STROUDWATER

**UNLOCKING ORGANIZATIONAL POTENTIAL:
HOW LEADERSHIP ALIGNMENT ELEVATES REVENUE CYCLE
PERFORMANCE**

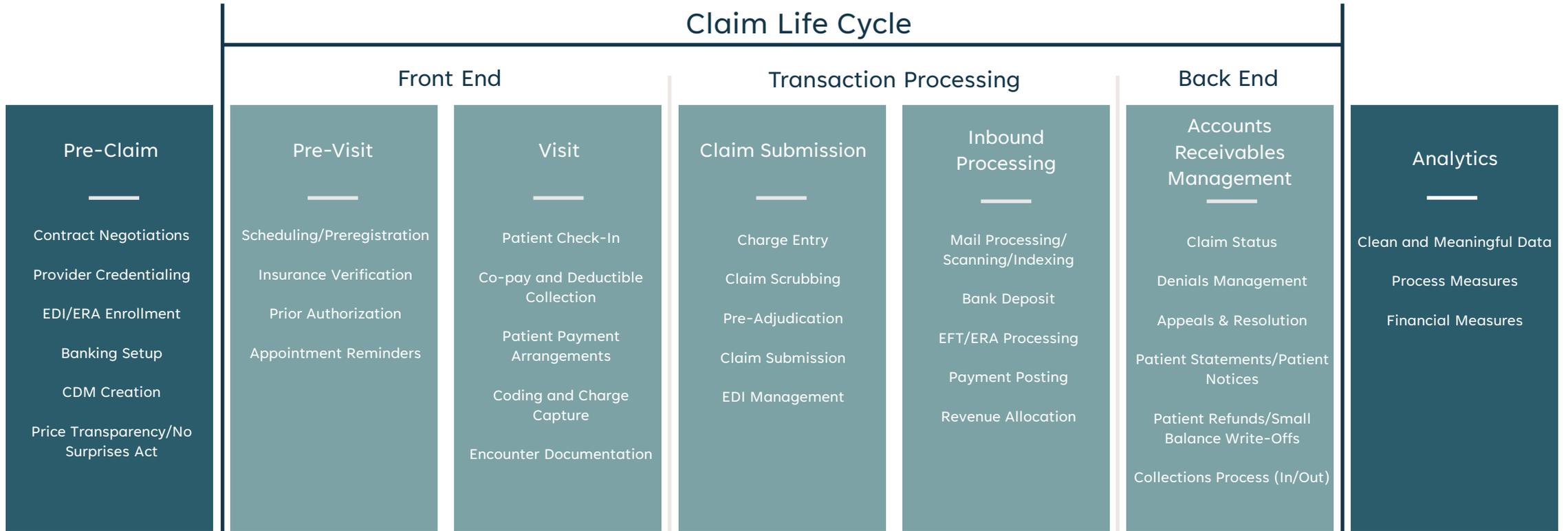**MARCH 24, 2026**

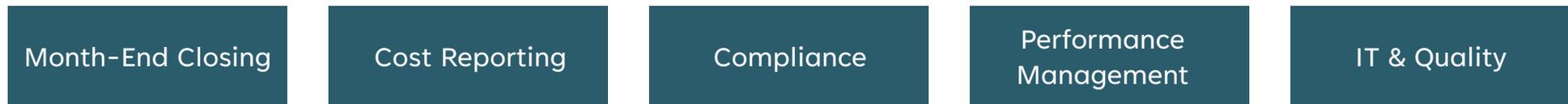# RCM THE FOUNDATION
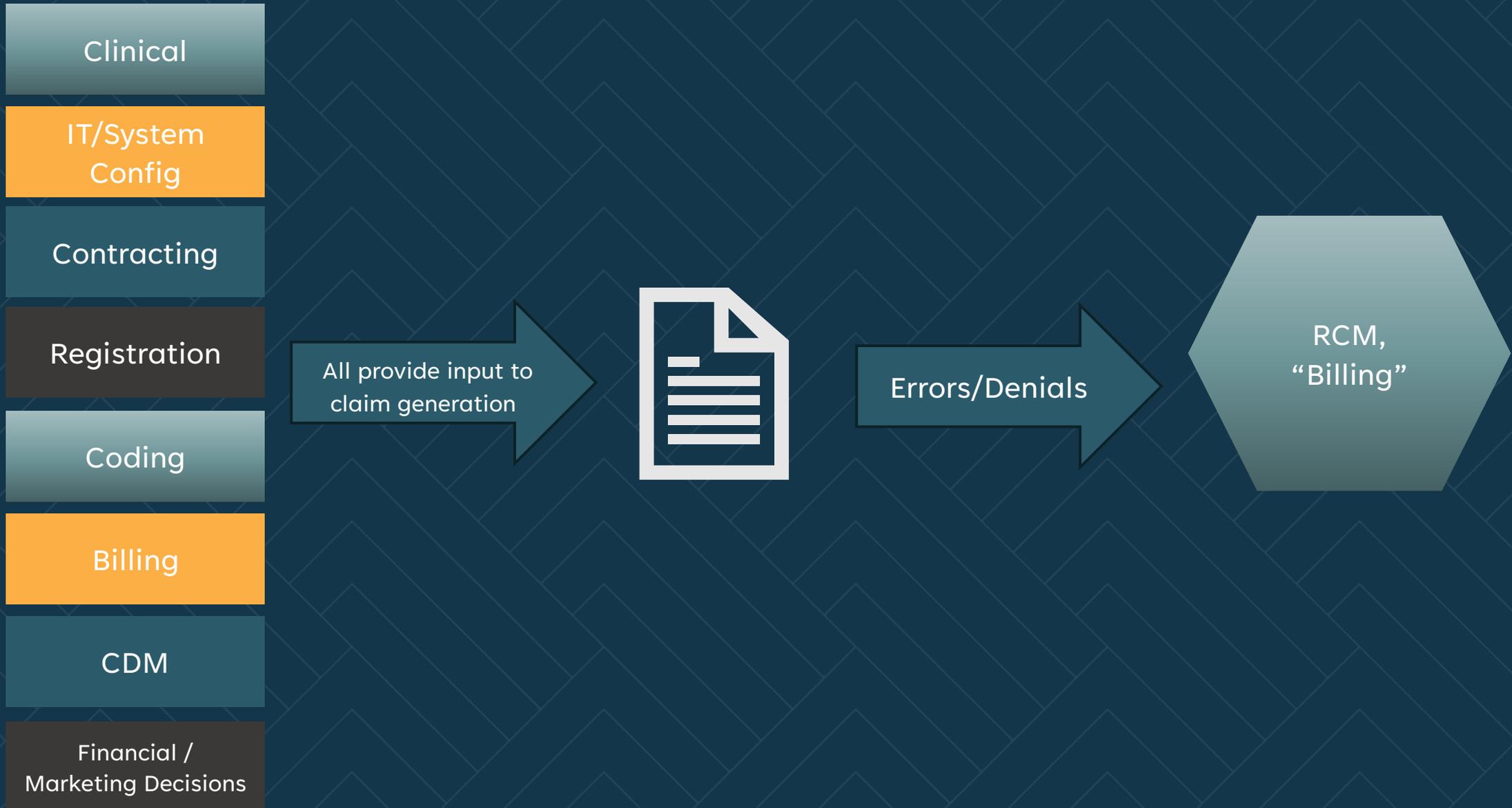
Revenue Cycle Management Defined

REVENUE CYCLE MANAGEMENT

Claim Life Cycle

Front End

Transaction Processing

Back End

Pre-Claim	Pre-Visit	Visit	Claim Submission	Inbound Processing	Accounts Receivables Management	Analytics
Contract Negotiations	Scheduling/Preregistration	Patient Check-In	Charge Entry	Mail Processing/ Scanning/Indexing	Claim Status	Clean and Meaningful Data
Provider Credentialing	Insurance Verification	Co-pay and Deductible Collection	Claim Scrubbing	Bank Deposit	Denials Management	Process Measures
EDI/ERA Enrollment	Prior Authorization	Patient Payment Arrangements	Pre-Adjudication	EFT/ERA Processing	Appeals & Resolution	Financial Measures
Banking Setup	Appointment Reminders	Coding and Charge Capture	Claim Submission	Payment Posting	Patient Statements/Patient Notices	
CDM Creation		Encounter Documentation	EDI Management	Revenue Allocation	Patient Refunds/Small Balance Write-Offs	
Price Transparency/No Surprises Act					Collections Process (In/Out)	

Claim Life Cycle

Month-End Closing	Cost Reporting	Compliance	Performance Management	IT & Quality

TRADITIONAL PROCESSES LEAVE RCM ON AN ISLAND

Clinical

IT/System Config

Contracting

Registration

Coding

Billing

CDM

Financial / Marketing Decisions

All provide input to claim generation

Errors/Denials

RCM, "Billing"

LEADERSHIP ENGAGEMENT

Strategic Alignment: Ensures that revenue cycle decisions support the hospital's mission, boosting financial stability while maintaining a focus on patient care.

