



REVENUE CYCLE MANAGEMENT

WHAT YOU MUST DO NOW—TO SUCCEED!



Overview

The on-going financial success of home health agencies depends on their ability to effectively manage their revenue.

While this is generally true for all businesses, the unique nature of the home healthcare industry makes keeping a watchful eye on revenue even more essential for home health agencies.

The burdensome combination of increased competition, reductions in Medicare reimbursements, and ever-changing compliance regulations makes it more important than ever that agencies adopt an efficient revenue cycle management (RCM) system.

With the right RCM system in place, home health agency operators will enjoy more than just a predictable cash flow. They will also be in a better position to maintain regulatory compliance, manage potential business risks, and make strategic plans to grow their business.

A fully-integrated RCM solution is not a luxury for home health agencies.

It's a necessity.



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WHAT IS EFFECTIVE REVENUE CYCLE MANAGEMENT?

Essentially, RCM is the management of the agency's cash flow. RCM includes all of the administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue. In practice, RCM spans the entire life of each patient's account from creation to final payment.

The goal of RCM is to keep track of the claims process at every point throughout the revenue cycle. When done effectively, cash flows smoothly and predictably. Also, agency operators can comfortably handle their financial obligations and use the capital they've earned to grow their business.

However, errors at any point can ripple through the cycle and disrupt cash flow. When this happens, not only can payments be delayed or denied, it costs the agency more time and money to recover the delayed or denied revenue.



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REVENUE CYCLE MANAGEMENT AND COMPLIANCE

The benefits of RCM go far beyond creating a reliable cash flow. A properly managed revenue cycle has the effect of improving compliance. That's because RCM processes for home health agencies are aligned with compliance processes. There is a natural coordination between them.

All of the RCM effort that goes into scheduling, insurance eligibility verification, documenting, coding, claims submission, and other processes form the foundation for compliance. When each RCM step is performed correctly and efficiently, claims will be paid in a timely manner; and the agency will be operating in compliance.

ROADBLOCKS TO EFFECTIVE REVENUE CYCLE MANAGEMENT

Whether operated in-house or outsourced, billing departments are under tremendous pressure to generate and submit accurate and timely claims. Unfortunately because of human error, inefficient procedures, and outdated systems, far too many claims have incomplete, incorrect, or missing information that cause them to be marked Return to Provider (RTP).

COMMON ERRORS THAT CREATE PAYMENT DELAYS INCLUDE:

- » Incorrect authorization and eligibility processes
- » Late submission of Request for Anticipated Payment
- » Improper coding of services or diagnoses
- » Data entry mistakes
- » Final claims don't match Request for Anticipated Payment
- » Late billing
- » Lack of billing follow-up

Amazingly, home health agencies fail to collect between 3 percent and 15 percent of the payments to which they are entitled. Even if an agency does work hard to correct RTP claims, every day that claim goes unpaid costs the agency money. Delays in processing claims create a cash-flow bottleneck that leads to negative financial consequences and increases the stress level throughout the agency.

Agency operators need an RCM system in place that will help them decrease the time it takes to get paid for the services they've provided. It's not simply a matter of automation.

WHAT OPERATORS NEED IS INCREASED VISIBILITY.

Agency operators need to be able to easily see information about totals on pending claims and upcoming deposits so they can budget properly. They need to know where each claim is in the process. They also need to be able to quickly identify, fix, and re-submit RTP claims so they can get those claims back on track and ensure a steady flow of revenue.

The reality is that agency operators who are already struggling to survive and stay competitive in an evolving industry are commonly hindered by outdated recordkeeping, billing, and reporting tools. Burdened with operational inefficiencies, they can never achieve the visibility they need to effectively manage their revenue cycle.

They need a home health software solution that delivers the comprehensive functionality they need to optimize RCM and ensure compliance.

HOME HEALTH SOFTWARE OPTIMIZES REVENUE CYCLE MANAGEMENT

The best way to achieve effective revenue management is to deploy a fully integrated home health software solution that optimizes every RCM process. Such a solution makes it easier for operators and their staff to provide top-quality care while also keeping a finger on the financial pulse of the agency.

The following is a summary of important clinical and administrative features to look for, and benefits to expect when selecting your home health software solution:

FULLY INTEGRATED

The most efficient solution is a fully-integrated solution. That means it contains all of the required clinical and administrative software components in one secure location, allowing users to easily enter and update data as well as identify issues that may cause payment delays and correct them.



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ACCURATE SCHEDULING

Effective revenue management begins with the scheduling process. Since the data records created at this stage will capture demographics and insurance information, will follow the patient throughout their care, and will be the source of information for submitted claims, it is crucial that a home health-care software solution be powerful and flexible enough to support accurate and precise record creation.

ELIGIBILITY MANAGEMENT

Because primary payer sources for Medicare patients change frequently, it is important to have access to current data concerning eligibility. Avoiding eligibility errors early in the RCM process avoids problems when claims are submitted. If an eligibility mistake is made, with the right solution in place, the problem can be easily identified and quickly corrected.

CLAIM SUBMISSION

Proper claim submission supports predictable cash flow and regulatory compliance. That's why it's best to select a home health software solution

with a simple interface that enables users to easily submit complete and accurate claims based on all of the data entered into the system throughout the care delivery process.

The RCM solution must also be able to automatically track claims and payments. It should also make it easy to spot claims that are being processed and those that need to be corrected and resubmitted. If there is a coding problem, changes to the Common Working File, or even a simple data entry error, the right RCM solution will allow for quick corrections that keep revenue flowing.

FINANCIAL REPORTING

Another important role for a home health software solution is to provide accurate projections for upcoming payments and deposits. The ability to forecast revenue is essential to effective RCM. Flexible reporting capabilities enable agency operators to manage budgets and know that money will be available for payroll and bill payments.



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COMPLIANCE

Fortunately, with all of the above features in place, any agency will be well positioned to stay in compliance and pass regulatory audits with ease. Still, because compliance is always a moving target, the best home health software will be kept current by the software vendor as new regulations go into effect. Additionally, the RCM system must be able to deliver a real-time view of compliance that supports the agency-wide

CONCLUSION

Facing the challenge of increased competition, reductions in Medicare reimbursements, and evolving regulations, home health agency operators must gain control of their revenue processes to ensure a smooth cash flow.

A fully-integrated RCM solution is not a luxury. It's a necessity.

Staying competitive means selecting a home health software solution that delivers efficient data entry, accurate claim submission, easy problem identification and correction, and powerful financial reporting—all while supporting compliance. To help agencies succeed, Axxess created AgencyCore™, with its mobile solutions and revenue cycle management solution AxxessDDE.

Learn more about AgencyCore by visiting Axxess.com, where you can also schedule a demo.



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ABOUT AXXESS

Axxess is a healthcare technology and solutions company with roots firmly embedded in consulting and software development. Established in 2007 as a consulting firm specializing in the home healthcare industry, Axxess identified an unmet need for software that is comprehensive, fully-integrated, user friendly, and scalable.

After assembling a multi-disciplinary team of technology experts, home health agency veterans, physicians, nurses and therapists, Axxess launched AgencyCore. Available as web-based software and as mobile apps, AgencyCore helps home health agencies run their businesses efficiently.

A nationwide leader in providing integrated software to home health agencies, Axxess is the first and only home health software provider accredited by the American Nurses Credentialing Center, a subsidiary of the American Nurses Association.



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for choosing Axxess