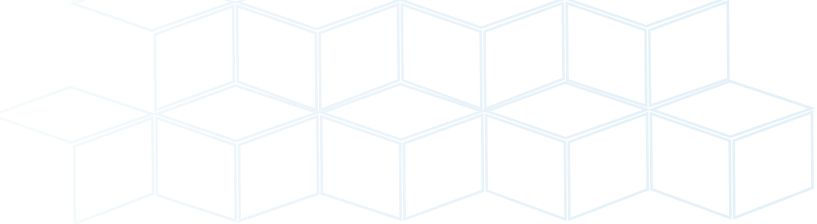




HIMSS RCM Survey

Understanding Health Systems' Revenue Cycle Management and Challenges



As healthcare delivery continues to evolve, hospitals are struggling to make the most of their revenues. The shift to value-based care, increased patient pay, and a flurry of mergers are creating new challenges within the financial ecosystems of health systems. Many organizations are looking for ways to improve their revenue cycle management.

For this survey, **RCM is defined as the financial process that facilitates use to manage the administrative and clinical functions associate with claims processing, payment, and revenue generation.**

Revenue cycle management (RCM) is the umbrella under which all revenues are managed and maximized. So what exactly is the state of RCM in U.S. health systems? What tools are currently being deployed? Who are the decision-makers within RCM and what do they say are the biggest challenges?

Dimensional Insight set out to answer these and other questions. In early 2018, the company collaborated with HIMSS Analytics to survey 117 senior-level decision makers in hospitals and health systems, including CEOs, CIOs, CFOs, Directors of IT and Finance, and Heads of RCM.

The survey asked 12 questions including:

- ☐ **What RCM systems do you use within your organization?**
- ☐ **What are your biggest challenges within RCM?**
- ☐ **Where in your revenue cycle do you find it most challenging to collect data?**
- ☐ **How big of a challenge is collecting data from disparate sources for reimbursement?**

Their responses provide an inside look into the current tools and challenges in RCM for health systems today.

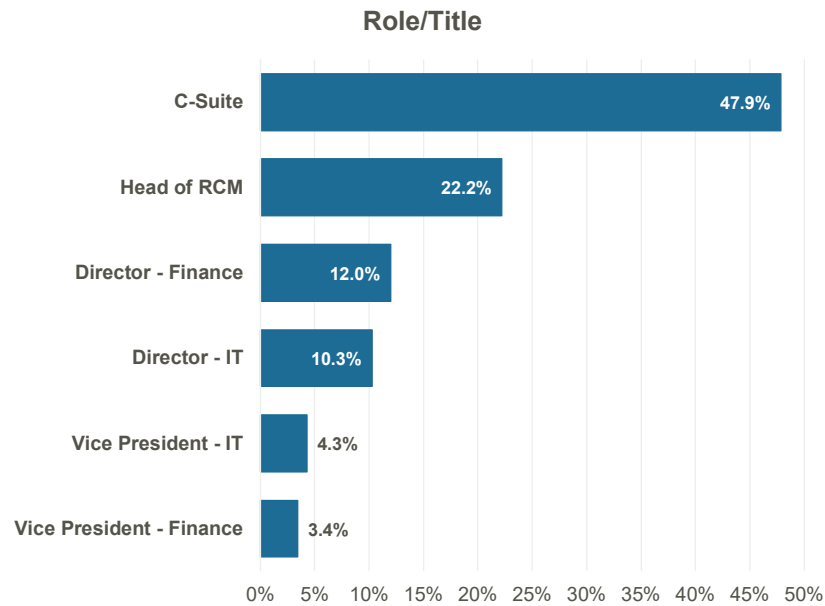
SUMMARY OF THE DATA

Here are some of the survey's high-level findings:

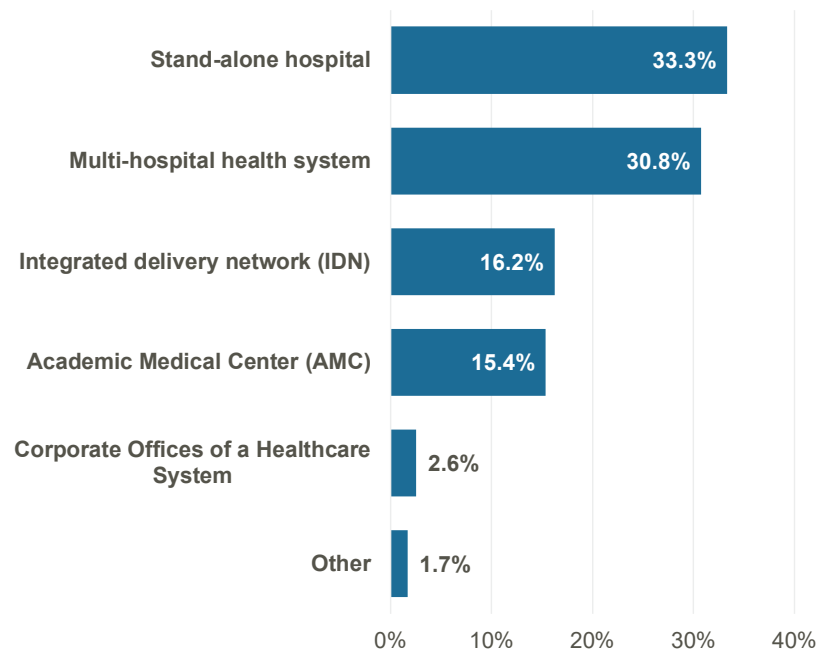
- ☐ Denials are the biggest RCM challenge for health systems today.
- ☐ More than two-thirds of health systems use more than one vendor for RCM.
- ☐ Organizations using more than one vendor mostly report bigger issues with denials than those using one RCM solution.
- ☐ Nearly all respondents say collecting data from disparate sources is a challenge.
- ☐ More than 95% of health systems say the way data is collected is a challenge.

