

# Revenue Cycle Management Solutions for Value-based Care: 4 Must-Have Traits

With the industry shifting to value-based care, hospitals and health systems are examining how their revenue cycle management (RCM) solutions will support higher-quality outcomes for patient populations achieved in the most cost-efficient manner.

To understand what is topmost on the minds of financial and business managers, HIMSS Media conducted an online survey in October and November 2014. Of the 91 participants, 33 percent work for hospitals with less than 100 beds, 21 percent work for hospitals with between 500 and 1,000 beds, and 13 percent work for hospitals with between 100 and 199 beds. Across the board, respondents highlighted four traits of RCM solutions that would help them achieve their current and future goals.

1

## Robust functionality

Respondents were asked what factors are most important when considering an RCM solution (FIGURE 1). With 1 being the most important and 5 being the least important, 59 percent of respondents rated functionality as the most important trait (ranked 2.43). Owing to the major disruption ongoing in the industry, many respondents cited multiple pressing issues around RCM that their healthcare organizations will be dealing with in the next one to two years. Patient focus, bad debt, insurance integration, ICD-10, care, cost, denials, reimbursement, price transparency, payer, revenue service, Medicaid expansion, Medicare and Medicaid, cash, accounts and functionality comprise a cacophony that is keeping financial and business managers up at night. Leveraging an RCM solution that offers robust functionality will enable hospitals and health systems to address these competing revenue issues.

2

## Value for the buck

Twenty-seven percent of respondents rated price as the most important trait (ranked 2.66), which put it second behind functionality. With concerns about bad debt, cash flow and cost plaguing respondents, hospitals and health systems are looking for RCM solutions that are nimble, cost-effective and deliver a return on investment.

FIGURE 1: In your opinion, which factors are most important when considering an RCM solution (1=most important; 5=least important)?



Indeed, RCM vendors that have integration partnerships with hospital information systems will make the process for aggregating and analyzing both clinical and financial data much smoother, which will be a necessity for adopting a value-based care model.

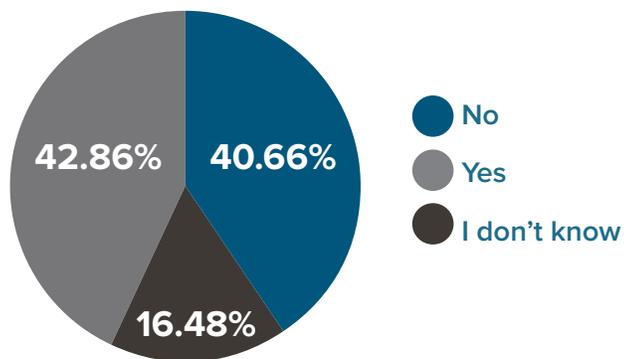


### 3

#### Integration is key

Twenty-three percent of respondents rated integration partners as the most important trait (ranked 2.74), following price. With 43 percent of respondents using an RCM vendor that offers products separate from or products that integrate with their existing hospital information system, while 41 percent do not (FIGURE 2), the need for integration among systems is becoming increasingly clear. Indeed, RCM vendors that have integration partnerships with hospital information systems will make the process for aggregating and analyzing both clinical and financial data much smoother, which will be a necessity for adopting a value-based care model.

FIGURE 2: Do you currently use a vendor for RCM that offers products separate from, or products that integrate with your existing HIS?



### 4

FIGURE 3: What Revenue Cycle products are most important to you and your organization?



#### Focus on the patient

When asked to choose the most important RCM product to respondents and their healthcare organizations, insurance verification (90 percent) ranked first, followed by patient payment estimation (57 percent) and bad debt recovery (34 percent) (FIGURE 3). As hospitals and health systems implement patient-engagement initiatives, they have a golden opportunity to merge this effort with RCM initiatives, thereby creating greater cost efficiencies. By providing convenient services such as insurance verification and patient payment estimation, hospitals and health systems not only serve their patients, they also streamline RCM processes, which lead to timely payer and patient payment. With debt recovery remaining a top concern, the need to leverage technology for multiple initiatives will become even greater as hospitals and health systems are continually being forced to do more with less.

#### Call to innovate

As hospitals and health systems go out into the marketplace, they should examine innovative RCM products that are evolving alongside the rapidly changing healthcare landscape to meet the needs of value-based care. As they keep in mind the traits that comprise a robust RCM solution, the overarching goal for all healthcare providers is to embrace technology that will enable them to deliver patient-centered healthcare.



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