

## Transforming Revenue Cycle Management with AI and Automation



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Healthcare providers face significant challenges in managing revenue cycles, driven by high labour costs, slim margins and an average claim denial rate of 15%, according to the American Hospital Association. These factors place immense pressure on providers to adopt innovative strategies for efficiency and cost-effectiveness. Automation and AI tools offer transformative potential by restructuring processes, reducing collection costs and accelerating revenues. Technologies such as agentic workflows and generative AI are instrumental in addressing these challenges, enabling providers to achieve more with fewer resources while maintaining financial stability.

### Agentic Workflows Revolutionise Automation

Agentic workflows mark a major development in automation, offering unparalleled potential to transform revenue cycle management. These workflows rely on multiple AI agents, each specialised in specific tasks, working collaboratively across systems and platforms. Unlike traditional automation, agentic workflows adapt dynamically to new information and circumstances, ensuring processes are automated and continuously optimised. This innovation allows providers to modernise the entire revenue cycle, from preregistration to collections.

One area where agentic workflows demonstrate exceptional value is eligibility verification. AI agents automatically check benefits coverage, providing accurate information to both patients and registration staff. This enhances the patient experience while reducing administrative workload. Additionally, prior authorisation processes benefit greatly from agentic workflows. These systems can autonomously collect supporting documents, submit requests and handle follow-ups or appeals. By efficiently managing large volumes of requests, they free clinical staff to focus on patient care.

The power of agentic workflows also extends to claims submission and denial management. For example, AI agents can detect potential errors in claims, validate codes against patient records and ensure compliance with payer contracts. These collaborative capabilities increase the accuracy and speed of claims submission, improving first-pass acceptance rates and minimising costly delays.

### Generative AI Elevates Decision-Making

Generative AI plays a pivotal role in enhancing the efficiency and accuracy of revenue cycle processes. By analysing and summarising large volumes of complex data, such as clinical notes, payer contracts and evidence-based guidelines, generative AI significantly reduces the time staff spend on repetitive or data-intensive tasks. This enables healthcare professionals to focus on high-value activities that require human expertise and judgement.

In coding and clinical documentation, generative AI enhances accuracy and compliance. AI tools can transcribe and identify diagnostic codes within clinical notes, routing them to coding software for further processing. This ensures all billable procedures are captured, boosting revenue collection. Additionally, generative AI scans clinical records for gaps or inaccuracies, prompting timely corrections to improve documentation integrity.

In denial management, generative AI uncovers patterns in payer behaviour, identifies root causes of denials and provides actionable recommendations. For instance, these tools can detect payer errors and generate evidence-based appeal letters. Predictive analytics further help providers prioritise rework queues by focusing on claims with the highest likelihood of recovery. This proactive approach not only minimises revenue losses but also fosters stronger payer relationships over time.

### Enhancing Patient Engagement and Collections

AI tools are equally transformative in patient billing and collections, areas often fraught with inefficiencies. Automation accelerates processes such as payment reconciliation, credit allocation and refund issuance, ensuring timely and accurate financial transactions. A key innovation in this domain is propensity-to-pay analysis, which helps staff prioritise follow-ups on accounts most likely to settle their bills. This targeted approach improves collection rates and optimises resource allocation.

Generative AI further enhances patient interactions by empowering customer service representatives with real-time insights. These tools provide access to relevant data, such as call histories and payment records, enabling representatives to respond promptly and effectively. Sentiment analysis capabilities allow AI to guide representatives through challenging conversations, suggesting next-best actions that resolve issues while maintaining patient satisfaction. Beyond immediate interactions, generative AI tools also review 100% of call logs, offering personalised training recommendations to improve communication skills and service quality.

The cumulative effect of these advancements is a more patient-centric approach to billing and collections. By addressing patients' needs more effectively and transparently, providers not only secure payments but also build trust and loyalty, which are critical to long-term success.

The integration of agentic workflows, generative AI and automation tools is revolutionising revenue cycle management by improving efficiency, reducing costs and enhancing financial outcomes. These technologies restructure operations across every stage of the revenue cycle, from eligibility verification and prior authorisation to patient billing and collections. By automating repetitive tasks, improving accuracy in coding and documentation and enabling more effective patient engagement, AI empowers providers to focus on delivering higher-value care.

To fully realise these benefits, healthcare providers must strategically implement these tools, ensuring alignment across processes and departments. By leveraging AI's capabilities to address bottlenecks and inefficiencies, providers can achieve immediate operational improvements and build a foundation for sustainable success in an increasingly challenging financial landscape. The future of revenue cycle management lies in the intelligent application of these transformative technologies.

**Source:** [Health IT Answers](#)

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