

Optimising Revenue Cycle Management



Revenue Cycle Management is a process in healthcare that includes all administrative tasks associated with cash flow and billing. This includes functions such as capturing data, managing data, medical billing, and collecting patient revenue. It is important to understand how critical revenue cycle management is as it impacts cash flow, operational efficiency, and patient satisfaction. This article explores ways to optimise revenue cycle management, focusing on improving cash flow and reducing patient billing errors.

How Medical Billing Impacts Cash Flow

A large aspect of any business, whether in the medical industry or other, is managing your cash flow, which is crucial to ensure your facility can run as it should. Medical billing is at the core of this process and, if not managed optimally, can lead to increased claim denials and delayed payments. Conversely, if managed correctly, it can lead to faster claim approvals, reduced claim denials, and overall financial health. Consider the following:

Accurate Coding Practices

Several aspects of medical billing ensure accuracy, and one such way is through billing codes. Not only is it beneficial to capture billing codes correctly, but it is equally important to use the correct billing codes. And here is why:

- **Data capturing:** A smart way to ensure accuracy is to incorporate an electronic health record-keeping system. This is one central place to manage patient data, including capturing the service provided and the correct code. [We cover more on ABA billing codes](#) below.
- **Codes:** Medical practitioners are required to assign the correct billing code to the correct procedure. As a result, medical staff must stay up to date on any coding changes, with regular training and audits to identify any areas of concern.

Timeous Claim Submission

The importance of timeous claim submission cannot be understated. It allows medical practitioners to maintain a healthy cash flow. Delayed submissions can have adverse long-term effects on revenue, including longer payment cycles and claim denials. Consider the following:

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- **Automate the process:** Automation is no longer a buzzword and is fully entrenched in most industries. Automated systems, such as billing software, can be leveraged to significantly reduce turnaround times.
- **Monitoring and analysis:** Keeping track of claims and where they are in the process helps to identify any issues, such as bottlenecks. These issues are then analysed to identify trends that allow for improvements.

Managing Claim Denials

There are several reasons for claim denials, with common reasons including incorrect billing codes, inaccurate patient information, and fraud. However, managing claim denials effectively allows for an optimised cash flow system. While [prevention is the best solution](#), here are some considerations:

- **Analyse claim denials:** Conduct a root cause analysis to determine common issues and implement best practices and corrective actions for the future.
- **Automated workflows:** Establish automated workflows that flag claim denials promptly to reduce the time spent to redo the denied claim.



Steps To Reduce Patient Billing Errors

Human intervention, even in the best cases, does include errors from time to time. However, these errors can lead to patient dissatisfaction, delayed payments, and increased administrative costs. If the billing process is optimised, it enhances the overall patient experience tenfold. Here are some considerations:

Clear Billing Practices

Patients should understand what they are being billed for and why. For this reason, it is important to have a clear and transparent billing practice, and here is why.

- **Itemised lists:** Provide an itemised list of all procedures, including procedure details, codes, and costs.
- **Cost estimates:** Share a rough idea of costs for procedures in advance so that patients can prepare their budgets.
- **Education:** Educate patients so that they understand their insurance coverage (if applicable) and what they need to pay out of pocket.

Accurate Insurance Data

Patient insurance information must be verified before any services can commence. For this reason, it is crucial to ensure patient insurance information is accurate and up to date. Consider these strategies to assist:

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- **Incorporate a verification system:** An automated verification system can reduce errors and ensure a claim is submitted to the correct insurer.
- **Verify patient information:** Verify patient information at every visit. While it may seem time-consuming, it will prevent any issues in the long term.



Patient Payment Options

Healthcare is a necessity for all, whether you are healthy or, unfortunately, must deal with a life-long health concern. While insurance is available to all, it is not always affordable for everyone. For this reason, offering patients a payment plan can be helpful. Here are some considerations:

- **Payment plans:** Providing a payment plan can help patients manage their finances without defaulting on their medical bills.
- **Online portals:** Incorporate an online portal or even an app that allows patients to track their bills and pay them online.
- **Customer service:** Establish a dedicated customer service team that assists patients with billing queries.

Effective Revenue Cycle Management Is the Goal

While the task may seem daunting, optimising [revenue cycle management](#) for a medical facility is a key component to enhancing cash flow and reducing patient billing errors. Focus on the following: accurate coding practices, timely claim submissions, managing and analysing claim denials, adopting clear billing practices, accurate insurance data, and including payment options for patients.

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