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It's not just EHRs: Interoperability also poses big challenges for revenue cycle

Healthcare organizations that use multiple RCM systems have higher rates of denials and big difficulties gathering and normalizing data.

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More than three-quarters of the hospitals surveyed for a new HIMSS Analytics study said that denials are the biggest challenge they face with revenue cycle management.

One reason for that could be their use of multiple IT systems that don't mesh well together with various systems looking at numbers in different ways, the report, commissioned from HIMSS Analytics by Dimensional Insight, a developer of analytics and business intelligence technology, suggested.

Seventy-six percent of hospitals – ranging in bed-size from 50 to 500 – said denials were the biggest challenge they faced with RCM – far more than revenue integrity (36 percent), patient pay (34 percent), collections (29 percent) and capturing ICD codes (27 percent).

Of those having the most trouble with denials, 72.5 percent of respondents polled by HIMSS Analytics were using their electronic health record alongside three or more other RCM systems to manage their revenue cycle.

As for data integrity – another big hurdle to getting paid – hospitals said lack of interoperability, and the fact that some systems are too siloed (67 percent each) were problems for their RCM strategies.

When it came to gathering necessary data from disparate sources for reimbursement, nearly everyone said it was either moderately (65 percent) or extremely (33 percent) challenging. Similar numbers said that the way revenue cycle data is collected is either a moderate (59 percent) or big (38 percent) issue for their organizations.

The report also found that one big hurdle to hospitals trying to make better use of analytics to automate revenue cycle processes might be the use of too many disparate systems for their revenue cycle.

Indeed, 41 percent of hospitals said they used their EHR with two or more other vendors for RCM -- some 16 percent are using two or more RCM vendors with no EMR. And more than one-third of respondents said that less than 25 percent of their revenue cycle process is automated with analytics.

The upshot, according to HIMSS Analytics, was that, without full interoperability, data have to be normalized to drive improvements in the revenue cycle process. That can be a tall order.

But, according to the report, data standardization for RCM is ripe for innovation.

"Just like we have seen with clinical solutions at health systems, one of the big challenges that exist for advanced analytics on the financial side is that there are also many different solutions involved in revenue cycle management," said Bryan Fiekers, senior director, research services at HIMSS Analytics.

"If we can create those seamless integrations across RCM solutions," he added, "we have a greater opportunity to drive automated analytics which will improve efficiency that results in the identification of billing errors and the reduction of AR days, etc."