The Well-Integrated Revenue Cycle: Beneficial During COVID-19 and Beyond

Strengthening alignment across departments helps better manage patient billing.

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—Ken Baxter
Vice President, Revenue Cycle
CHOC Children’s
Orange, Calif.

COVID-19 has proven to be one of the biggest market disruptors in history. As healthcare revenue cycle departments reprioritize their short- and long-term goals, strategic management of patient accounts across the care continuum can play a major role in accelerating health system recovery.

The revenue cycle team at one California hospital has overcome challenges related to the pandemic thanks to strong integration throughout its revenue cycle function. A strategic partnership and innovative software solutions have also helped ensure its continued success.

Speaking the Same Language
As at many organizations across the country, the 334-bed, nonprofit CHOC Children’s, Orange, Calif., faced several challenges at the onset of the pandemic. These included decreased patient visits to the ED and cancellation of all elective procedures, which caused drastic reductions in revenue; mandatory staff flex days that resulted in staff shortages; and the difficult logistics of rapidly setting up telehealth for patients and a remote work program for all staff members. Having strong alignment between professional coding and hospital coding on the front end of the revenue cycle, and between professional billing and hospital billing on the back end, has helped the organization navigate this difficult time. One key to that alignment? Having the whole revenue cycle team working on the same software platforms.

CHOC Children’s has been a Cerner Patient Accounting user since 2004. In 2018, the organization implemented the ambulatory billing platform Cerner Practice Management into several of its physician practices, with plans to roll it out into several specialty clinics. Use of other complementary Cerner solutions has further streamlined revenue cycle operations. Integration across the revenue cycle has been invaluable during COVID-19, especially in the face of staff shortages.

“We are all speaking the same language now,” says Ken Baxter, vice president, Revenue Cycle, CHOC Children’s. “We have seen really good agility since we’re all on the same platform, and staff members can flexibly help out in other departments if we’re shorthanded.”

A more integrated revenue cycle also proved beneficial when CHOC Children’s had to rapidly expand its telehealth services as COVID-19 hit.

“When telehealth was expanded, new conversation and appointment types had to be built and created, all revenue cycle staff had to understand the billing requirements, and the physicians had to be educated on how to document everything,” says Tanya Armstrong, advisory financial alignment executive, Cerner, Kansas City, Mo. “CHOC Children’s was well set up for this, given all the integration it had in place with its revenue cycle solutions.”

Despite a difficult financial time, CHOC Children’s has seen improved key performance indicators, including:

- Improved accounts receivable greater than 90 days in its primary care practices, with some at 0.5% greater than 90 and all well below 17%.
- A discharged, not final billed rate of three days to bill on the physician side (previously its average was between 10 and 11 days).

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• A 98%–100% clean claim rate on the professional side of the organization and an 85% clean claim rate, up from 29%, on the hospital side.

Adjusting to a New Environment
As revenue cycle leaders begin to think about the other side of the pandemic, one thing is clear: Things may look a lot different post COVID-19.

“The pandemic has really forced us to change how we treat revenue cycle and the staff who work it,” Baxter says. “With COVID-19 and all its associated changes, we had to recreate what best practice is, and we had to think critically and not rely on what we’ve always done.”

Baxter and Armstrong have the following advice for healthcare revenue cycle leaders as they plan for the future:

Focus on integration. When an organization has a revenue cycle function that integrates the front and back ends and uses the same technologies, managing one system rather than several becomes less costly and easier to manage, according to Armstrong. “A more integrated revenue cycle function is easier to manage from a technology standpoint and from downstream and employee cost-to-collect perspectives,” she says.

Incorporate electronic work queue management and key performance indicator reporting. Because CHOC Children’s staff will continue to work remotely, electronic work queue management, which helps divvy up work among staff members, and electronic KPI reporting help leaders make sure staff are working at a high level and identify areas for improvement, according to Baxter. He notes these tools also help leaders engage and reward employees, something he and many healthcare executives are focusing on as they adjust to all or part of their teams working remotely.

“As a leader, I worry about how I can keep my associates highly engaged now that they’re not sitting in person in the department,” Baxter says. “With electronic work queue management, I’m not just looking for negative work we have to fix, but identifying the great work we’re doing and rewarding high performers.”

Leverage real-time analytics. These have been helpful long before COVID-19, but with revenue cycle team members working in disparate locations, they have become essential. The revenue cycle solutions CHOC Children’s uses give executives like Baxter quick visuals of key metrics and work queues.

“With the Lights on Network analytics tool, if I’m on a phone call with staff and I ask a question, someone can say, ‘Let me check’ and give a quick answer,” he says. “It doesn’t require ‘Oh let me run a report, and I will get back to you tomorrow.’ It’s real-time, directionally correct information that can help us drill down to opportunities.”

Finally, being flexible and open to change are essential for leaders, especially in an environment full of unknowns. Now is not the time for inaction—and a little risk taking can’t hurt either, according to Armstrong.

“Organizations like CHOC Children’s are risk takers, and I don’t mean that in a negative way,” she says. “They’re willing to look at better efficiency, better financial outcomes, and aligning consumer and community needs. They’re not staying stagnant.”

Adds Baxter, “Leaders’ ability to change is going to be key to survive. We have to be ready to change at a moment’s notice.”

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