



Automation 101:

How To Set Your RCM Automation Strategy

Oklahoma HFMA Annual Meeting
April 26, 2023

Welcome

Amy Raymond

VP, Deployments and
Revenue Cycle Operations

AKASA



Agenda

- Current state of automation
- How to set your RCM automation strategy

Learning objectives

- Describe how leading health systems have leveraged automation to elevate their staff and enhance operations while improving the patient financial experience
- Review how automation has evolved over the past decade and compare and contrast different approaches
- Identify key best practices for implementing automation within the revenue cycle



The healthcare revenue cycle is facing headwinds

Payer complexity is increasing

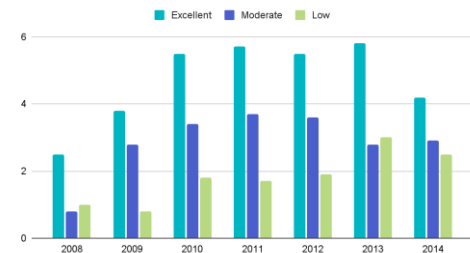
83%

of physician respondents indicated that prior authorizations for prescription medications and medical services have increased over the past five years.

Source: AMA

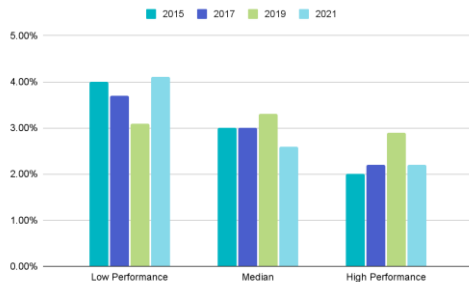
Improving patient experience is a must

Average net margin by hospital rating levels



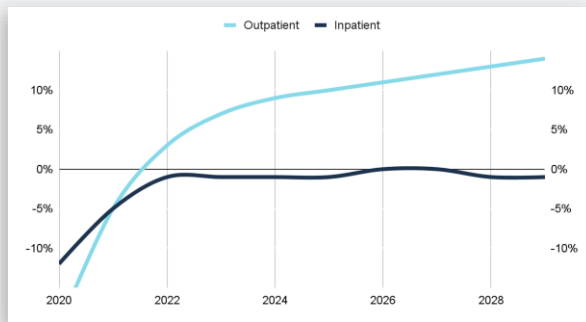
Source: Deloitte

Cost to collect remains stagnant



Source: Advisory Board

Volumes continue to rise: more work, less staff



Source: Sg2



“

*We're having to pull every lever we can think of...right now. My big concern is that what we're seeing is never going to fully go away. Going forward, we've got to be able to **do more with less** in the revenue cycle.*

— Revenue Cycle Director

”

Why leaders are investing in AI and automation in RCM



60%

Increase revenue capture



45%

Accelerate cash flow



50%

Increase productivity



35%

Increase cost savings

Source: The Academy

Current state of automation

- *Evolution of automation*
- *Comparison of types of automation*
- *RPA*
- *AI and ML*



ABOUT **60%**

of healthcare financial leaders
consider RPA to be a form of AI.

It's *not.*



Source: HFMA survey of ~600 CFOs and revenue cycle leaders at health systems across the U.S.

A look at revenue cycle automation capabilities

Robotic process automation (RPA)

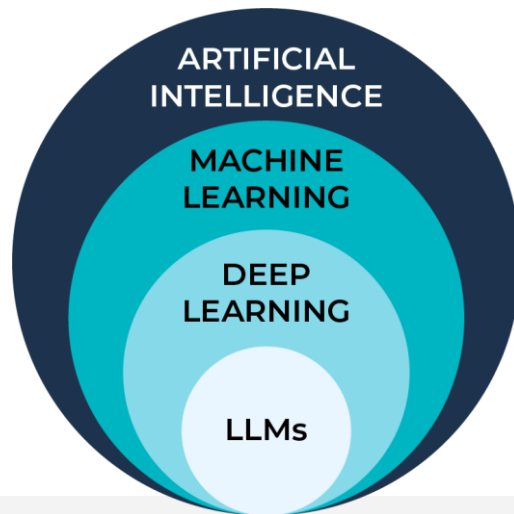
RPA is macros that control graphical applications or web browsers. It has been around for decades (e.g., AppleScript).

RPA can't easily adapt to changes or exceptions. It must be reprogrammed.



Artificial intelligence (AI)

Computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and language translation.



