

## APPROACH

Hospitals that are disciplined about the basics of revenue recognition, RAC preparedness, denial management programs, and simple, transparent business office policies and procedures will meet internal and external challenges more easily and more intelligently. Effective revenue cycle management is a tool to measure performance, identify trends, and note areas of weakness, in addition to being a hospital's lifeblood.

Our focused departmental reviews have been successfully used by a large number of hospitals as the framework for the development of a financial performance improvement plan, to maximize gross revenue and net reimbursement as well as to ensure a compliant billing process. We facilitate the implementation of improvements to process with the goal of increasing gross and net reimbursement while mitigating compliance concerns. We provide specific direction, training, and follow-up to guarantee the successful implementation of findings.

We involve all levels of an organization. We set specific measurable goals and expectations with administration, meet with individual departmental leadership, understand the operational parameters, and develop solutions that engender the organization's culture and philosophy. Our goal is to establish ownership at the departmental level and provide the resources necessary for self-sustained success.

- Comprehensive Chargemaster and Revenue Cycle Review
- Business Office and Patient Financial Services: Training and Development
- Development of Training Protocols for Revenue Capture
- Implementation of an Effective Revenue Control Process
- Pricing Analysis
- RAC Preparedness and Revenue Cycle Process Improvement
- Revenue Process Capture Audits

## TEAM

Stroudwater differentiates its advisory services to rural hospitals with its professionals who are passionate about the health of rural people and places, and the relationships therein. Stroudwater offers teams with experienced clinicians, system leaders, corporate officers, investment bankers, financial analysts, and content specialists, all of which understand the unique needs of providers in addition to their areas of content expertise. Accordingly, the firm is able to serve a broad range of clients from tertiary/academic medical centers, long-term care providers, physician practices, rural health providers, and large not-for-profit and investor-owned hospitals in highly competitive markets.

## CASE STUDY

### SITUATION

The recent recession continues to have an impact on healthcare. Additionally, the new healthcare reform act is and will continue to change how hospitals do business. As a result, more and more hospitals are going back to basics to refine their operations, look for ways to manage costs, and

develop processes to mitigate compliance concerns. Over the past 24 months, Stroudwater has assisted 34 hospitals by performing comprehensive Chargemaster and Revenue Cycle reviews. The purpose of the review is to capture unearned revenue, lower costs, mitigate compliance concerns, increase productivity, and maintain accountability.

### APPROACH

A collaborative process that executes rapid and focused analyses of targeted areas within the hospitals resulted in the identification of concrete opportunities for operational and financial performance gains, in addition to cost savings and process improvement. These findings are then addressed through on-site trainings to make the staff current on developments and to give them the tools necessary to optimize operational performance. In some cases, the client has signed-on for a quarterly maintenance program.

### SOLUTION

A financial improvement plan to maximize gross revenue and net reimbursement as well as to ensure a compliant billing process. The plan includes immediate and short term recommendations, staff training, and on-site advisory services.

### RESULT

For the last 14 hospitals, Stroudwater has identified over \$24M in increased revenue opportunities.

These opportunities break down into the following categories:

Eliminating pricing variability contributed \$5.87M

Establishing a defensible pricing strategy contributed \$13.7M

Ensuring total emergency room revenue capture and proper physician and facility leveling contributed \$3.7M

Ensuring proper observation billing protocols and bedside nursing revenue capture contributed \$1.5M

The reviews have also contributed operational efficiencies and mitigated compliance concerns.

These results break down into the following categories:

Increasing business office functionality and lowering cost per claim

Ensuring a compliant surgical and anesthesia billing process which maximizes reimbursement

Creating denial management protocols

Creating RAC preparedness plans

Creating training and educational platforms for ongoing improvements

Creating an atmosphere of departmental ownership and accountability

Establishing best practice revenue cycle functionality

### PRACTICE LEADER

John Behn

(207) 221-8277

jbehn@stroudwater.com