Insights into Revenue Cycle Management
October 2018

HIMSS Media | BESLER

RESEARCH OVERVIEW

- **HIMSS Media conducted this survey in October 2018 to better understand healthcare organizations' attitudes toward and concerns regarding revenue cycle management.**

- More specifically the research was designed to identify key revenue cycle challenges and areas of vulnerability at US hospitals and acute care facilities.

- A total of 102 qualified respondents completed the survey.

RESEARCH METHODOLOGY

- This research was conducted online among US hospitals and acute care facilities.

- Qualified respondents were employed in finance, revenue cycle, reimbursement and HIM roles.

- This was a blind data collection effort. Besler was not identified as the sponsor of the research.

- Qualified respondents received an email from HIMSS Media inviting them to participate in the research. Participants were offered an incentive for completing the survey (opportunity to win a $20 Amazon gift card).

For more on this study, download our White Paper: Driving Optimal Revenue Cycle Performance

WHITEPAPER

Driving Optimal Revenue Cycle Performance

New HIMSS Media research identifies current hospital revenue cycle vulnerabilities and opportunities

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Smart about revenue.
Tenacious about results.

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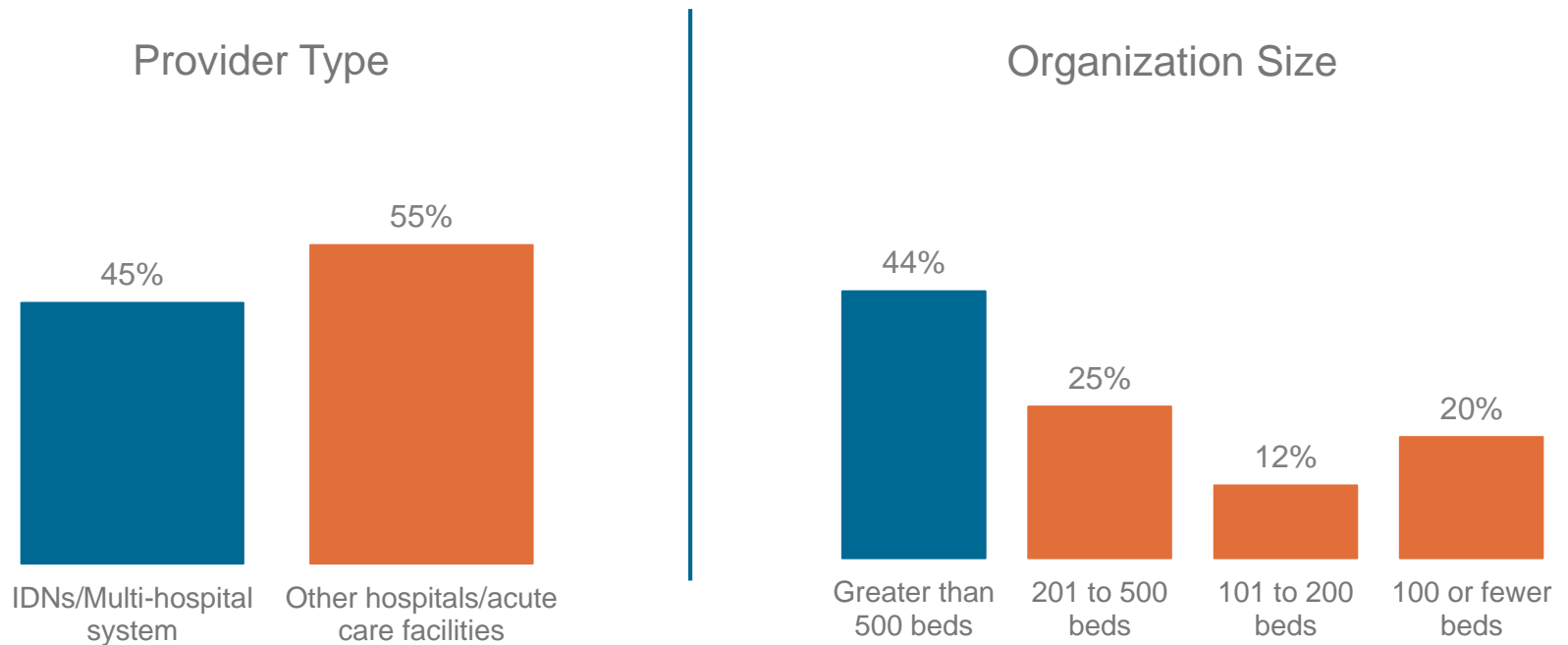
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In this white paper, we explore the details of the study findings, including:

- The top healthcare revenue cycle management issues facing hospitals today

- Key areas of vulnerability for lost or decreased revenue

- The disconnect between current revenue cycle solutions and achieving diagnosis-related group (DRG) optimization

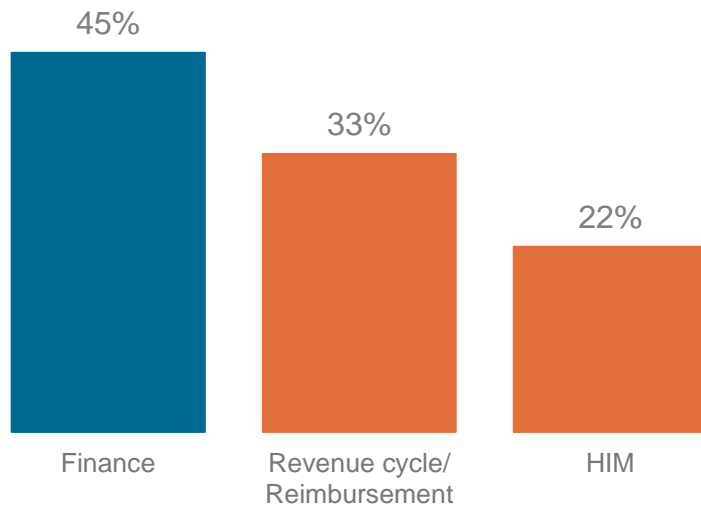- Perspectives on the value of revenue integrity programs and what they can achieve

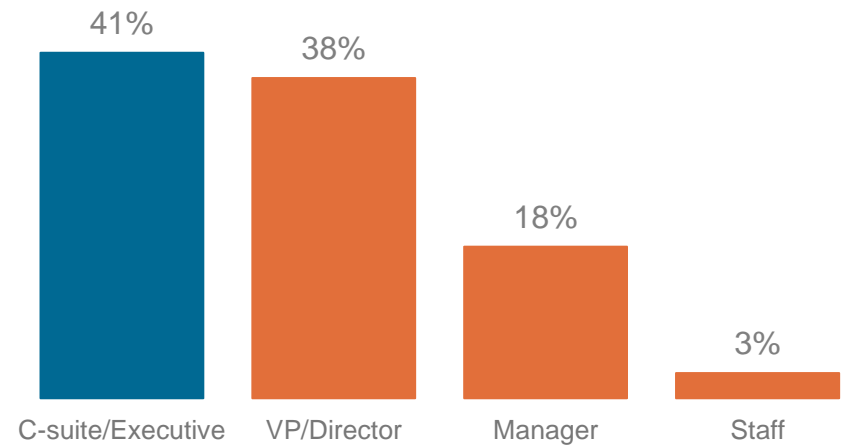**Download White Paper**

RESPONDENT PROFILE

RESPONDENT PROFILE

Job Function

45% Finance

33% Revenue cycle/ Reimbursement

22% HIM

Job Level: 97% leadership roles

41% C-suite/Executive

38% VP/Director

18% Manager

3% Staff

KEY TAKEAWAYS

1
Denials and reimbursement top the list of revenue cycle management challenges facing hospitals today.

2
Clinical documentation and coding is most widely perceived as being a key area of vulnerability for lost or decreased revenue.

