will always be transactions that have to be handled manually. However, the Great Resignation [hit the healthcare industry especially hard](#). Staffing challenges have made it even more difficult for providers to stay effective: [92% said they struggled](#) to attract and retain supporting staff. In the wake of these staffing problems, practices must [mitigate staffing challenges](#) by making their current employees as effective as possible to avoid mistakes, burnout, and potentially more resignations.



Suitable training engines are critical to ensure that employees are as effective and efficient as possible. The revenue cycle is in a constant state of change. With new regulations and oversight, training is critical for keeping up with the transformation in coding and reimbursement. How providers train their staff will make a significant impact on RCM optimization.

Optimizing and segmenting training will help ensure that employees are highly skilled in needed areas instead of general training in everything. By creating a highly skilled workforce, your employees will feel better equipped for their job, experience less overwhelm, and become more productive over a generalist.

Providers can better improve their intake quality by segmenting and optimizing their training. It will also reduce the time staff has to participate in training so they can get back to work faster. Individuals complete micro certification of specific skills for certain transactions. They will achieve higher quality and productivity because their training is tailored to their particular roles and circumstances. Providers who segment training have teams that function better as a whole instead of a team with all the same strengths and insights.

Beyond specifically training teams to work more efficiently as a whole, the correct type of training is essential for overall business excellence. Staff members need to understand how to apply their training to coding. The more seamlessly training ties into their roles,

the more effective they can be in their jobs. Simulated training gives them live exposure to how charts look and what they need to know so that when they end up in operations, it's not the first time they see a client system or a live chart.

The proper training and workforce management practices will allow providers to review their pipeline on an ongoing basis. It prevents backlogs and enables them to right staff a team with the needed productivity training. Backlogs are detrimental to business excellence: cash flow is locked, and businesses hit certain timelines from which they cannot recover. Instead, workforce management and training ensure that employees have the right skills and practices have the optimum number of staff to avoid generating backlog in any situation.

Achieve Business Excellence to Optimize Your Revenue Cycle Management Operations



With the new challenges of the value-based care reimbursement model, providers need to look at each layer of their practices to ensure they are all optimized to increase revenue. A successful healthcare practice relies on optimized revenue cycle management operations.

However, providers must go beyond optimized isolated aspects of their RCM process to be profitable in the post-COVID era.

It takes business excellence to identify which processes are best to streamline, how to train staff most effectively, and to automate the entire RCM process. While it takes more time and effort, business excellence ensures that providers maximize their revenue and become more effective. This means that they not only meet the current challenges of reimbursement but also are ready for success in the future.

Here at [GeBBS Healthcare Solutions](https://www.gebbs.com), we specialize in offering providers the tools, skills, and teams they need to reach business excellence. With our robust training engine, we provide skilled resources and tools that help improve coding. Reach out to our experts today at [gebbs.com](https://www.gebbs.com) to see how we can help your practice thrive in the modern health industry.

Resources

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