3 Challenges Revenue Cycle Leaders Are Battling in 2023

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REVENUE CYCLE EXCHANGE

In February, the members of the HealthLeaders Revenue Cycle Exchange met in Carlsbad, California, to talk strategy and find solutions to three key trends: payer compliance, the No Surprises Act, and the workforce.

Between declining operating revenue for health systems, payers cracking down on denials, and a fundamental shift in the workforce, revenue cycle leaders are feeling the pressure.

Here is what the leaders at the event had to say about remedying the headaches:

1. Payer Compliance

There is a lot of confusion in the industry about what a commercial or managed care payer would want in order to approve a claim.

Much of this confusion comes from the timing of requirements to ensure reimbursement. The bottom line should be the same for all payers: The documentation must show a plan of care based on the working diagnosis and then progress to the goal of the plan and when the patient can expect to reach the goal.

Unlike Medicare, which has standard, heavily documented rationales and processes for denials, appeals, and audits, almost anything goes when it comes to commercial payers. Each payer organization will have different rules and processes, and payers' manuals and bulletins aren't always easy to locate.

But what if payers frequently change requirements? How do revenue cycle leaders keep up?

"For us, it's really about new policy changes that they try to impose throughout the year and in the mid-contract period," Patrick Wall, vice president of revenue cycle at St. Joseph's Candler, said to the group.

Even when policy changes seem to spring up out of nowhere, the leaders agreed that sometimes the administrative burden alone is too much. For example, BCBS has made a substantial increase in the number of medical records it requests to pay a claim.

KEY TAKEAWAYS

- **Revenue cycle leaders are facing three key challenges right now: payer compliance, the No Surprises Act, and a remote workforce.**
- **Unlike Medicare, which has standard, heavily documented processes, almost anything goes when it comes to commercial payers making compliance cumbersome for providers.**
- **Revenue cycle leaders are building out their own tools or leveraging their existing technology to adhere to price transparency and good faith estimate requirements.**
- **There's been a fundamental shift in the workforce, and revenue cycle leaders are enacting new productivity measures to get a better handle on how their remote staff are performing.**

All this back and forth means that staying compliant with payers has been a burden on the workforce and on leadership themselves. With already strained staff, it can be hard to find extra hands, and money, to keep up.

"I spent so much time and money in the last four years on legal fees and going through arbitration processes, and I spend a lot of time really holding payers to our contracts. Because we don't have a lot of protections like a lot of health systems, there's a lot of competition in our market," Wall said.

Leaders at the event agreed that building a positive relationship and open communication with payers will help ease these burdens.

"We're trying [to build positive relationships with our payers], and we all want to reach out to our payer partners and ask, 'How can we be better partners for you?' In turn, we want them to ask, 'How can we be better partners in working towards that?' But that level of dialogue is sometimes difficult," Derek Dudley, AVP of revenue cycle operations at Wellstar Health System, said at the event.

Sandra Johnson, VP of revenue cycle operations, Emory Healthcare, Atlanta, GA

Executives participated in the HealthLeaders Revenue Cycle Exchange in Carlsbad, CA to discuss effective ways to address staffing, leadership development, improved operations, and other key issues. Pictured in front are Megan Jackson, director of revenue cycle insights, Banner Health, Phoenix, AZ, and Kaleigh Stetler, director of revenue cycle, Asante Health, Medford, OR

Aside from mending the payer-provider relationship, what else can providers do to strengthen payer compliance? According to Chris Johnson, vice president of revenue cycle management at Atrium Health, having a robust contracting team and frequent joint committee meetings can make a big difference too. "We have a very strong contracting arm within our organization," Johnson said.

Most of the leaders agreed that staying on top of contracts and routinely having meetings with payers, such as joint review committee meetings and operating committee meetings, can help foster a more positive relationship with payers and help an organization with overall payer compliance.

2. No Surprises Act

The No Surprises Act, which became effective in 2021, requires hospitals to post the prices for their most common procedures as well as offer a patient-friendly tool to help shop for 300 common services.