Machine learning (ML)

ML is a **subfield** of AI that studies the ability to improve performance based on experience. It can improve itself when exposed to more data. Instead of programming the computer, you teach it by showing it examples of what you want to do.

Deep learning is ML using deep neural networks. It teaches computers how to process data like humans do.

Large language models (LLMs) like ChatGPT and Bard are new ML products that are a subset of deep learning. They either take a short prompt and turn it into a robust document or take a large amount of text and distill it into a few sentences.

Machine learning

Unlike RPA, where a human has to code every step, with true machine learning, a series of inputs are fed into what is called a neural network. The machine then calculates the most probable outputs from the data it is fed.



Learns from humans to resolve outliers and complex situations

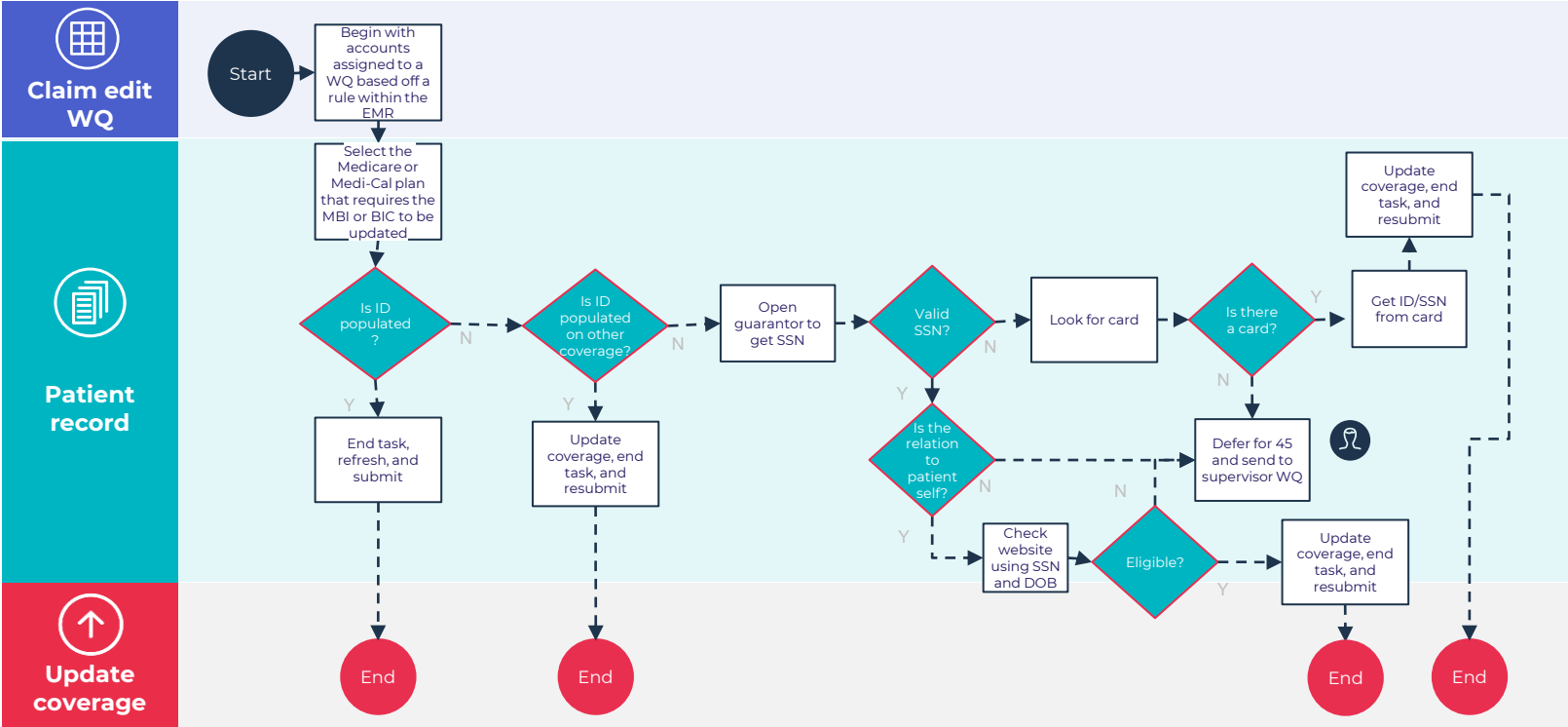


The more data for algorithms to learn from, the better

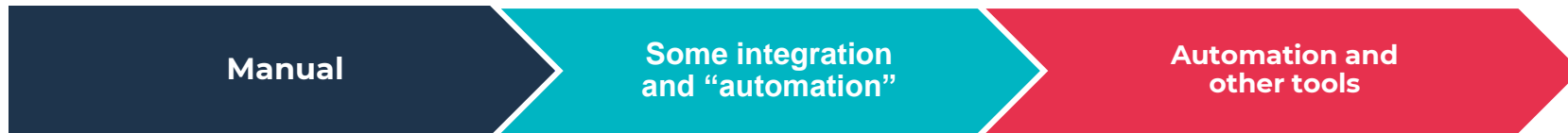


Trust the process

A traffic jam of failure points



Progression of traditional RCM automation



Manual

- Separate “medical billing system”
- Manual account assignment
- Writing notes on greenbar and reviewing with manager
- Almost all follow up work done over telephone
- Armies of collectors needed
- Age of mass rebills

Some integration and “automation”

- ‘Bolt-on’ workflow tools
- More integrated EHR
- Electronic claims filing-DDE, clearinghouses, claim scrubbers