Resource Allocation: Leaders effectively distribute resources to support revenue cycle management (RCM) systems, enhancing billing, coding, and collection processes.

Staff Empowerment: Involved leaders cultivate a culture of accountability, encouraging staff to improve through training and investment opportunities.

Data-Driven Decisions: Leadership utilizes analytics to identify revenue loss, enabling timely adjustments in billing and contract negotiations.

Interdepartmental Collaboration: Engaged leadership connects clinical and administrative teams, optimizing workflows from patient intake to payment.
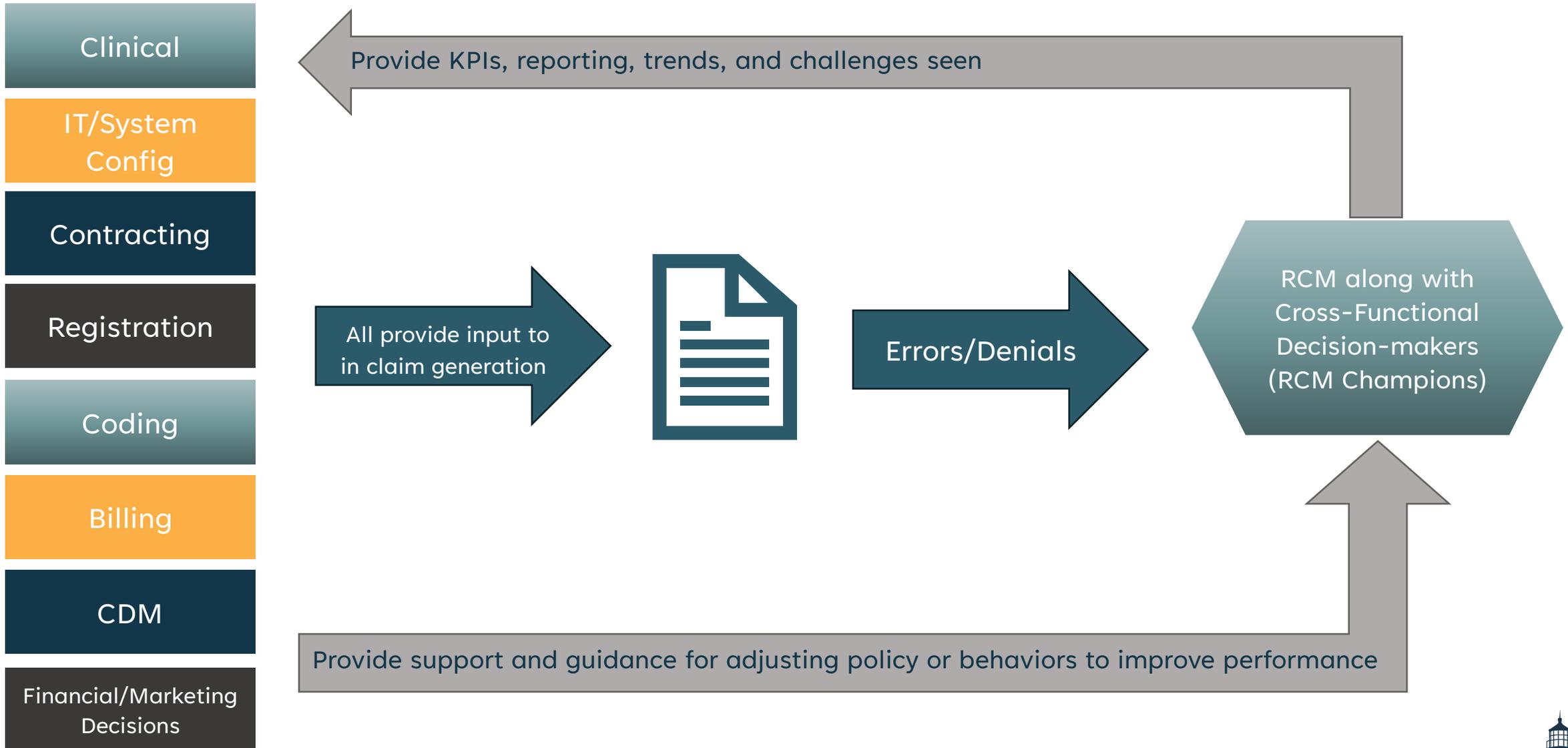
Vendor Management: Leadership oversees vendor contracts for RCM services to ensure cost-effectiveness and alignment with hospital objectives.

