ENABLESOFT

Foxtrot
WHITE PAPER

RPA ACCELERATES HEALTHCARE COLLECTIONS & REVENUE CYCLE MANAGEMENT

Robotic process automation improves medical billing pace, precision and people

EXECUTIVE SUMMARY

Healthcare organizations today are having trouble handling the volume of disparate systems in their offices and copious amounts of data. As a result, overseeing revenue cycle management (RCM) can be challenging. In addition to the more than 14,000 medical codes, the average hospital has 29 different systems that must be maintained and updated to effectively run its business. If you add to that the lack of communication between these systems, you will find that the healthcare industry is facing a multitude of trials ahead that may limit efficiency and productivity.

As healthcare costs continue to rise, 95 percent of independent physicians are interested in outsourcing their data needs. In healthcare organizations, patient account representatives (PARs) are left to handle the mundane, back-office tasks of RCM while managing a variety of systems so they can ensure all parties are receiving reimbursement for services provided.

To help healthcare organizations improve their back-office operations and refresh their RCM processes, many operations managers are moving to Robotic Process Automation (RPA) software to boost efficiency and productivity. RPA software eliminates repetitive data entry tasks to enable PARs to spend more time speaking with patients and less time updating codes within the organization's core system. Like an automated employee®, this automation software performs data transfer and maintenance tasks in Excel™, Windows™, web and other legacy applications.

Process Automation software also increases revenue retrieval, eliminates data entry errors and builds a culture of efficiency within the organization. In fact, we found that with RPA, healthcare organizations can:

* Generate an estimated savings of $80 per person, per week or more
* Monitor account balances
* Save thousands of hours
* Transfer account balances
* Update charge description management (CDM) files

While data automation tools like RPA can boost back-office operations, the siloed setups within many of the healthcare organizations can stifle its impact. To combat and ultimately remove these silos, advocacy across departments is important. When decision-makers, such as project or operations managers, understand the benefits of RPA, they can create a culture of efficiency and maximize RPA to its fullest potential.

WHITE PAPER

Robotic Process Automation (RPA) software can help healthcare organizations save time and increase revenue capture in their billing/collections departments.

Citing the myriad medical codes and the multiple payers in the healthcare industry, Grand View Research reported that the medical billing outsourcing market will increase 168 percent in less than a decade, from $6.3 billion in 2015 to $16.9 billion in 2024. This astronomical growth underscores the importance of and challenges in revenue cycle management (RCM) within the healthcare industry.

Due to the often uneven implementation of revenue cycle management technology and processes, many healthcare providers have complex and cumbersome RCM setups comprised of disparate systems. This leaves Patient Account Reps. (PARs), the personnel responsible for contacting patients regarding payment, insurance, etc., in the lurch, having to handle the slow, mundane tasks to ensure all parties are reimbursed.

In healthcare, just like in business, success is achieved by eliminating as many bottlenecks as possible. When there are several interrelated, slow-moving operational parts, untangling the mess is much more difficult. The near term answer is not in procuring the next heavy-duty enterprise software solution. Rather, it is in applying simple, easily adaptable tools that operate quickly and accurately without getting entangled in a healthcare organization's legacy systems.

Robotic process automation streamlines the healthcare organization's accounts receivable process. RPA tools behave like an automated employee® programmed to mimic human workflows, enabling healthcare organizations to automate their manual and mundane processes. With the right RPA application, the end-user, rather than IT or an expensive systems integrator, readily scripts the required task steps and lets the technology take care of what was previously done by hand. This revamped, and perhaps even revolutionized, organizational structure saves both time and money during many important RCM tasks, including:

- Account maintenance
- Report generation
- Third-party workflow integration
- Claims adjudication communication

WHITE PAPER

BREAKING HEALTHCARE RCM BOTTLENECKS

Managing the accounting department of any large organization is difficult enough. Rising healthcare costs and declining reimbursements are plaguing the healthcare industry as a whole. Today's organizations are facing disparate systems and voluminous data, which pose day-to-day challenges. The average hospital has 29 different systems, including electronic medical records (EMR), and there are more than 14,000 medical codes according to the International Classification of Diseases, 10th revision (ICD-10).