- Introduction of work queues and rule-based assignment of accounts
- More targeted working of accounts, for specific issues

Automation and other tools

- EHR fully integrated with features for all areas of patient life cycle
- Big players like Epic and Cerner, with everything from scheduling to accounting
- More sophisticated rule-based queue assignments
- Integrated automation

Technology: Real world examples

Workflow and dashboards

Previous generation:

Legacy systems focus on workflow and analytics



Simply staff augmentation, often delivering insights or facilitating human staff workflows

Basic RPA automation

Current generation:

Stated goals of staff automation, but falls short of full vision



RPA works best on basic, linear, stagnant workflows, but frequently fails in complex, dynamic environments

Advanced ML automation

Next generation:

Automate complex, dynamic staff workflows, expert-in-the-loop

Healthcare



Advanced, machine learning automation addresses complex use cases and continuously adapts

How to set your RCM automation strategy

- 1 Identify pain points
- 2 Prioritize projects
- 3 Start small
- 4 Incorporate change management
- 5 Think about success
- 6 Remember the patient financial experience



1. Identify pain points

Selecting the best automation may involve different considerations than it did a year or two ago

1

What challenges am I trying to solve? Where do I start?

2

What is the business goal for implementing automation?

3

What infrastructure do you have in place to support an implementation?