CROSS-FUNCTIONAL RCM INVOLVES ALL STAKEHOLDERS IN DATA AND DECISIONS

Clinical

IT/System Config

Contracting

Registration

Coding

Billing

CDM

Financial/Marketing Decisions

Provide KPIs, reporting, trends, and challenges seen

All provide input to in claim generation

Errors/Denials

RCM along with Cross-Functional Decision-makers (RCM Champions)

Provide support and guidance for adjusting policy or behaviors to improve performance

TRACKING METRICS THAT MATTER

KPI DASHBOARD EXAMPLE

» Data populated monthly

» Red/yellow/green indicators of progress towards goal

» KPIs and goals established and published for the entire team to view

» Agreement on key areas to prioritize

Sample Hospital Name

	Goal	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Number of days in period		31	28	31	30	31
Cash Goal	100% of 3 mo pr net rev	$ 1,521,459	$ 1,642,907	$ 1,538,282	$ 1,391,683	$ 1,465,778
Cash Collections		$ 1,680,392	$ 1,489,575	$ 1,750,692	$ 883,753	$ 1,213,412
% of Cash Goal	100%	🟢 110%	🟡 91%	🟢 114%	🟡 64%	🟡 83%
Self- Pay Collections		$ 41,056	$ 30,111	$ 36,793	$ 38,555	$ 41,232
Total POS Cash Collections		$ 2,742	$ 8,920	$ 6,581	$ 7,256	$ 8,024
% of Total Self- Pay Collections	>15%	🟡 7%	🟢 30%	🟢 18%	🟢 19%	🟢 19%
Gross Patient Revenue		$ 14,227,967	$ 14,392,383	$ 15,564,350	$ 10,363,172	$ 12,582,223
Average Daily Revenue		$ 458,967	$ 514,014	$ 502,076	$ 345,439	$ 405,878
Total A/R (including inhouse and credit balances)		$ 26,355,787	$ 24,585,783	$ 20,033,445	$ 27,324,085	$ 24,631,255
Days in A/R - Gross	< 40	🔴 57.42	🟡 47.83	🟢 39.90	🔴 79.10	🔴 60.69
Insurance A/R $ > 90 Days		$ 5,109,800	$ 6,068,690	$ 2,826,451	$ 3,092,112	$ 3,109,442
% of Total A/R	< 15-20 %	🟡 19%	🔴 25%	🟢 14%	🟢 11%	🟢 13%
All A/R $ >90 days (includes Self-Pay)		$ 8,689,922	$ 8,710,464	$ 9,386,715		
% of Total A/R	< 20-25 %	🔴 33%	🔴 35%	🟢 47%	🟢 0%	🟢 0%
DNFB	< 5 Days	🟡 8.42	🟡 6.32	🟢 4.97	🔴 9.00	🟡 5.08
DNFC	< 3 Days	🔴 7.58	🟡 4.45	🟢 2.75	🟢 3.00	🟢 2.87
Gross Denials $ written off		$ 232,596	$ 97,506	$ 79,842	$ 65,525	$ 70,232
% of gross patient revenue	< 2%	🟢 2%	🟢 1%	🟢 1%	🟢 1%	🟢 1%
Bad Debt transfers		$ 789,093	$ 528,767	$ 759,585	$ 689,443	$ 712,357
% of bad debt gross patient revenue	< 8%	🟢 6%	🟢 4%	🟢 5%	🟢 7%	🟢 6%