The various nuances of the No Surprises Act are complicated, but there are two areas in particular that are weighing heavy on revenue cycle leaders—price transparency and good faith estimates.

When it comes to price transparency, Matthew Dyer, CEO of Providence Anesthesiology Associates, said that historical data is key to building a successful transparency tool, especially for anesthesia practices, which work a bit differently than the average facility.

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We are almost 30 years post the Health Insurance Portability and Accountability Act (HIPAA), which created national standards for privacy, security, and transaction code sets. This congressional action included provisions aimed to reduce the costs and administrative burdens of healthcare by making possible the standardized electronic transmission of many administrative and financial transactions using standard record formats, code sets, and identifiers. While legislatively driven standardization was intended to protect sensitive patient health information from unauthorized distribution and improve the infrastructure that enables the payment and remittance of adjudicated professional and institutional healthcare claims, revenue cycle teams still find themselves battling $60 billion worth of annual inefficiencies, and the number continues to climb as new challenges present themselves.

In February, the members of the HealthLeaders Revenue Cycle Exchange met in Carlsbad, California, to talk strategy and find solutions to three pressing issues that impact revenue cycle teams regardless of geography and size: payer compliance, the No Surprises Act, and a shifting workforce.

Payer compliance, or perhaps more accurately put, payer relationship management has been a focus for healthcare providers for as long as reimbursement models have existed. Since the onset of the pandemic (March 2020), this dynamic has been adversely impacted by new challenges such as:

- Patient coverage volatility driven by drastic changes to the employment landscape
- Lower patient volume for elective procedures, which caused a decline in hospital revenue
- The high volume of COVID-19 patients and the admission requirements associated with case severity, resulting in financial penalties and diminished incentive accumulation under the value-based care model

These new challenges compound the existing systemic issues around what a commercial or managed care payer needs to approve a claim. Unlike Medicare, which has standard, heavily documented rationales and processes for denials, appeals, and audits, there is less consistency across commercial payers. Each commercial payer organization leverages different rules and processes, and payers' manuals and bulletins aren't always easy to locate.

This hot-button issue creates administrative burden, drives up cost, and often forces organizations to resort to legal action. Much of this confusion comes from the timing of requirements to ensure reimbursement. Intent should be unified across all payers: The documentation must show a plan of care based on the working diagnosis and then progress to the goal of the plan and when the patient can expect to reach the goal.

To remedy this issue, leaders at the Exchange agreed that building a positive relationship through regular meetings and open communication will help ease their burdens with their commercial payer counterpart; however, having a robust contracting team and frequent joint committee meetings at strategic levels was also agreed upon as an impactful best practice.

No Surprises Act

According to a recent industry study, nearly six of 10 Americans cannot afford an unanticipated $500 medical bill. This type of unexpected billing event occurs through a myriad of ways; however, it is commonly from an out-of-network provider or at an out-of-network facility. The No Surprises Act, which was passed in 2021 and went into effect on January 1, 2022, focused on addressing this growing concern via increases to patient protection regarding two themes: price transparency and good faith estimates. It also required facilities to share, and keep current, the prices for their most common procedures as well as offer a patient-friendly tool to help shop for 300 common services. The act banned:

- Surprise bills for emergency services from an out-of-network provider or facility and without prior authorization
- Out-of-network cost sharing, like out-of-network coinsurance or copayments, for all emergency and some non-emergency services
- Out-of-network charges and balance bills for supplemental care, like radiology or anesthesiology, by out-of-network providers that work at an in-network facility

Required:

- In-network vs. out-of-network designation and the contracted rates based on billing and diagnostic codes
- Good faith estimates of expected charges based on billing and diagnostic codes
- Good faith estimates of the plan's payment responsibility and member's cost sharing responsibility

The application of this legislative action forced revenue cycle teams to adapt, drive cost transparency, and ensure the necessary cost information remains current. This initially created additional administrative burden, incurred cost, tied up the limited bandwidth of IT partners, and broadened the already wide scope of many revenue cycle teams. In the months that followed, whether they built out their own tool or leveraged the technology they already had in place to adhere to price transparency and good faith estimate requirements, attendees of the Exchange agreed that they finally feel like they are getting a handle on the No Surprises Act requirements.