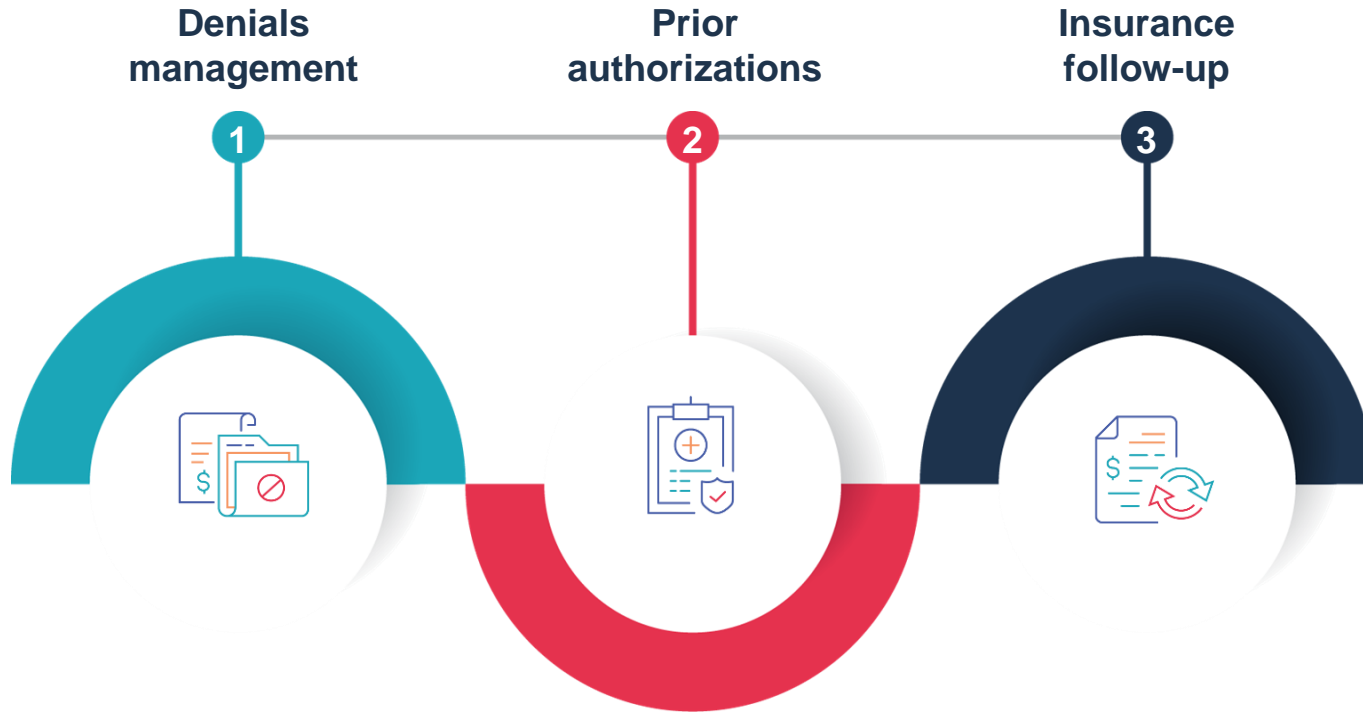
2. Prioritize projects

There is no “right” answer on where to start

- Start with your highest return opportunities FOR YOU and expand from there
 - Losing money because of inconsistent processes, inadequate staffing to work all accounts, low return on investment on burdensome, time consuming, administrative tasks?
- Large workforce dedicated to required but low return on investment tasks? For instance: claim status, adjustments, rebills.
- What areas of your RCM are you struggling to reach goals due to staffing levels and capacity constraints?
- Are there areas you are struggling with achieving and maintaining consistency and accuracy?

Most time-consuming tasks in the revenue cycle

Healthcare financial leaders struggle with:



3. Start small



4. Incorporate change management

change man·age·ment

noun

- the practice of preparing and supporting people at an organization as changes such as new technologies, processes, or workflows are rolled out.

Why does change management fail?



- People have change fatigue
- Organizations don't prepare for change
- Employees aren't sold on change
- Organizations underestimate how long change takes

How to implement an automation change management model

The **ADKAR** Approach to Change Management

AAWARENESS:

Spread awareness of the changes

DESIRE:

Build desire for the change by promoting benefits

KNOWLEDGE:

Develop training to prepare your team for change

ABILITY:

Monitor team's ability as they adapt to changes

REINFORCEMENT:

Reinforce changes through coaching and praise

How to succeed with RCM change management

- ✓ Remember that change management is core to automation strategy
- ✓ Treat automation as a new team member
- ✓ Focus on new roles and team motivation
- ✓ Set goals and KPIs based on post-change responsibilities
- ✓ Monitor and guide your team continuously



5. Think about success

Why RCM leaders are seeing automation success



Judicious selection of technology to meet health system needs



Improved implementation planning and rollout



Enhanced vendor partnerships



Increased leadership understanding and involvement in technology



Better tracking and measurement of hard metrics

KPIs to measure success



Reduce cost to collect

Cost to collect

Percentage of net patient revenue (% of NPR) for all revenue cycle resources

3.0% of NPR

Industry low and high quartiles for CTC is 2.2%–3.7% of NPR

Drivers

- Staff levels and comp
- Technology costs
- Office space, admin, etc.



Lower A/R

A/R days

Days in accounts receivable (A/R) measured as total A/R against the average daily revenue

47.8 days

Industry range for hospital-based A/R days is 37–58 days

Drivers

- Staff capacity
- Staff effectiveness
- Payer responsiveness



Optimize revenue

Total patient collections

Dollars actually collected for patient services rendered; differs from total billed dollars