As a result, 95 percent of independent physicians in 2015 favored outsourcing their RCM needs. In its fourth quarter 2016 report, Grand View Research noted that in-house billing challenges for healthcare organizations include:

- Untrained staff
- Billing errors
- Obstacles related to IT structure
- Lack of appropriate financial policy

Grand View Research listed among its key findings that the consolidation trend for multispecialty medical groups has increased the need for RCM, which naturally means additional management personnel and expertise for the resulting healthcare networks. This need for RCM, coupled with increasing industry costs, spells out the need for improved speed and efficiency that Robotic Process Automation software can deliver.

Organizational obstacles don't begin and end with IT structure, of course. The reality of healthcare complexity and specialization is that businesses often find themselves with a silo structure of patient units vs. business units vs. IT. For example, a hospital's managed care team handles contracts, and thus a lot of data, but IT might not know the managed care team's day-to-day needs and challenges. So, the necessary technology support may be slow in coming – if it comes at all. RPA empowers operating units in the healthcare organization to solve their own problem without disrupting the work and systems of the IT group.

RPA also can help cross "silo borders" to improve data flow and complement the healthcare organization's human resources. The RPA automated employee frees PARs from the tedium of repetitive tasks but it does not replace them. Instead, evidence shows that team members are highly motivated by both building the skill of working with RPA technology and by gaining the freedom to focus on more meaningful, value-added responsibilities. That invigorated environment, in turn, fuels a culture of improvement.

WHITE PAPER

LOWER RCM COST, INCREASE ACCURACY

Slow and error-prone operations have no place in any leader's playbook nor a Director of Business Services' organizational setup. However, sometimes slow operations occur when large, data-intensive companies try to connect disparate front- and back-office systems, piecemeal and patch-like. When those systems lack the proper interface for communication, humans become the interface and error can become an unavoidable reality.

RCM account maintenance is a vital yet inefficient activity for healthcare organizations. Most data comes through spreadsheets, manual entry and other satellite portals that don't always interface with the main system of record, the patient management system. Those surrounding data ecosystems must constantly share with the core system to keep the information assets up to date and usable.

Anywhere disparate systems are not communicating, PARs must serve as the interface. This type of back-office bottleneck and redundancy costs the healthcare organization valuable assets as PARs are limited by time, speed and potentially susceptible to human error.

In the constant quest for quality, healthcare vice presidents of operations and accounting managers can achieve RCM elevation through automation. PARs spend half of their day manually updating accounts from a spreadsheet to the mainframe before getting to the phones to focus on revenue capture. Easier, faster and cheaper is possible through Robotic Process Automation software, which eliminates manual collections processes so PARs can:

- Have better, more actionable information for revenue retrieval
- Get to the phones quicker for more effective revenue capture
- Achieve more satisfaction and an improved team culture by engaging in difference-making tasks rather than the menial and mundane

Working at the application level, RPA software mimics human beings in performing repetitive data transfer and maintenance tasks in virtually any web, Windows or legacy program. For example, one Director of Business Services wrote an RPA software script that automatically took the spreadsheets of outstanding collections cases to the healthcare organization's core system for updating. This allowed the PARs to walk into the office each morning, get an updated status of each account to work on that day and get right to the phones to talk to the patients. This resulted in a huge acceleration of their revenue recognition and now the organization runs approximately 300 RPA scripts.

WHITE PAPER

Additionally, an acute-care hospital in Georgia saved almost 1,250 hours since implementing RPA software, which generated a cost savings estimate of $80 per position, per week for the medical center. Automated tasks included transferring outstanding accounts from one collections agency to another, mass monitoring of account balances and posting fiscal-year price increase amounts to the charge description management (CDM) file.