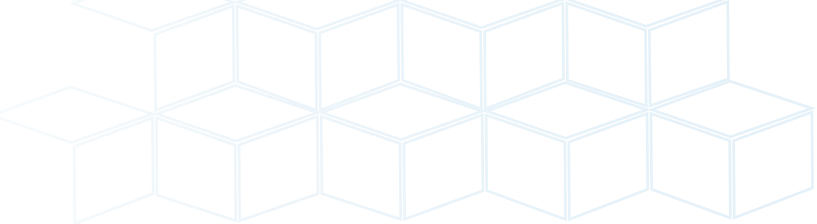
AN IN-DEPTH LOOK AT THE DATA

Respondent profile

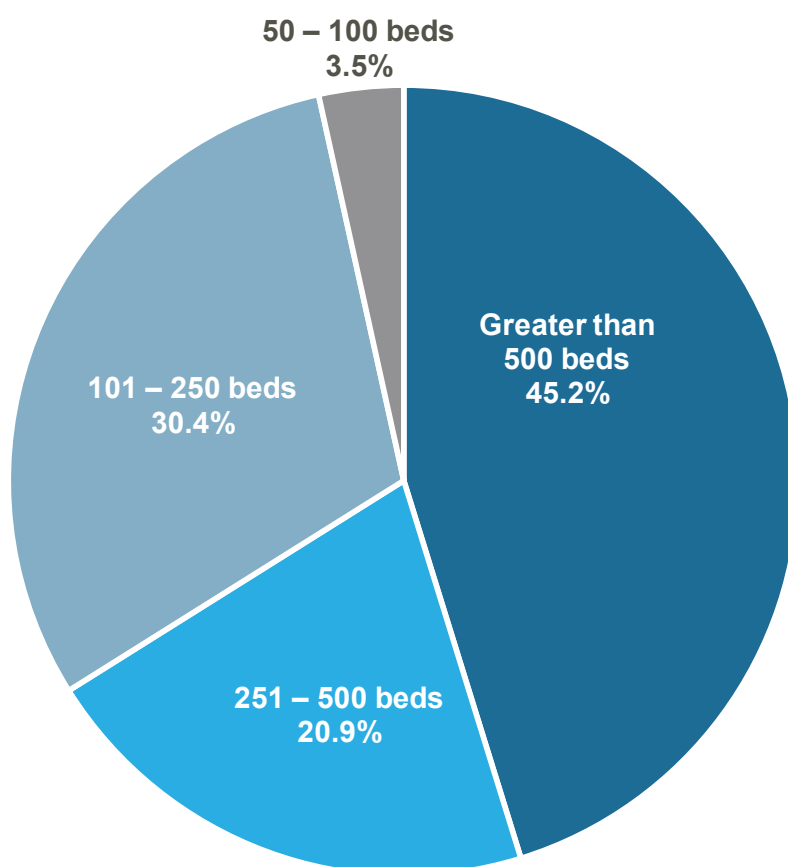


Facility Type

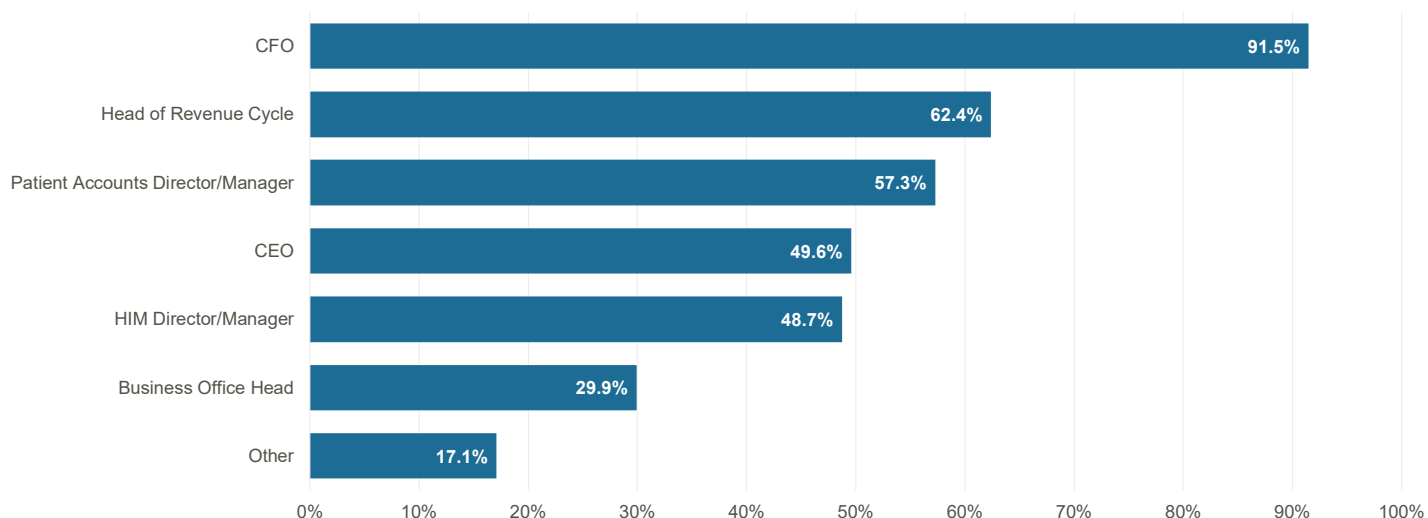




Bed size

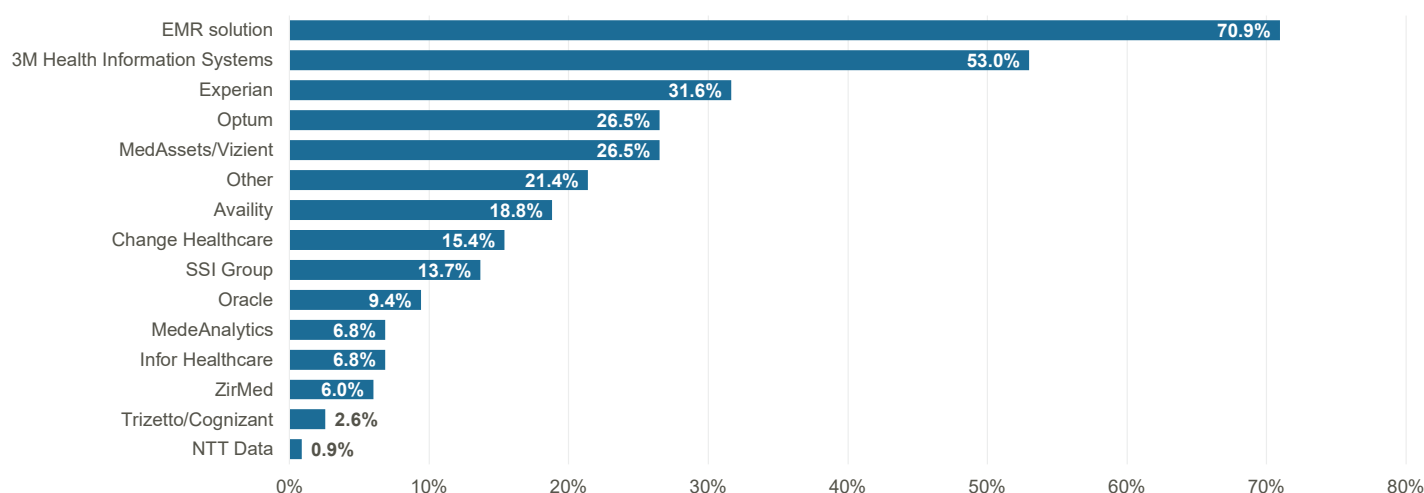


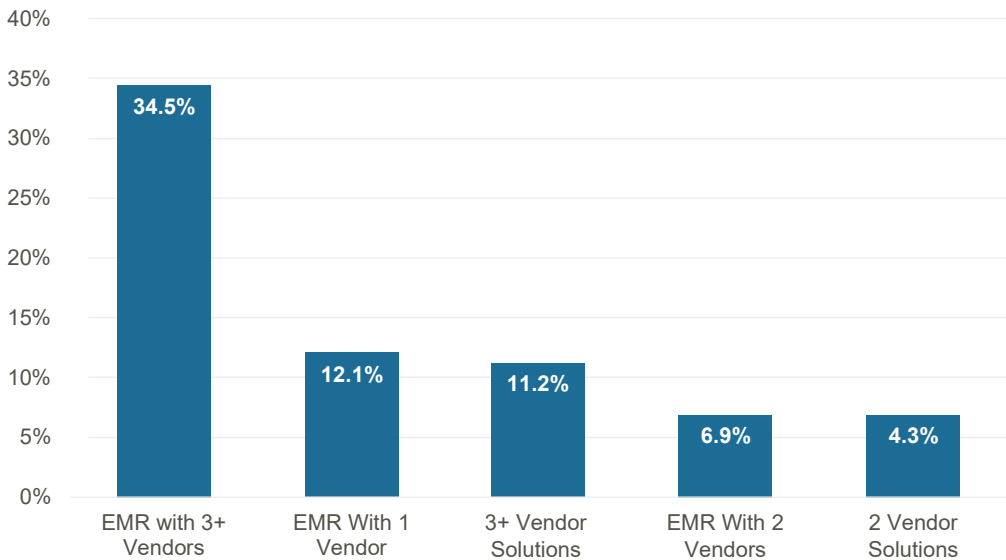
1. Who are your key stakeholders within your organization's financial environment?