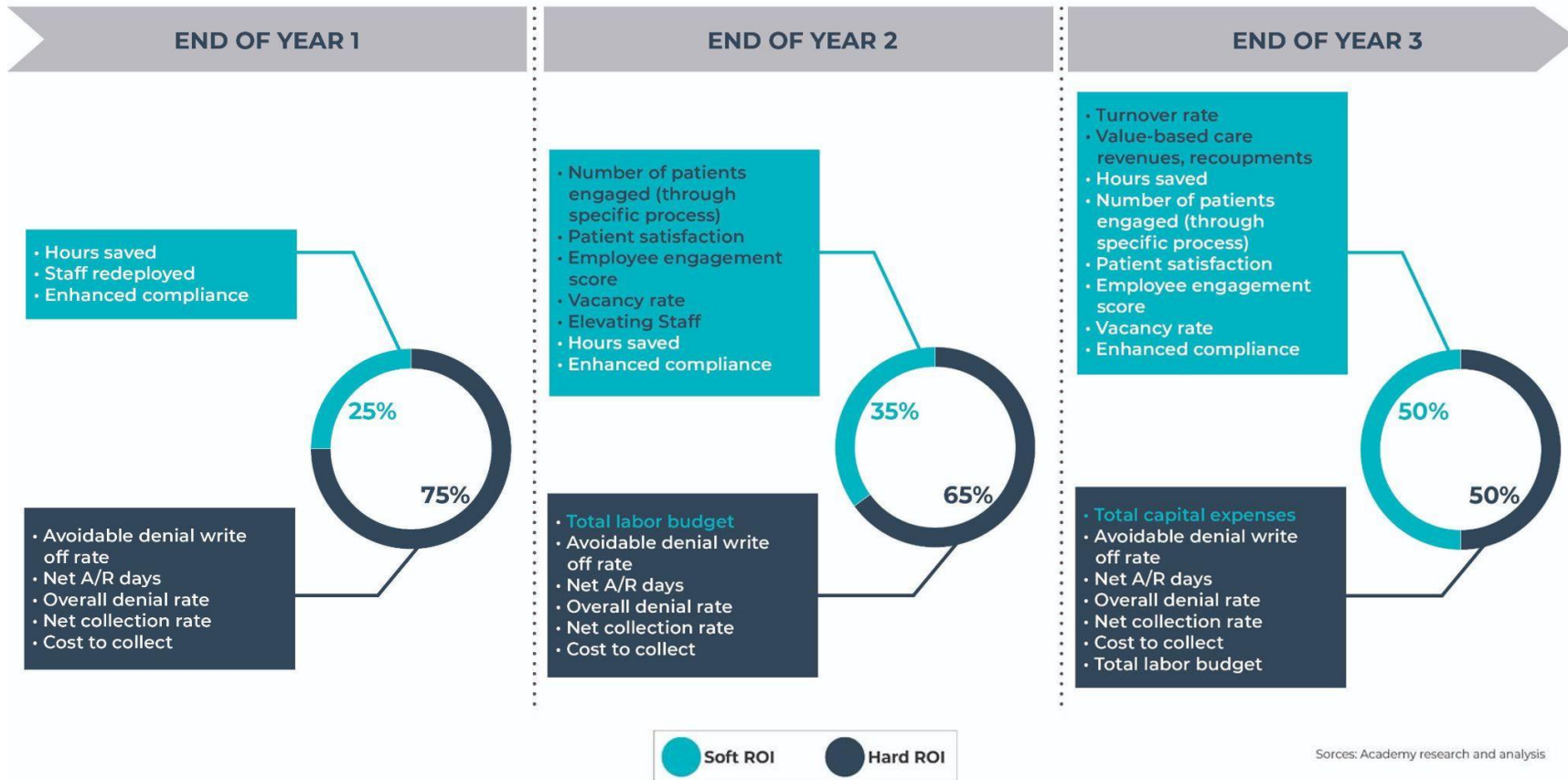
Provider-specific

Total revenues dependent on patient volumes, contracts, payer mix, and collections effectiveness

Drivers

- Preventing denials
- Appealing denials successfully
- Identifying contractual underpayments

