69% of Hospitals Use Multiple Vendors for Revenue Cycle Management

Most hospitals use their EHR system and at least one other vendor solution for revenue cycle management, but using multiple solutions led to claim denials issues.

By Jacqueline Belliveau

May 16, 2018 - Almost 69 percent of healthcare organizations use more than one vendor solution for revenue cycle management. However, these organizations tended to have more problems with claim denials management, a recent Dimensional Insight and HIMSS Analytics survey showed.

The survey of 117 senior-level decision makers in hospitals and health systems revealed that nearly 71 percent of hospitals use their EHR system in conjunction with other revenue cycle management solutions.

The majority of these hospitals (34.5 percent) are partnering with three or more vendors on top of using their EHR system for revenue cycle management.

Another 12 percent of survey participants use their EHR system with one other vendor solution and 6.9 percent use their EHR system with two vendor solutions for revenue cycle management.

The remaining hospitals and health systems that do not use their EHR system for revenue cycle management still use multiple vendor solutions. Of the survey participants, 11.2 percent use three or more vendor solutions and 4.3 percent use two vendor solutions.

While most hospitals and health systems mix several solutions for revenue cycle management, their organizations are not seeing their financial performance improve. The survey found that health systems using multiple revenue cycle management solutions were more likely to report larger claim denials management problems.

Claim denials were the top challenge within revenue cycle management for hospitals, with 76.1 percent of all surveyed decisionmakers identifying it as their organization's greatest challenge.

However, 69.2 percent of hospitals and health systems using three or more vendor solutions for revenue cycle management reported denials issues, while only 60 percent of those with two vendor solutions and 63.6 percent of those with one vendor solution said the same.

Similarly, hospitals and health systems using their EHR system in addition to multiple vendors for revenue cycle management reported more claim denials challenges. All organizations that used the EHR and one or two vendors had claim denials issues.

In comparison, only 76 percent of organizations using just the EHR system for revenue cycle management reported claim denials issues.

Although, hospitals and health systems with the EHR system plus three or more vendor solutions had fewer problems with claim denials. Just 72.5 percent of these organizations reported denials challenges.

"Many hospitals and health systems are undergoing mergers in hopes of increasing efficiencies. Or they implement several different technologies as band-aids to compensate for the deficiencies of systems," said Fred Powers, President and CEO of Dimensional Insight. "Unfortunately, what they're finding in many cases is that the different technology systems in place are hard to integrate, and now this is impacting the bottom line."

Managing multiple vendor solutions may also be impacting revenue integrity, the survey showed.

Behind claim denials, revenue integrity was the next biggest challenge for hospitals and health systems, with 36.8 percent of all respondents naming it a top obstacle within revenue cycle management.

Most hospitals and health systems (67.4 percent) were experiencing revenue integrity issues primarily because of a lack of interoperability between disparate vendor solutions.

Equally to blame were systems in silos, the healthcare decisionmakers stated. About 67.4 percent said revenue integrity problems stemmed from some systems being left in silos.

Another 30.2 percent said key stakeholders did not trust the data, which led to revenue integrity challenges.

Data issues also impacted revenue reimbursement, hospital decisionmakers said. Almost all health systems (97.8 percent) stated that collecting data from disparate systems is a significant obstacle for revenue reimbursement.

Of those respondents, 65.2 percent said it was moderately challenging gathering data from different systems, and 32.6 percent said it was extremely challenging.

Collecting data for performance tracking, billing errors, and healthcare variances proved to be the biggest pain points for hospitals and health systems.

Approximately 27 percent of healthcare decisionmakers named performance tracking as the revenue cycle process that was most challenging to collect data for, followed by identifying billing errors with 25 percent of respondents and keeping up with variances with 24 percent of respondents.

The way hospitals and health systems gather information could be behind challenges with revenue cycle data, the survey indicated.

Almost all health systems (96.3 percent) said the method their organization uses to collect data for their user communities is an issue, with 58.5 percent of these organizations experiencing a moderate issue and 37.8 percent facing a large issue.

Revenue cycle data woes continued to affect hospitals and health systems. The survey found that few hospitals and health systems use analytics to automate and improve the revenue cycle.

Most hospitals (36.8 percent) reported that under 25 percent of their revenue cycle process was automated using an analytics tool.

Only 12.8 percent of hospitals have the majority of their revenue cycle process automated using analytics.

Organizations are missing an opportunity to streamline and improve their revenue cycle, researchers stated. "Health systems need solutions to bring data together and make it useful throughout the entire revenue cycle," the survey concluded.