Between declining operating revenue for health systems, payers cracking down on denials, and a fundamental shift in the workforce, revenue cycle leaders are feeling the pressure. They have risen to the occasion and addressed the price transparency and good faith estimate mandates, all while having stagnant, or more often reduced, headcount. Thought leadership sessions and leaders, such as the HealthLeaders Revenue Cycle Exchange and Bank of America, enable leadership to meet, share their insight, and align on best practices to solve the persistent challenges facing healthcare today while positioning their organizations for the challenges tomorrow will bring.

Amanda Schutz, billing director, Avera Health, Sioux Falls, SD

"We just built a tool that essentially looks at the last few years of our data. Being in anesthesia is a little bit different than some of the facilities, but we have to partner with them, so we need to know the same information a facility does like what surgeon is doing the surgery, how long those typical surgeries take, and what type of surgery is taking place," Dyer said.

"Once an organization can pull all of that historical data for each provider, which I think most of us should have, you can really develop those algorithms for price transparency," Dyer said.

Being able to pull this data, no matter the type of healthcare organization, is important because all that information clarifies the type of care the patient is going to need.

"With the facilities we work with, we give everybody access to our tool, so if a patient is going to the hospital, surgery center, or wherever it may be, you can just go on the website, type in your CPT® code [and] the surgeon, and then the tool will provide you with everything you need per those price transparency laws," Dyer said.

For other leaders, using the technology built into their existing EHR has made creating good faith estimates easy for staff.

"We use the estimator tool built into Epic, so we can auto-generate good faith estimates and then draft that estimate right into the patient's MyChart® account. For us it's pretty seamless," said Jon Neikirk, executive director of revenue cycle at Froedtert Health.

Whether they are building out their own tool or leveraging the technology they already have to adhere to price transparency and good faith estimate requirements, those attending the event agreed that they finally feel like they are getting a handle on the No Surprises Act requirements.

3. Workforce

Like most of healthcare, the revenue cycle workforce has changed dramatically within the last several years. An entire office floor that previously housed a revenue cycle department might now be silent and desolate as most staff have been working remotely for years at this point.

While working remotely has been a success for most organizations and is now a permanent work model, measuring productivity has moved to the forefront of concerns since staff are no longer under physical, constant supervision.

The revenue cycle leaders at the event agreed that they had to enact productivity measures to get a better handle on how their remote staff are performing. They now must be more reliant on reports and work queue volumes. Instead of being able to manage staff in person by walking around, leaders now must pull reports, review activity logs, and manage work by volume.

"Our best gauge of productivity now is running daily productivity reports," said Dudley. "Productivity measures vary by department since the complexity of tasks can differ greatly, such as those writing complex appeals versus simple appeals."

"There's also a degree of variability in value-add tasks," he said. "When it comes to measuring our productivity, that's really what we're looking for: accounts that are being successfully resolved, reports

Shawn McCardell, director of revenue cycle operations, Frederick Health, Frederick, MD, and Patrick Wall, VP of revenue cycle, St. Joseph's Candler, Savannah, GA

showing system actions, and the staff's time in and out of the system. There is a myriad of ways that we can check from a distance to make sure staff is working effectively."

Another hurdle that revenue cycle leaders are facing in today's workforce is how to determine those "rising stars." When leaders don't see an employee in person, how can they know who is management material?

"One of the best ways we have found leaders within our remote staff is by putting them in charge of a project," said Sheldon Pink, vice president of revenue cycle at Luminis Health.

"We like to really see how the employee does with project and personnel management, and their success can really show us what they are capable of," Pink said.

Mike Lorenz, director of revenue cycle, Integris Health, Oklahoma City, OK