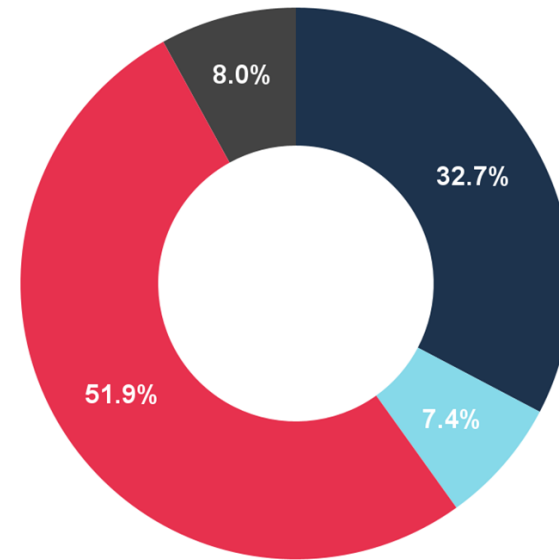
KPIs can and should evolve over time



ROI is a team sport

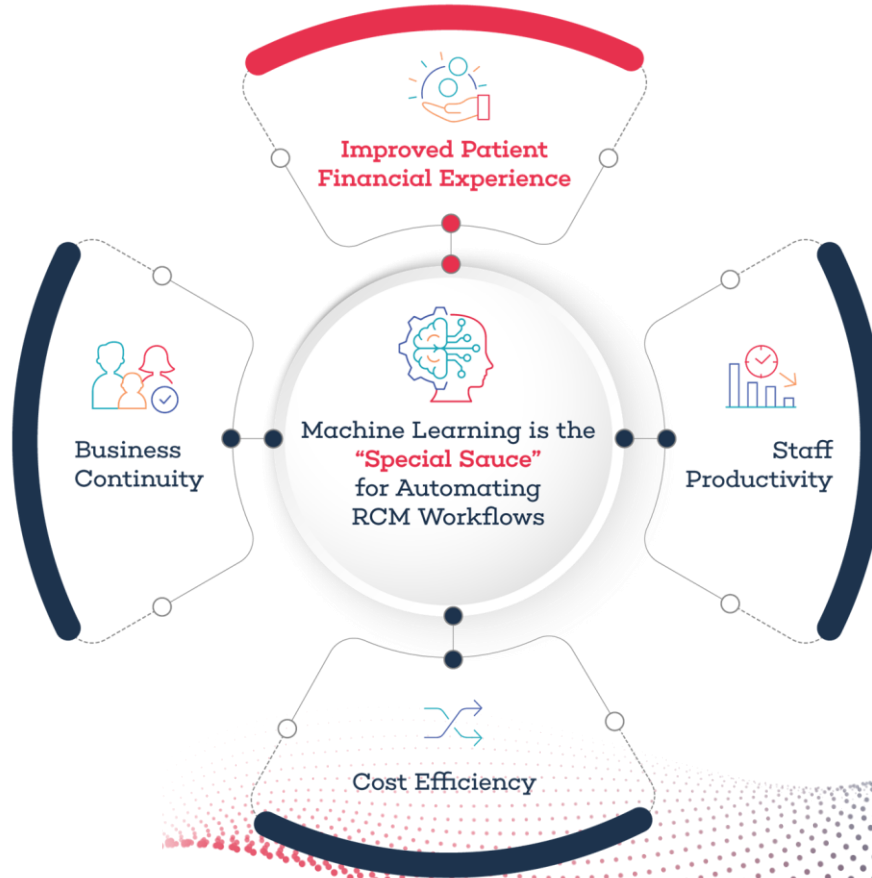
Do you actively calculate your return on investment (ROI) on the tools you use to automate the revenue cycle?

- Yes, we calculate ROI on RCM automation in-house
- Yes, the RCM automation vendor calculates ROI
- No, we don't calculate ROI but instead, focus on other KPIs (i.e. Days in AR)
- No, ROI on RCM automation isn't currently being calculated or evaluated



6. Remember the patient financial experience

Patients are NOT an afterthought with automation



How to improve the patient financial experience

Leaders should leverage automation to enable their teams to be patient advocates

1

Help patients get their full benefits

4

Secure prior auth in a timely manner

2

Ensure patients get a correct bill the first time, every time

5

Enable price transparency

3

Prevent surprise bills

6

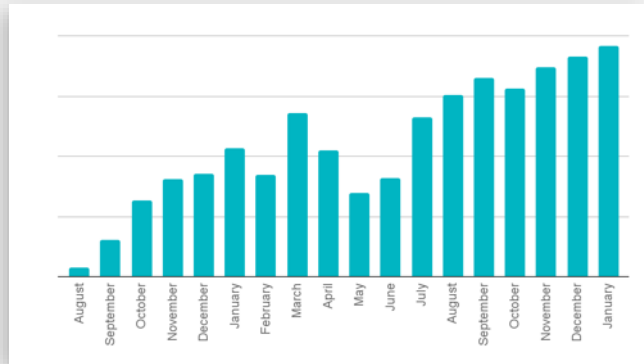
Provide the best possible patient financial experience

Case study: AKASA and Methodist Health System



\$970M in NPR

- Multi-state health system
- 4 hospitals, 33 clinics



Claim status automation production

19,000+

Claim status checks per month



19+ FTE equivalents

that are all meeting productivity goals

Expanded production

Patient access/financial clearance

- Eligibility
- Prior authorization
- Price estimation
- RQA alerts

Denials management resolution

- Rebilling eligibility denials
- Coverage discovery checks



\$30M
gross yield
increase



86%
efficiency
improvement

LET'S REVIEW: How to set your RCM automation strategy

- 1 Identify pain points
- 2 Prioritize projects
- 3 Start small
- 4 Incorporate change management
- 5 Think about success
- 6 Remember the patient financial experience



Questions?