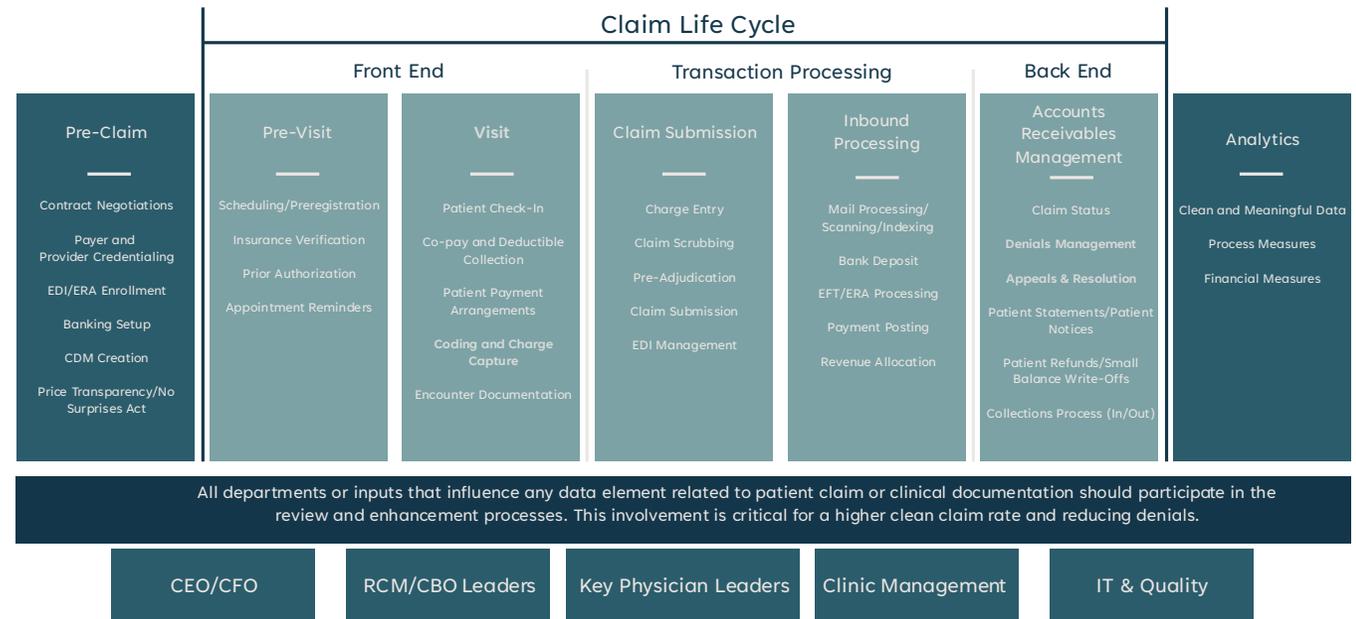# EXECUTIVE-LEVEL ENGAGEMENT SUPPORT FOR RCM ACTIVITIES

Facilitate a bi-weekly meeting

- Goal: Address operational issues impacting day-to-day activities as well as review back-end challenges that may be prevented with upstream changes
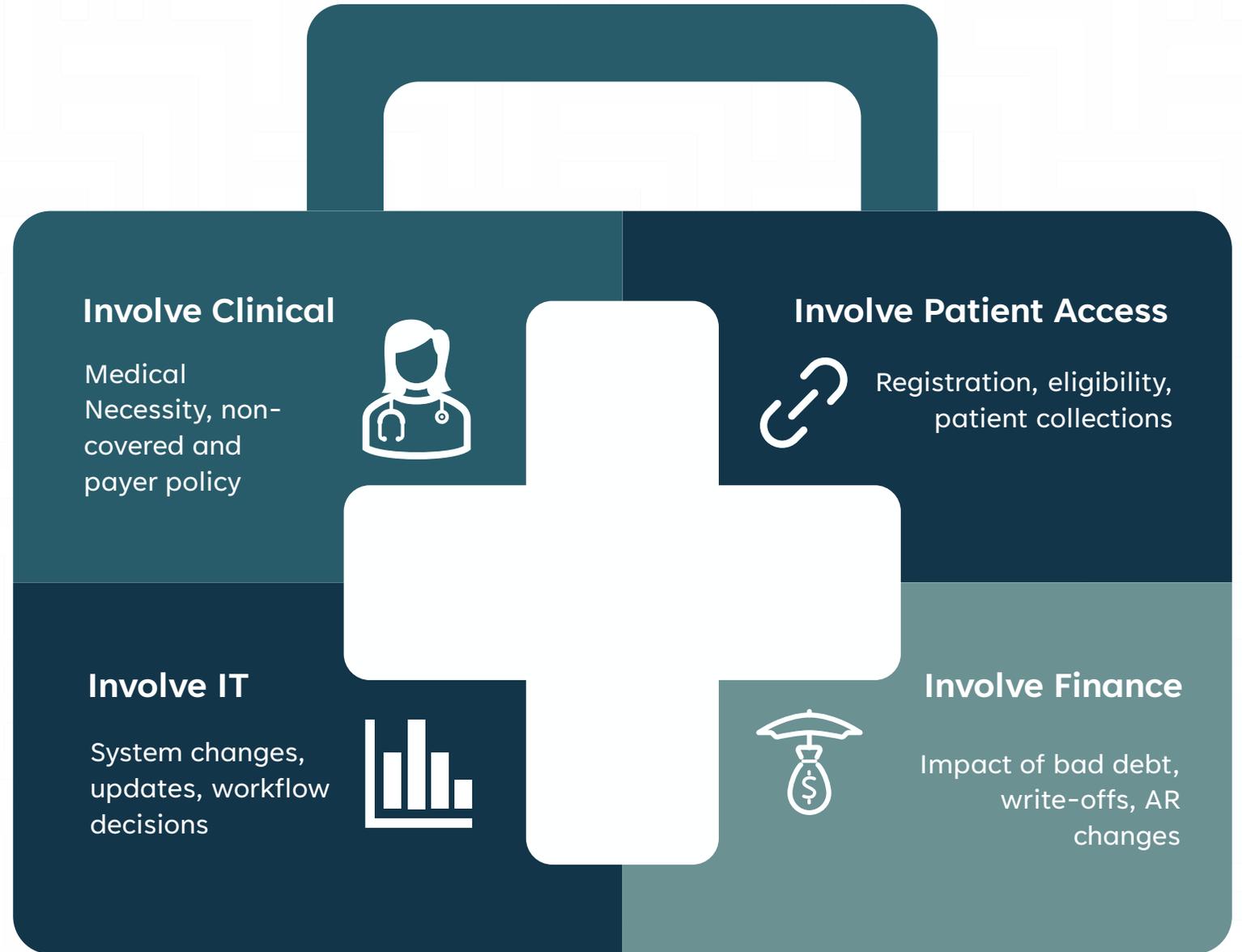
Attendees