3
While majority feel revenue cycle solutions are optimized for coding and audits, particularly those at larger, multi-hospital systems, only 1/3rd believe DRG optimization is a solved problem.
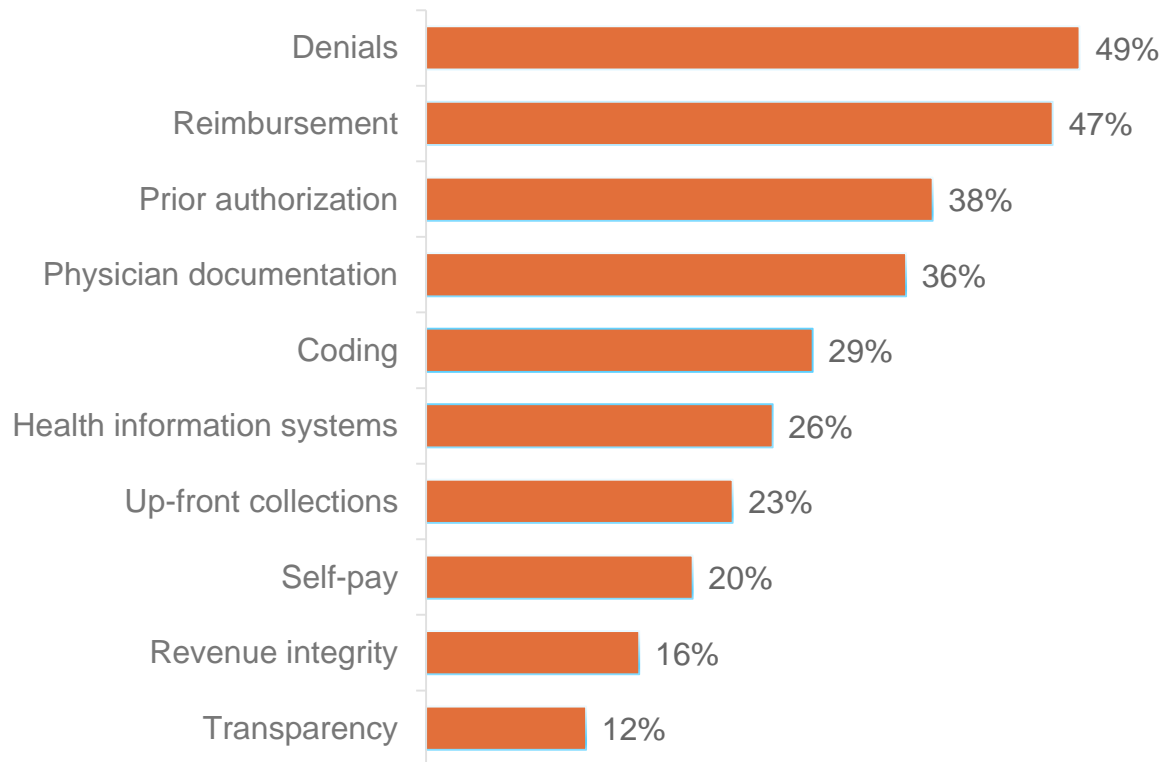
4
Limited budgets, ROI, and competing priorities are all obstacles to introducing a new vendor or process to improve DRG optimization and mid-cycle revenue recognition.

5
Just under half of those surveyed have established a revenue integrity program, with widely reported positive results. Obstacles to revenue integrity include siloed information, staffing and integration of multiple tools/ solutions.

DENIALS AND REIMBURSEMENT TOP LIST OF REVENUE CYCLE CHALLENGES

Top Revenue Cycle Challenges

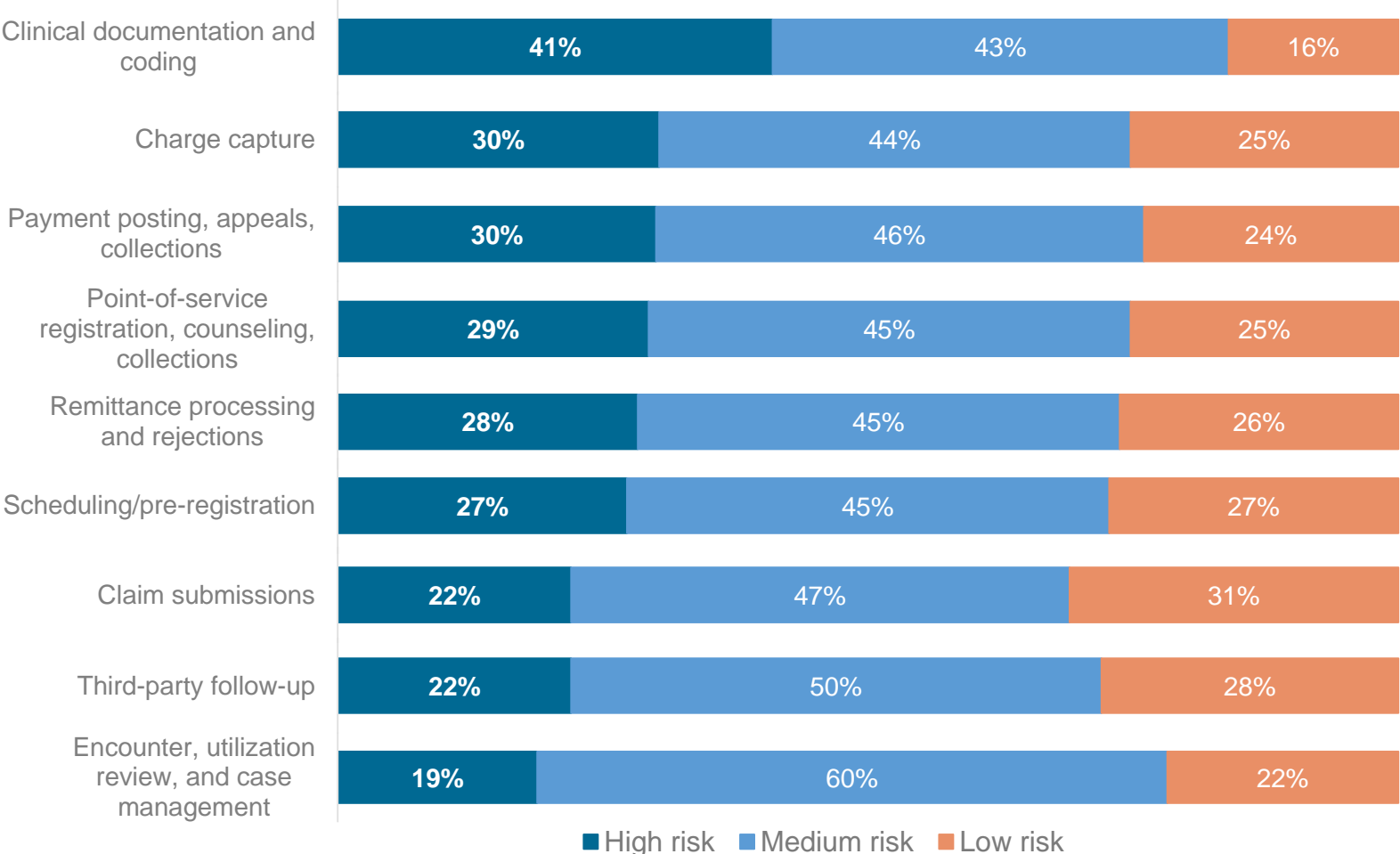| Challenge	Percentage
Denials	49%
Reimbursement	47%
Prior authorization	38%
Physician documentation	36%
Coding	29%
Health information systems	26%
Up-front collections	23%
Self-pay	20%
Revenue integrity	16%
Transparency	12%

