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MANAGE YOUR **Oncology Revenue Cycle** BEFORE SOMEONE ELSE DOES!

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Oncology revenue cycle operations continue to alter fundamental aspects of our practices, whether hospital based or physician-owned. The current unmanageable system incorporates individual elements of the revenue cycle in search of success, while often ignoring key steps in revenue cycle management.

The revenue cycle is complex regardless of your setting or number of providers. However, the complexity of the process and the importance of measuring and managing it are vital.

The practice should have key performance indicators (KPI) to help determine where to best focus resources for the revenue cycle. The revenue cycle must incorporate six essential elements from the very beginning to be successful and for the financial health of the practice.

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help with the revenue cycle and KPI development.

A few recent studies suggest that post-insurance balances account for the fastest growing area of bad medical debt, and most personal bankruptcies are due to medical debt. This is likely due to the increase in cost shifting by insurance companies by increasing deductibles/co-pays and the

increasing popularity of High Deductible Health Plans. Patients currently account for 30 percent of healthcare revenue making them the third largest payer group in the United States.

Proactive initial planning is a necessity and effective revenue cycle operations require a patient-centric approach and a specific skill set. Below are five essential elements for effective revenue cycle operations management:

- Competent management with a specialized and intelligent skill set.
- Price transparency for patients and educating patients up front on possible costs
- A fitting centralized or decentralized organization model.
- A single, efficient EMR/billing system.

The Healthcare Financial Management Association (HFMA) has an excellent program called hfmmap that can be used to



- Transparency in billing/charges, productivity standards and infrastructure controls.
- A coding and compliance model based on continuing education.

Lacking any one of these elements can negatively impact the revenue cycle operations management plan. However, effective and tightly controlled infrastructure development can ensure a smoothly functioning revenue cycle operation.

The key to ideal cash flow in the revenue management cycle is to focus on external drivers that have been previously passed over due to a lack of concentration on patient collections. Some of these external drivers include things like refiled claims that suffered denial on the first pass and post-insurance balances owed by patients.

There must be a focused effort on revenue cycle management steps to ensure successful outcomes while tracking and analyzing metrics along the way.

Effective and efficient revenue cycle operations are only as good as the implementation and monitoring of key indicators to achieve best practices. In addition, you have to be prepared for new compensation models such as value-based reimbursement and payment bundling.

To maximize revenue, everyone has to be focused not only on generating revenue, but also on achieving the most efficient revenue cycle possible.

The steps in revenue cycle management are virtually the same in large and small physician practices with some variances. We are all facing incomparable pressure in healthcare to increase productivity, preserve financial solvency, meet regulatory mandates and reduce revenue cycle operations expenses.

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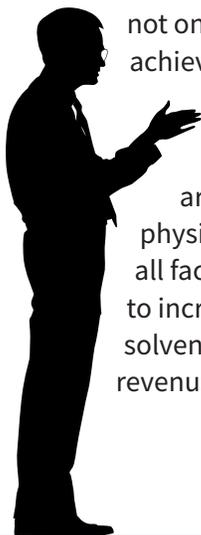
The goal is to become more efficient while delivering the highest quality care, maintaining a profit, and utilizing best practices and operational quality to maintain compliance and provide a measurable return on investment.

One way to achieve these goals is to have a revenue cycle audit performed. When was the last time you had an outside set of eyes evaluate your entire revenue cycle? If it has been more than two years, you should do it now. This is like a patient getting an annual physical. The practice can learn where deficiencies exist and take steps to correct them. In addition, the practice must invest in regular education and validation of employee’s knowledge in their specific jobs.

Management guru Peter Drucker is often quoted as saying that “you can’t manage what you can’t measure.” You must measure all the aspects of your revenue cycle in order to manage it.

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