- Executive leadership: CEO/CFO
- Revenue Cycle/CBO Leadership
- Leaders responsible for functions within the revenue cycle process
- Key Clinical Leaders: Clinic Managers, CNO, Key Physician Leadership

REVENUE CYCLE MANAGEMENT ACTIVITIES

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All departments or inputs that influence any data element related to patient claim or clinical documentation should participate in the review and enhancement processes. This involvement is critical for a higher clean claim rate and reducing denials.

CEO/CFO	RCM/CBO Leaders	Key Physician Leaders	Clinic Management	IT & Quality

DEVELOP A MULTI-DISCIPLINARY APPROACH TO MONITORING KPIS

"RCM CHAMPION TEAM"

Involve Clinical

Medical Necessity, non-covered and payer policy

Involve Patient Access

Registration, eligibility, patient collections

Involve IT

System changes, updates, workflow decisions

Involve Finance

Impact of bad debt, write-offs, AR changes

DATA DRIVES DECISIONS

KPI Dashboards

IMPLEMENT A KPI DASHBOARD

» Track what matters

» Evaluate denial types, service lines, and payers

» Establish areas of concern

» Agree on key areas to prioritize

Clean Claims Analysis

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Total Claims for the period	5,712	5,998	6,297	6,612	5,290	4,232
Clean Claims	4,823	5,102	5,400	5,408	4,200	3,360
Clean Claim %	84.4%	85.1%	85.7%	81.8%	79.4%	79.4%
Denials	502	530	550	590	593	420
Denial %	8.8%	8.8%	8.7%	8.9%	11.2%	9.9%

Denial Write off Analysis

Denial Code	Category	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	6 month Trend Low	6 month Trend High
CD	Coding	1.79%	1.80%	1.68%	1.69%	1.58%	1.59%	1.58%	1.80%
DC	Duplicate Claim	0.25%	0.25%	0.25%	0.25%	0.24%	0.24%	0.24%	0.25%
MN	Medical Necessity	1.06%	1.07%	1.00%	1.00%	0.94%	0.94%	0.94%	1.07%
NC	Non-covered	2.49%	2.50%	2.34%	2.35%	2.36%	2.38%	2.34%	2.50%
OT	Other	0.30%	0.30%	0.30%	0.30%	0.31%	0.31%	0.30%	0.31%
PA	Prior Authorization	2.60%	2.61%	2.63%	2.46%	2.47%	2.31%	2.31%	2.63%
Total		**8.49%**	**8.53%**	**8.20%**	**8.06%**	**7.89%**	**7.76%**	**7.71%**	**8.55%**

SUSTAINING THE ALIGNMENT & CULTURE

CALL TO ACTION: **IN SUMMARY**

Develop and Monitor KPI Dashboards

Create an RCM Champion Team focused on addressing identified issues (not placing blame)

Use the RCM Champion Team to target areas of priority and guide decision-making

Commit to continually learning and adapting to new, developing issues caused by outside parties

Q&A

STROUDWATER

THANK YOU!

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