Q. What are the top revenue cycle challenges facing your organization today? Base: 102

TOP REVENUE CYCLE CHALLENGES VARY BY ROLE

	FINANCE ROLES	REVENUE CYCLE/ REIMBURSEMENT ROLES	HIM ROLES
Denials	2 39%	1 56%	1 59%
Reimbursement	1 57%	3 44%	3 32%
Prior authorization	3 37%	2 47%	
Physician documentation	2 39%		1 59%
Coding			2 36%
Health information systems			3 32%

Q. What are the top revenue cycle challenges facing your organization today? Base: Finance roles (n=46); Revenue cycle/reimbursement roles (n=34); HIM roles (n=22)

CLINICAL DOCUMENTATION AND CODING KEY AREA OF VULNERABILITY FOR LOST OR DECREASED REVENUE

Category	High risk	Medium risk	Low risk
Clinical documentation and coding	41%	43%	16%
Charge capture	30%	44%	25%
Payment posting, appeals, collections	30%	46%	24%
Point-of-service registration, counseling, collections	29%	45%	25%
Remittance processing and rejections	28%	45%	26%
Scheduling/pre-registration	27%	45%	27%
Claim submissions	22%	47%	31%
Third-party follow-up	22%	50%	28%
Encounter, utilization review, and case management	19%	60%	22%

■ High risk ■ Medium risk ■ Low risk

Q. During which stage(s) of the revenue cycle do you feel your organization is most vulnerable to errors causing lost or decreased revenue? Base: 102

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PERCEIVED AREAS OF REVENUE VULNERABILITY VARY SLIGHTLY BY ROLE

	FINANCE ROLES	REVENUE CYCLE/ REIMBURSEMENT ROLES	HIM ROLES
Clinical documentation and coding	1 48%	3 35%	1 36%
Charge capture	2 33%		1 36%
Payment posting, appeals, collections		3 35%	1 36%
Point-of-service registration, counseling, collections	3 28%	2 38%	
Remittance processing and rejections	3 28%		
Scheduling/pre-registration		1 41%	

Q. During which stage(s) of the revenue cycle do you feel your organization is most vulnerable to errors causing lost or decreased revenue?
Base: Finance roles (n=46); Revenue cycle/reimbursement roles (n=34); HIM roles (n=22)

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MAJORITY AGREE REVENUE CYCLE MANAGEMENT SOLUTIONS ARE OPTIMIZED FOR **INPATIENT** CODING

Optimize Inpatient Coding via DRG Optimization

All Respondents

No, 28%

Yes, 72%

IDN/Multi-hospital system — Yes, 87%

Other hospitals/acute care facilities — Yes, 59%

>500 beds — Yes, 84%

500 or fewer beds — Yes, 61%

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ACCURACY OF INPATIENT CODING ABOUT THE SAME AS INDUSTRY BENCHMARK – IS THAT GOOD ENOUGH?