It is no surprise that the CFO is most often named as a top stakeholder in a hospital's financial environment (91.5%), followed by the head of revenue cycle (62.4%). But not all influential stakeholders come from finance departments. Hospitals identify other strategic roles as important stakeholders in the financial environment, including Patient Accounts Director/Manager (57.3%), CEO (49.6%), and HIM Director/Manager (48.7%).

2. What revenue cycle management systems do you use within your organization?



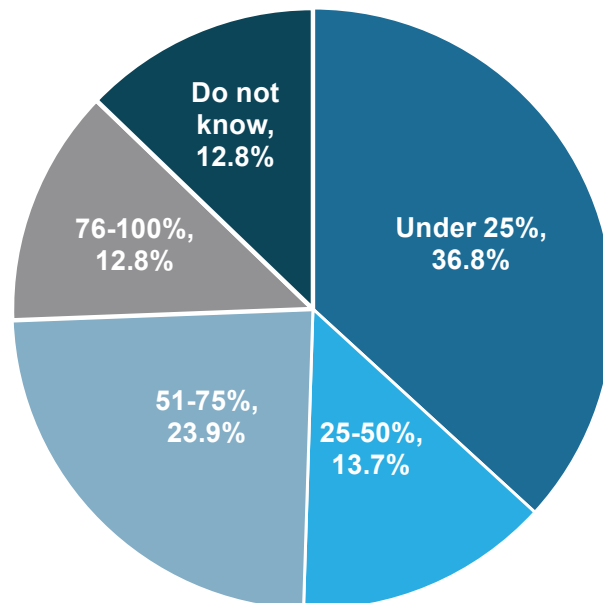


More than two-thirds (70.9%) of hospitals use their EMR solutions for revenue cycle management. In addition, most hospitals utilize multiple vendors for RCM purposes. This is true of hospitals that leverage their EMR for RCM and those that use other solutions.

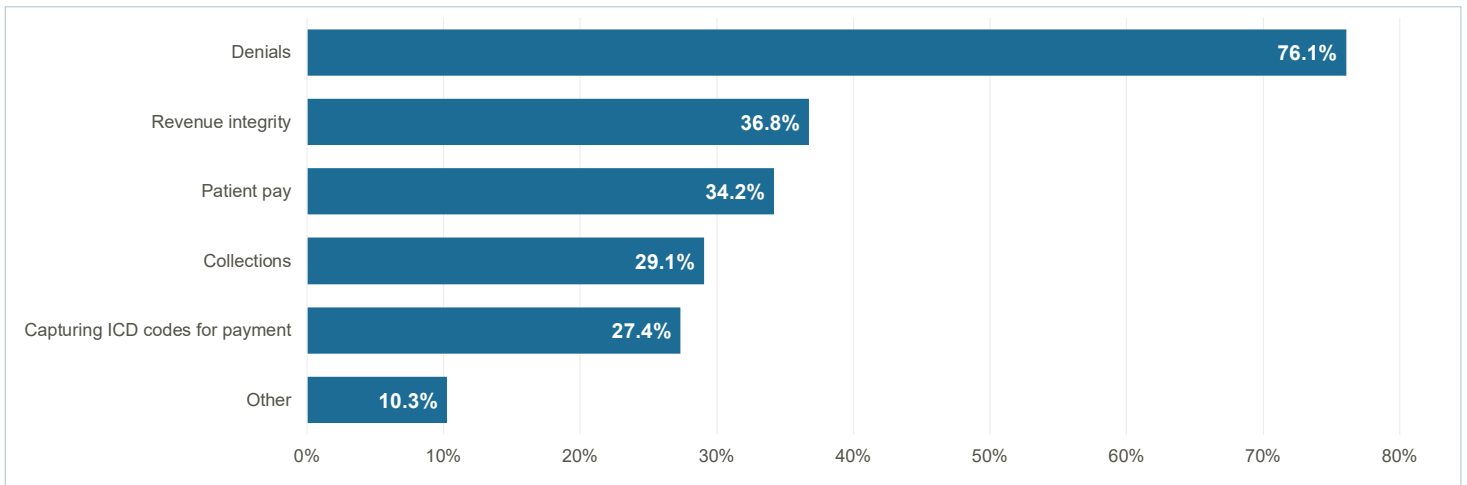
Almost 70% of hospitals use more than one vendor for RCM

