

Revenue Cycle Assessments Identify Areas of Opportunity for Cash Flow Increases, Cost Reductions

Mike Morris, Vice President of Business Development of the Dell Services Revenue Cycle Solutions team

A consistent and strong cash flow is crucial to a hospital's financial health. A healthy revenue cycle provides the needed revenue to support the day-to-day healthcare needs of its community, enables investment in new technology, and provides funding of other capital projects.

Assessing the overall state of the revenue cycle is the key to maximizing cash flow and minimizing operational costs, ensuring that financial goals are met. An assessment of the revenue cycle is essential in capturing an accurate picture of current performance and for identifying opportunities for improvement - even for a well-performing organization. To help understand how a hospital's revenue cycle is performing, the Dell Services Revenue Cycle Solutions team can provide various assessments ranging from a basic snapshot of A/R to an in-depth analysis.

- **Aged Trial Balance (ATB) Assessment** – a free, no-obligation analysis of the entire A/R portfolio and provision of a detailed report pinpointing areas to focus on for cash flow improvement.
- **Revenue Cycle Performance Review (RCPR)** – a more comprehensive, but still non-invasive drill down into all areas of the end-to-end revenue cycle. The resulting analysis will provide health systems with a well-documented calculation of the number of lost dollars that could be collected if existing “leakage” in the revenue cycle is addressed.

Having an action plan in place to address the results of a revenue cycle assessment is crucial. Based on the outcome of the assessment, various solutions can be implemented that will maximize cash flow, provide an immediate influx of cash, and increase efficiency in the revenue cycle for the long term. Solutions may be available in the form of short-term projects, long-term revenue cycle transformation engagements, and extended business office solutions. Areas such as patient access and health information management should also be considered for improving the overall state of the revenue cycle as the details of an assessment are analyzed.

As new government regulations begin to take root, new technology is implemented and pending challenges like ICD-10 and the HIPAA 5010 conversion take effect, it will be easy for many healthcare organizations to lose sight of the revenue cycle. These initiatives will have a major impact on most health system's revenue cycle. Finding ways to address these efforts, while simultaneously managing A/R and the revenue cycle, will be challenging in the years ahead. With a combination of cost reduction strategies, revenue optimization initiatives and best practice implementation, most facilities will be able to successfully navigate the challenges facing the industry while meeting financial goals.

To prepare for the future, healthcare organizations should make improvements now in the revenue cycle. With constant changes to reimbursement models, shifting regulatory requirements and the ebbs and flow of the economy, optimizing business processes today can lay a foundation that can keep cash flow at peak performance and costs to a minimum.

For more information about Dell Services' Revenue Cycle Solutions or to request a revenue cycle assessment, contact Tom Mitchell at 800-659-8883, extension 9 or email meditechsolutions@dell.com.

Mike Morris is Vice President of Business Development of the Dell Services Revenue Cycle Solutions team. He has more than 14 years of experience in key financial and operational positions. He has held various leadership roles within the Dell Service Revenue Cycle Solutions team and is currently Vice President of Business Development. His past responsibilities have included coordinating a team of more than 900 revenue cycle professionals located in multiple facilities servicing more than 100 hospitals and health systems.