Accuracy of Inpatient Coding

33%	51%	6%	10%

■ Better ■ About the Same ■ Worse ■ Not sure
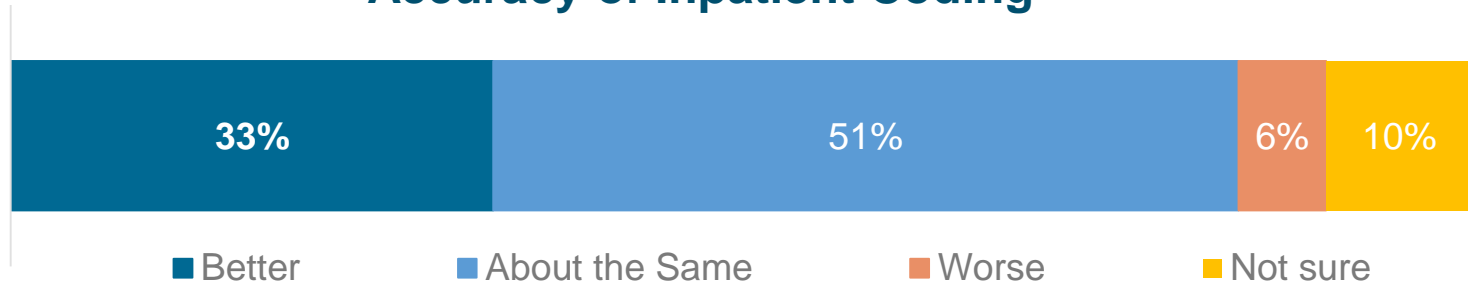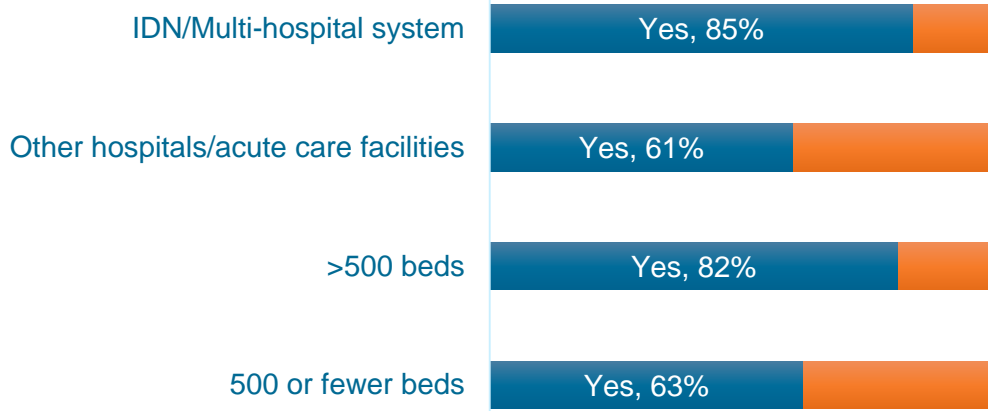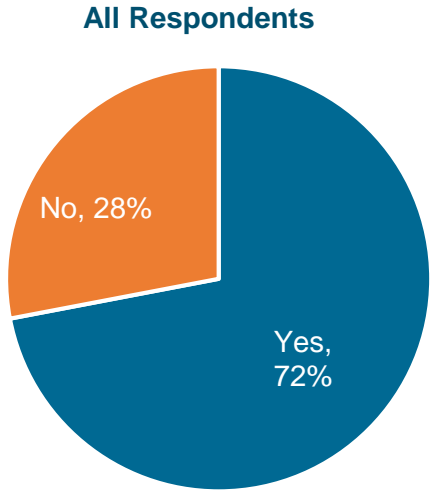
Q. How accurate do you think your organization's inpatient coding is compared to the 61% ICD-10 CM/PCS accuracy benchmark provided by the 2017 Coding Contest published by AHIMA? Base: 102