3. What percentage of your revenue cycle process is automated using analytics?

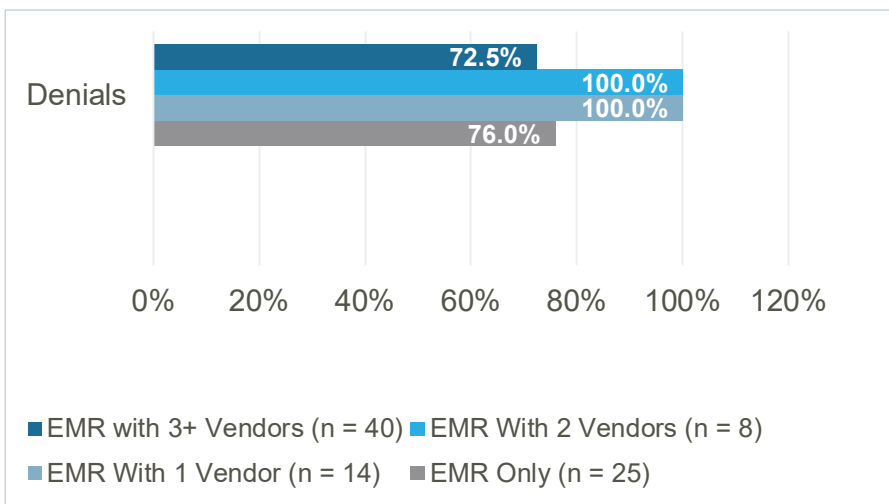
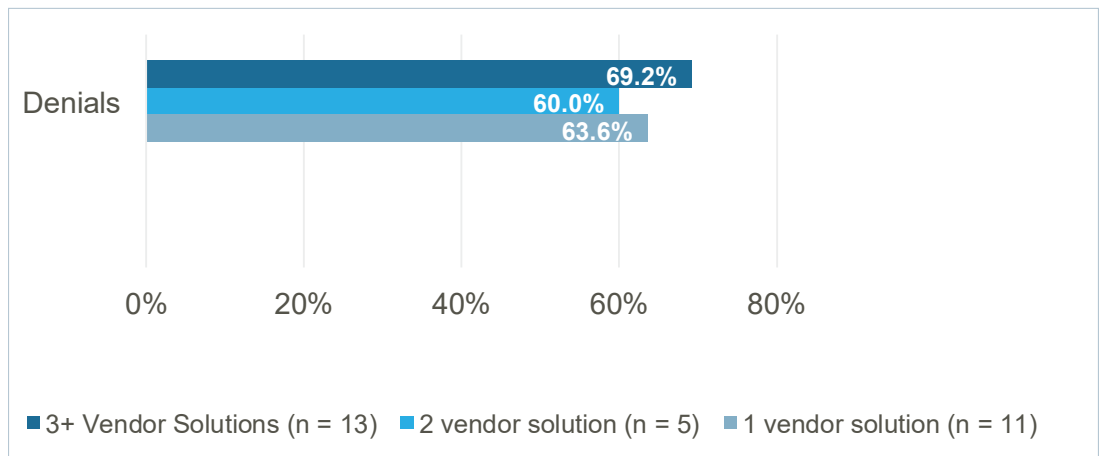
The survey revealed relatively low levels of analytics-based automation in RCM. 36.8% of hospitals say less than 25% of their revenue cycle process is automated using analytics. Another 23.9% report that 51 – 75% of their RCM process is automated.