A hospital or other healthcare provider can reduce cost by increasing PAR speed, eliminating data-entry errors and upgrading operations without IT support or vendor involvement.

RAISE REIMBURSEMENT

Claims reimbursement constitutes the biggest source of revenue for most practices, so any slowdown in the process or extra step, such as processing hard-copy forms, is a major bump in the RCM path. GroupOne Health Source uses four key metrics to determine if an organization's RCM is performing at a healthy level:

- Days in Accounts Receivable: Typically, 40 to 50 days would be an ideal goal for medical practices; greater than 50 days is a sign of poor performance
- Percentage of Accounts Receivable Greater than 120 Days: Having 15 to 18 percent of accounts greater than 120 days is deemed an acceptable performance indicator; exceeding 25 percent in this metric is a negative indicator
- Adjusted or Net Collection Rate: An overall net collection rate of 95 to 99 percent or more is in the average to good performance range, according to the RCM vendor
- Denial Rate: With an average denial rate typically between 5 to 10 percent, anything above 10 percent can indicate unsatisfactory performance

An RPA tool, such as Foxtrot RPA®, is a quick and accurate solution for claims tracking, as well as handling the volume and complexities of payer contracts, insurance company rules, coding and filing, and more.

Given the cottage industry these days of tens of thousands of home-office third parties submitting medical claims, healthcare providers must be nimble in proving they're up to date on credentials, from doctors to therapists, so they can be reimbursed. Foxtrot RPA offers functionality to automate credentialing workflows to ensure compliance and facilitate efficient communication with those third parties.

Grand View Research reports that the healthcare system is experiencing an increase in outsourcing of medical billing services by hospitals and physicians. This is due primarily to the obligatory implementation of the complex ICD-10 coding system, increasing healthcare costs and the federal mandate to implement electronic

medical records (EMR) to maintain reimbursement levels. The Georgia hospital, referenced previously, uses an if/then RPA script to determine which accounts are ready to be sent to a collections agency. Instead of a tedious, time-intensive manual approach, the robot quickly and efficiently mines data across thousands of patient accounts and assigns the proper disposition code for third-party delivery.

CONCLUSION

Robotic Process Automation software enables healthcare organizations, their financial operations executives and accounting managers to automate manual and mundane revenue cycle management processes. This creates an environment of operational efficiency in the accounts receivable department, which lowers costs, saves time and engages staff to focus on more value-added activities.

If an RCM task or process can be reduced to a set of rules, RPA software can be implemented. A tell-tale sign of human interface and redundancies is the pointing, clicking and typing by PARs, whether it be updating patient accounts to a different payment status, facilitating third-party workflow, report generation or claims adjudication communication. These can and should be reduced or eliminated using data automation. Consider the benefits of an "automated employee" like Foxtrot RPA:

- Achieves 100 percent accuracy every time
- Works 6 times faster than a human and 24/7 — no coffee, smoke or lunch breaks needed… or even sleep
- Gartner, Inc. estimates that there are now 2,000 to 2,500 operational tasks covered by RPA

Make sure you cultivate the proper advocacy to connect silo to silo and needs with decision-makers. Also, if easy-to-use software like Foxtrot RPA is viewed as a helpful RCM tool, then it's only a matter of time before it's embraced and used for additional tasks, building a culture of efficiency on the accounts receivable team and beyond.

A look around any healthcare organization, including the accounting department, will no doubt reveal many computer systems, but that doesn't mean that the outfit is reaping the ample rewards of the digital age. Disparate systems can cause major problems, delays and other issues with regard to the flow of critical data. The efficient flow of data must happen before the effective flow of revenue. In healthcare Revenue Cycle Management, smart organizations are choosing fusion over confusion. They're choosing RPA software to automate and elevate their collections operations.

FOR MORE INFORMATION

▶ 1-800-660-3556
▶ sales@enablesoft.com
▶ www.enablesoft.com