# MAJORITY ALSO AGREE REVENUE CYCLE MANAGEMENT SOLUTIONS ARE OPTIMIZED FOR **OUTPATIENT** CODING

Optimize Outpatient Coding and Charge Capture

All Respondents

No, 28%

Yes, 72%

IDN/Multi-hospital system — Yes, 85%

Other hospitals/acute care facilities — Yes, 61%

>500 beds — Yes, 82%

500 or fewer beds — Yes, 63%

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8 OUT OF 10 FEEL CURRENT SOLUTIONS ENABLE REGULAR CODING AUDITS

Regular Coding Audits to Ensure Accuracy/Compliance

No, 19%

Yes, 81%

This perception is consistent across hospitals of varying types and sizes.
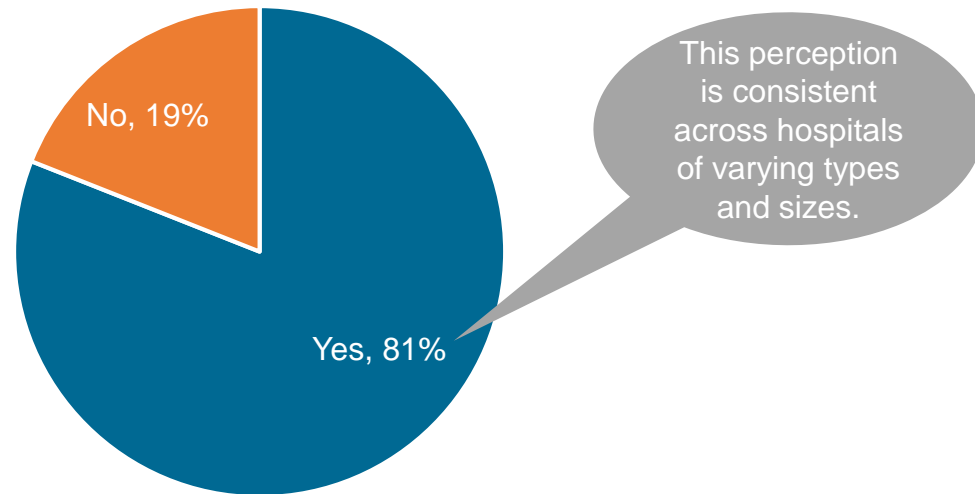
Q. Do your revenue cycle management solutions enable you to do regular coding audits to ensure accuracy and compliance? Base: 102

YET ONLY A MINORITY BELIEVE DRG OPTIMIZATION IS A SOLVED PROBLEM

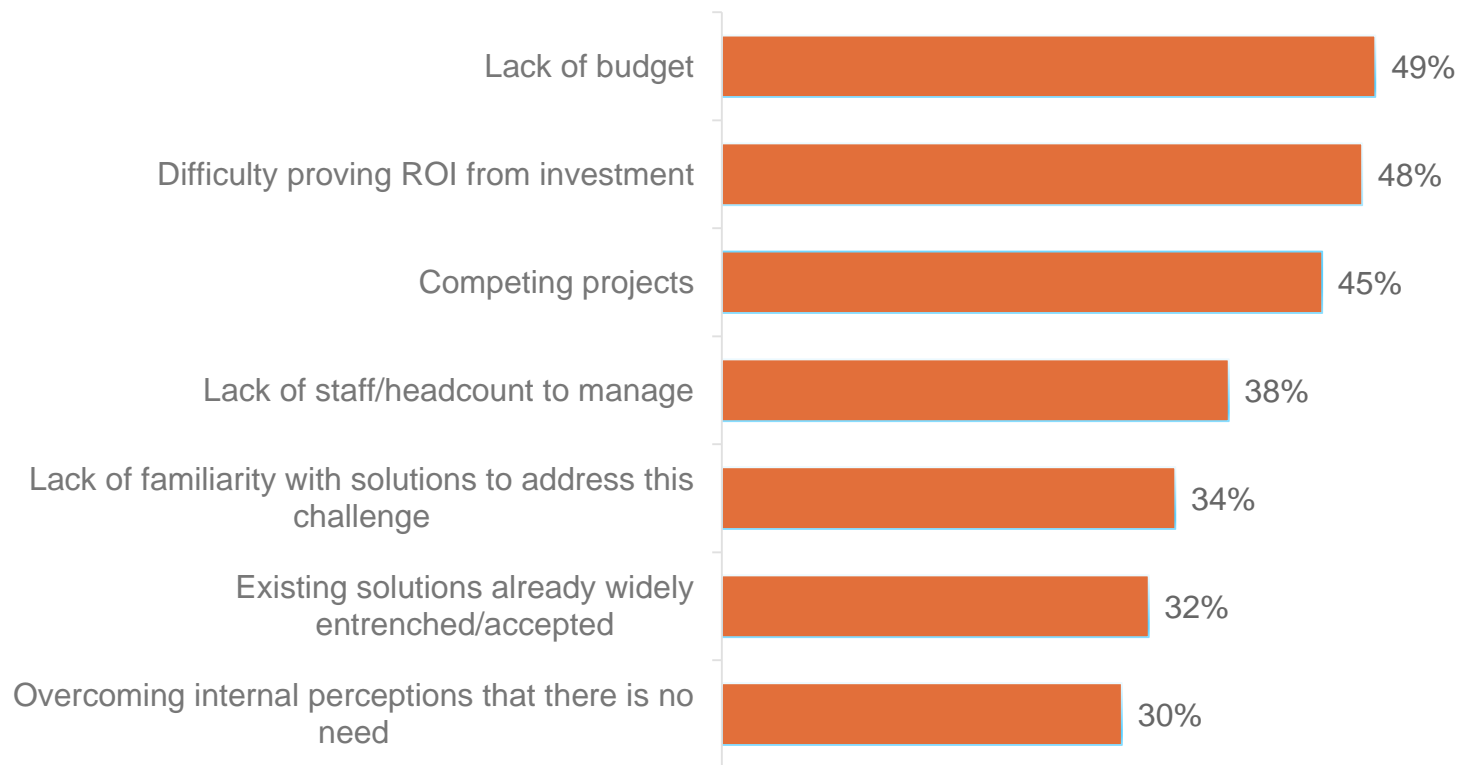**Is DRG Optimization a Solved Problem?**