4. What are your biggest challenges within RCM?



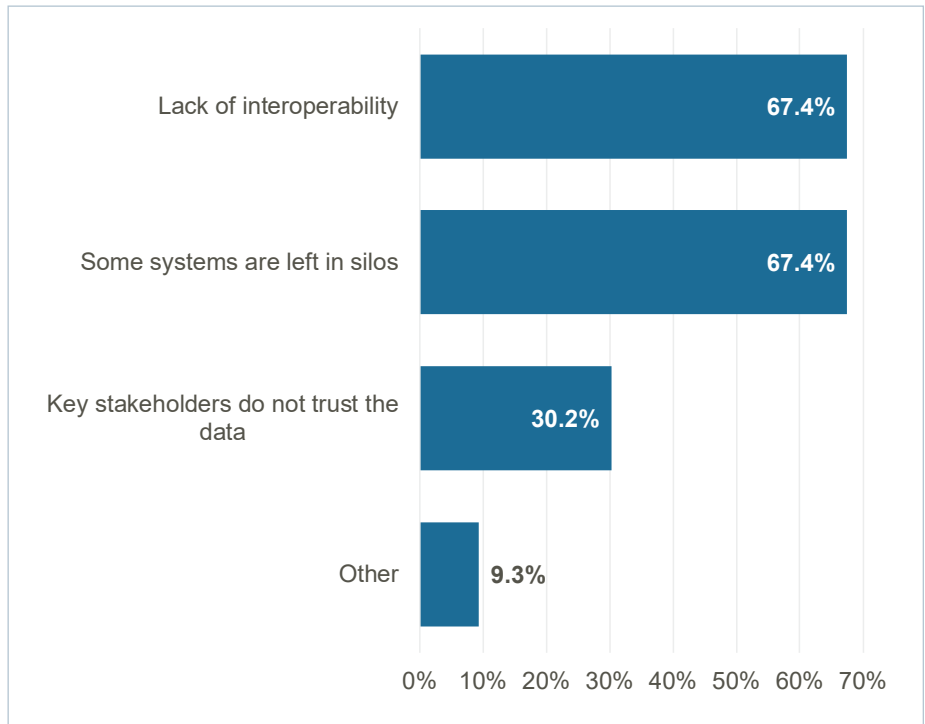
Denials topped the list of hospitals' challenges within revenue cycle management, with 76.1% of hospitals naming denials as the biggest challenge. Revenue integrity (36.8%) and patient pay (34.2%) were next on the list.



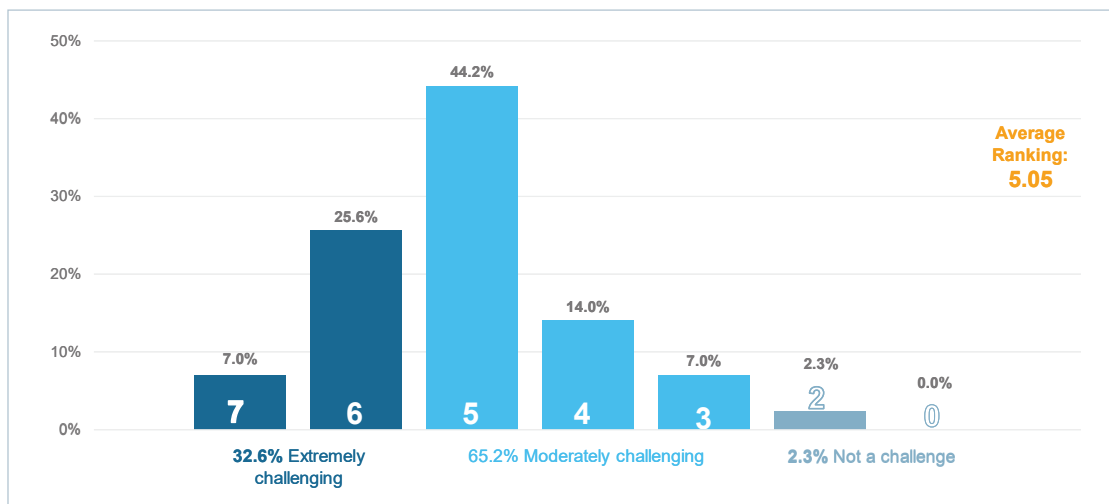
Interestingly, the survey found that health systems using multiple RCM solutions often report bigger problems with denials. The highest rates of problems with denials (100%) were reported by health systems using their EMR plus one or two other solutions.

5. If revenue integrity is an issue, how do disparate sources contribute to issues with revenue integrity?

The next question probed what factors create problems within revenue integrity. Hospitals said “lack of interoperability” and “some systems are left in silos” contribute to revenue integrity issues the most. Both were cited 67.4% of the time. Another 30.2% of respondents said key stakeholders do not trust the data.

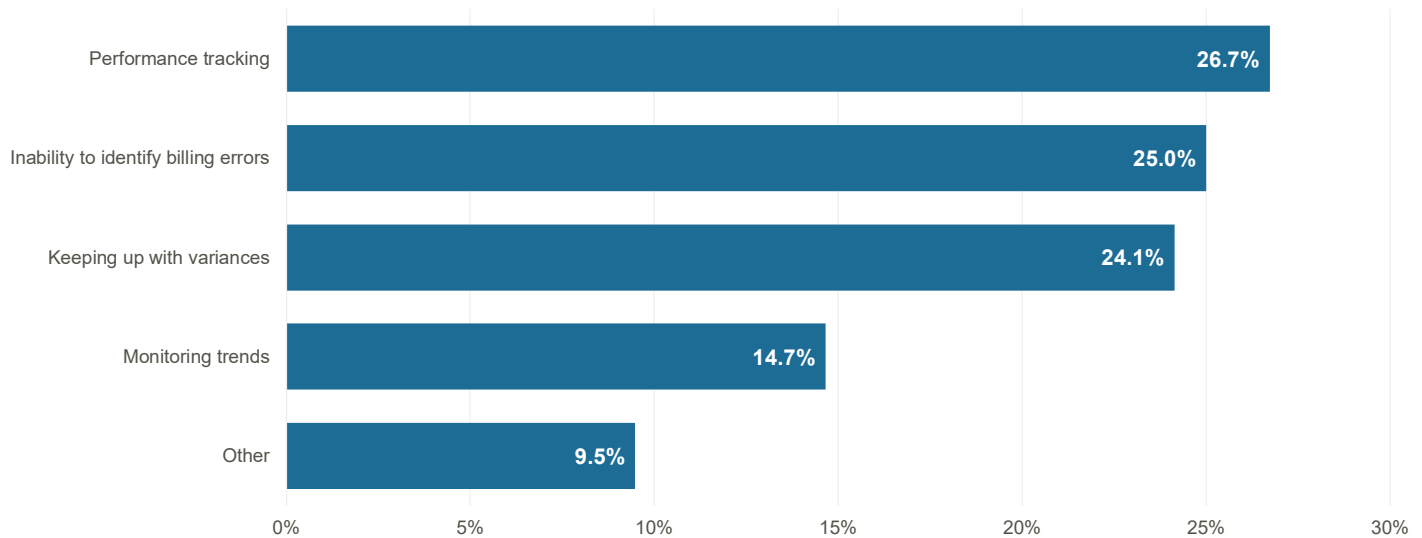


6. How big of a challenge is collecting data from disparate sources for revenue reimbursement?



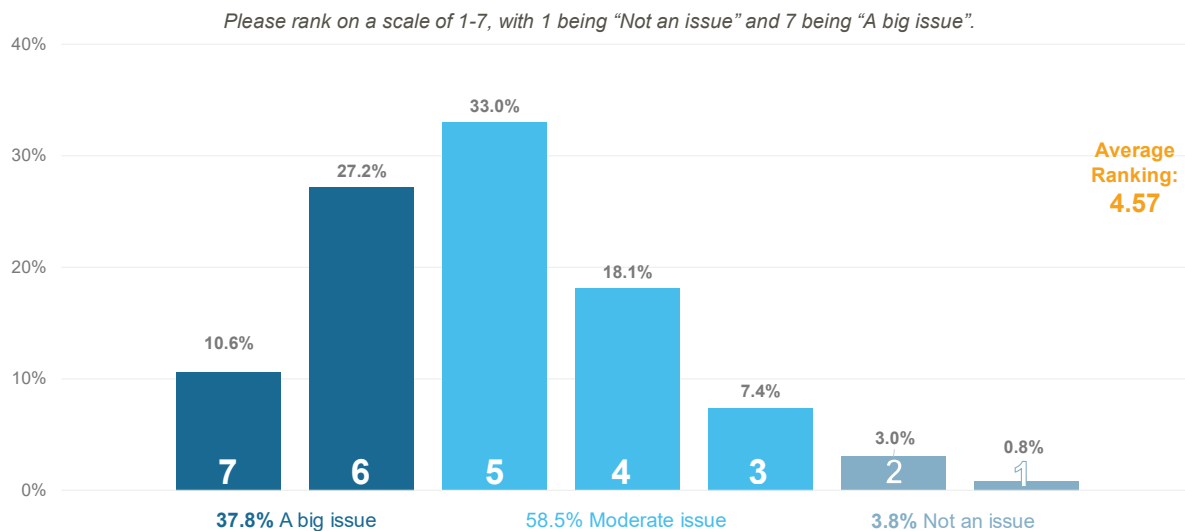
This question revealed a pervasive problem with RCM. Nearly all health systems—97.8%—said collecting data from disparate sources is a challenge for revenue reimbursement. Of them, 65.2% called it moderately challenging, while 32.6% said it is extremely challenging. A mere 2.3% of the respondents said collecting data from disparate sources is not a challenge for revenue reimbursement.