Yes, 32%

No, 68%
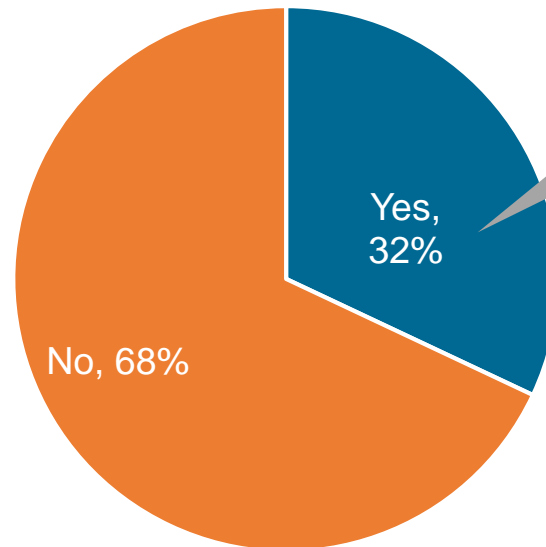
This perception is consistent across hospitals of varying types and sizes.

Q. Do you believe that DRG optimization is a "solved problem" at your organization? Base: 102

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LIMITED BUDGETS, ROI, COMPETING PRIORITIES ALL OBSTACLES TO IMPROVING DRG OPTIMIZATION

Obstacles to Improving Mid-Cycle Revenue Recognition

Obstacle	Percentage
Lack of budget	49%
Difficulty proving ROI from investment	48%
Competing projects	45%
Lack of staff/headcount to manage	38%
Lack of familiarity with solutions to address this challenge	34%
Existing solutions already widely entrenched/accepted	32%
Overcoming internal perceptions that there is no need	30%

Q. What are the obstacles to introducing a new process or a new vendor to improve DRG optimization and mid-cycle revenue recognition? Base: 102

SILOED INFORMATION, STAFFING TOP REVENUE INTEGRITY CHALLENGES

Challenges Related to Revenue Integrity

Breaking down silos between departments/data sources — 51%

Finding qualified staff — 47% ★ 56% small/mid-sized vs. 36% large hospitals

Integrating multiple revenue cycle tools/solutions — 44% ★ 56% large hospitals vs. 35% small/mid-sized