7. Where in your revenue cycle process do you find it most challenging to collect data?



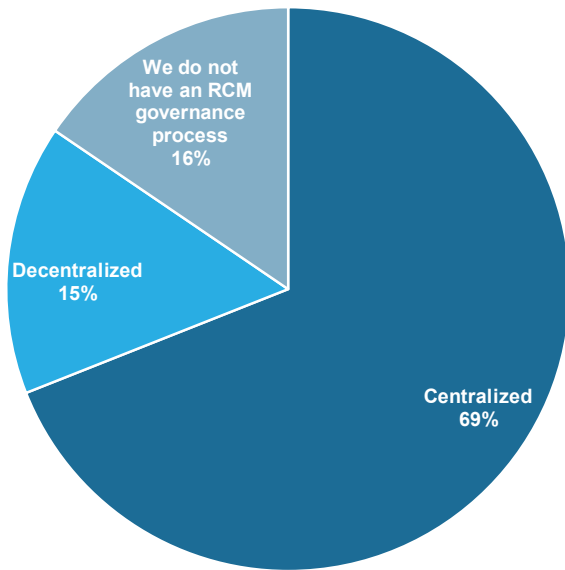
The survey also asked health systems which areas within the revenue cycle posed the biggest challenges for collecting data. Performance tracking (26.7%), inability to identify billing errors (25%), and keeping up with variances (24.1%) were the top three responses, with another 14.7% citing difficulty monitoring trends.

8. Is the way data is collected an issue for your user community?

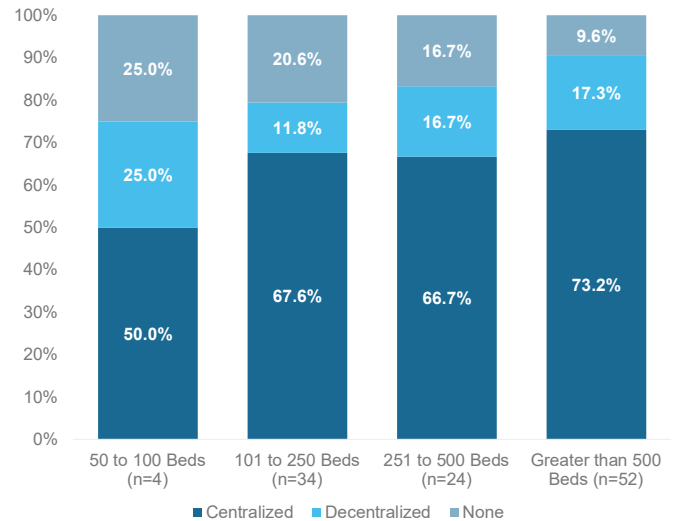


Almost all (96.3%) health systems said the way data is collected is an issue for their user communities. 58.5% called it a moderate issue, while 37.8% said it is a big issue.

9. Which of the following best describes your organization's RCM governance process?



Bed Size Segmentation

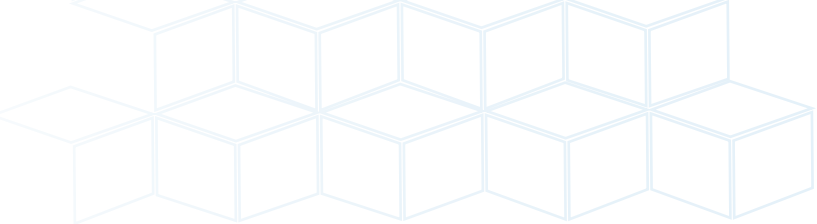


A majority of hospitals of all sizes reported that their RCM governance is centralized. Overall, 69% of hospitals have centralized RCM governance, with the highest percentage (73.2%) among hospitals with more than 500 beds and the lowest (50%) among hospitals with 50 – 100 beds. Overall, 16% report having no RCM governance process. The bigger the hospital, the less likely it had no RCM governance in place.

CONCLUSION

Health systems are struggling with interoperability, and the associated challenges have effects throughout the enterprise. This survey revealed a patchwork of solutions, an arrangement that does not seem to be working particularly well. While more than two-thirds of hospitals are using more than one RCM solution, those that do generally experience bigger challenges with denials. Almost all health systems say collecting data from disparate sources is moderately or extremely challenging and that the way data is collected is an issue for their organization.

In addition to highlighting the challenge of collecting and integrating data from disparate sources, the survey shows a real financial impact. Lack of interoperability does not just affect clinical and operational decisions. It is hurting the bottom line. Health systems need solutions to bring data together and make it useful throughout the entire revenue cycle.



ABOUT DIMENSIONAL INSIGHT

Dimensional Insight® is a leading provider of analytics, data management, and performance management solutions, offering a complete portfolio of capabilities ranging from data integration and modeling to sophisticated reporting, analytics, and dashboards. The company is a seven-time Best in KLAS winner in healthcare business intelligence and analytics, most recently ranking #1 in 2020. Founded in 1989, Dimensional Insight has thousands of customer organizations worldwide. Dimensional Insight consistently ranks as a top performing analytics organization by customers and industry analysts in its core market segments including healthcare, manufacturing, and beverage alcohol.

For more information, please visit <https://www.dimins.com>.

ABOUT HIMSS ANALYTICS

HIMSS Analytics is a global healthcare research and advisory firm, providing guidance and solutions including a Healthcare IT market intelligence tool, Healthcare IT insights, and Healthcare IT benchmarks and services. HIMSS strives to move the industry forward with insight to enable better health through the use of IT.