Limited budgets for investing in solutions — 42%

Inability to quantify uncollected revenue or demonstrate ROI — 39%

Staff training — 37%

Key stakeholders don't trust the data — 19%
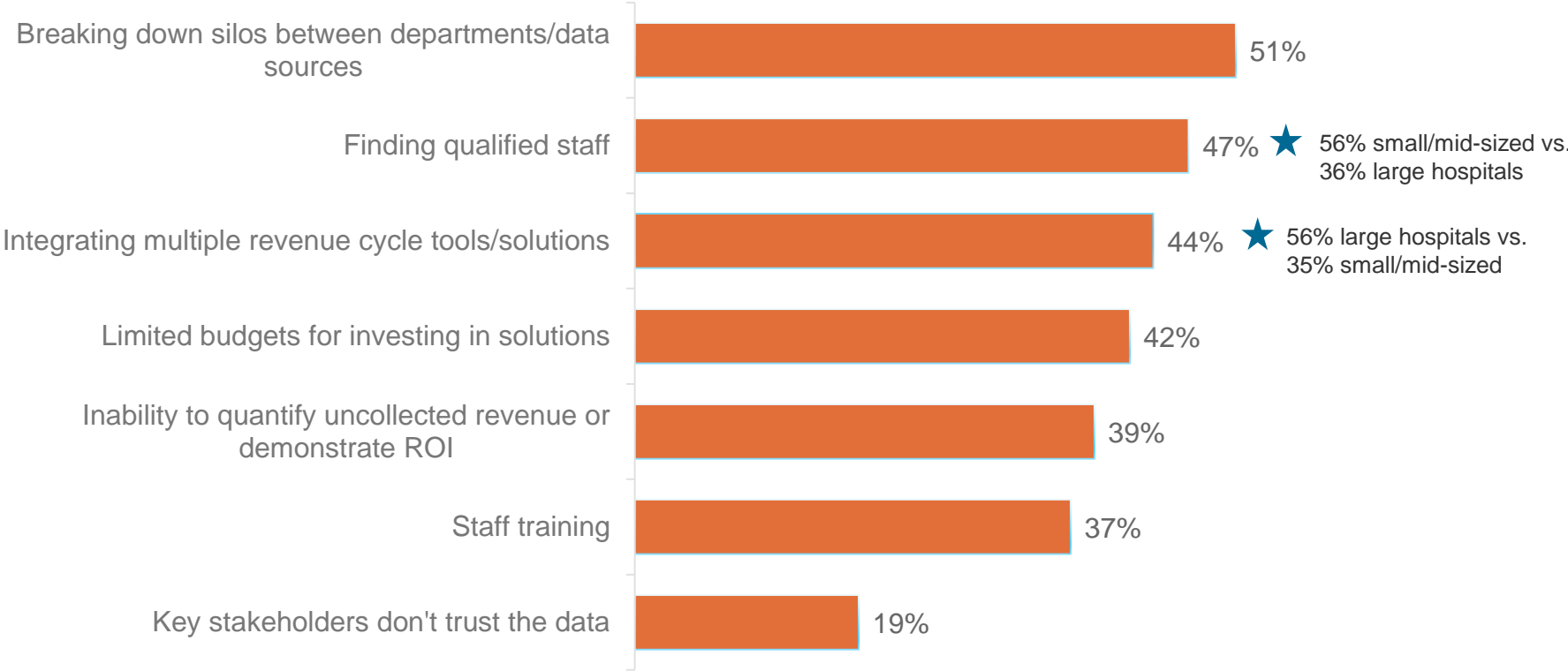
Q. What are your organization's top challenges related to revenue integrity? Base: 102

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REVENUE INTEGRITY CHALLENGES VARY SLIGHTLY BY ROLE

	FINANCE ROLES	REVENUE CYCLE/ REIMBURSEMENT ROLES	HIM ROLES
Breaking down departmental/data silos	1 50%	1 47%	1 59%
Finding qualified staff	3 43%	2 44%	1 59%
Integrating multiple tools/solutions	2 46%	2 44%	
Limited budgets		3 41%	3 45%
Inability to quantify uncollected revenue/ demonstrate ROI		3 41%	2 50%
Staff training			2 50%

Q. What are your organization's top challenges related to revenue integrity? Base: Finance roles (n=46); Revenue cycle/reimbursement roles (n=34); HIM roles (n=22)

JUST UNDER HALF HAVE ESTABLISHED A REVENUE INTEGRITY PROGRAM BUT WITH WIDELY POSITIVE RESULTS

Established Revenue Integrity Program?

Yes, 47%

No, but have plans to, 41%

No, and no plans, 12%
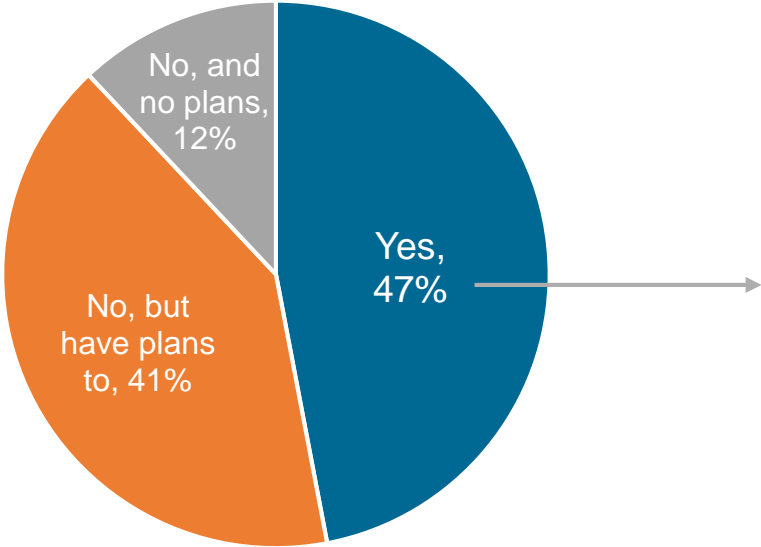
¾ of these adopters note it has positively impacted one or more of the following:

- **Net collections**
- **Gross revenue capture**
- **Reduction in compliance risk**

Q. Has your organization established a revenue integrity program? Base: 102
Q. Has this program positively impacted any of the following? Base: 48

Thank you!

For more information please visit our website: