

STRATEGIC BUDGETING FOR REVENUE CYCLE AI

Tactics for Aligning Priorities, Assessing ROI, and
Maximizing Revenue Cycle AI & Tech Investments





PANELISTS



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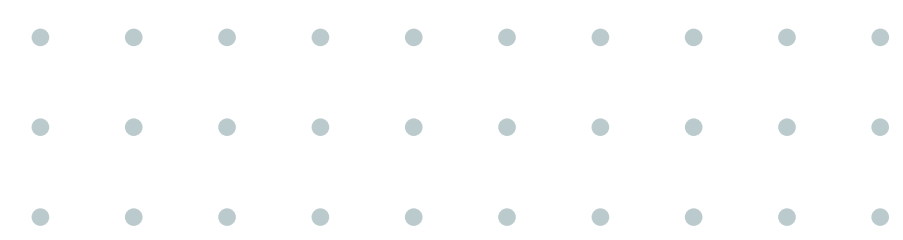


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- 0 1. Defining and setting the stage
- 0 2. Technology investment prioritization
- 0 3. The case for revenue cycle investment
- 0 4. Understanding the budgeting process
- 0 5. Gaining support from key stakeholders
- 0 6. Timeline expectations for ROI realization
- 0 7. Ensuring informed decision-making



AGENDA

0 1.

Defining & setting the stage

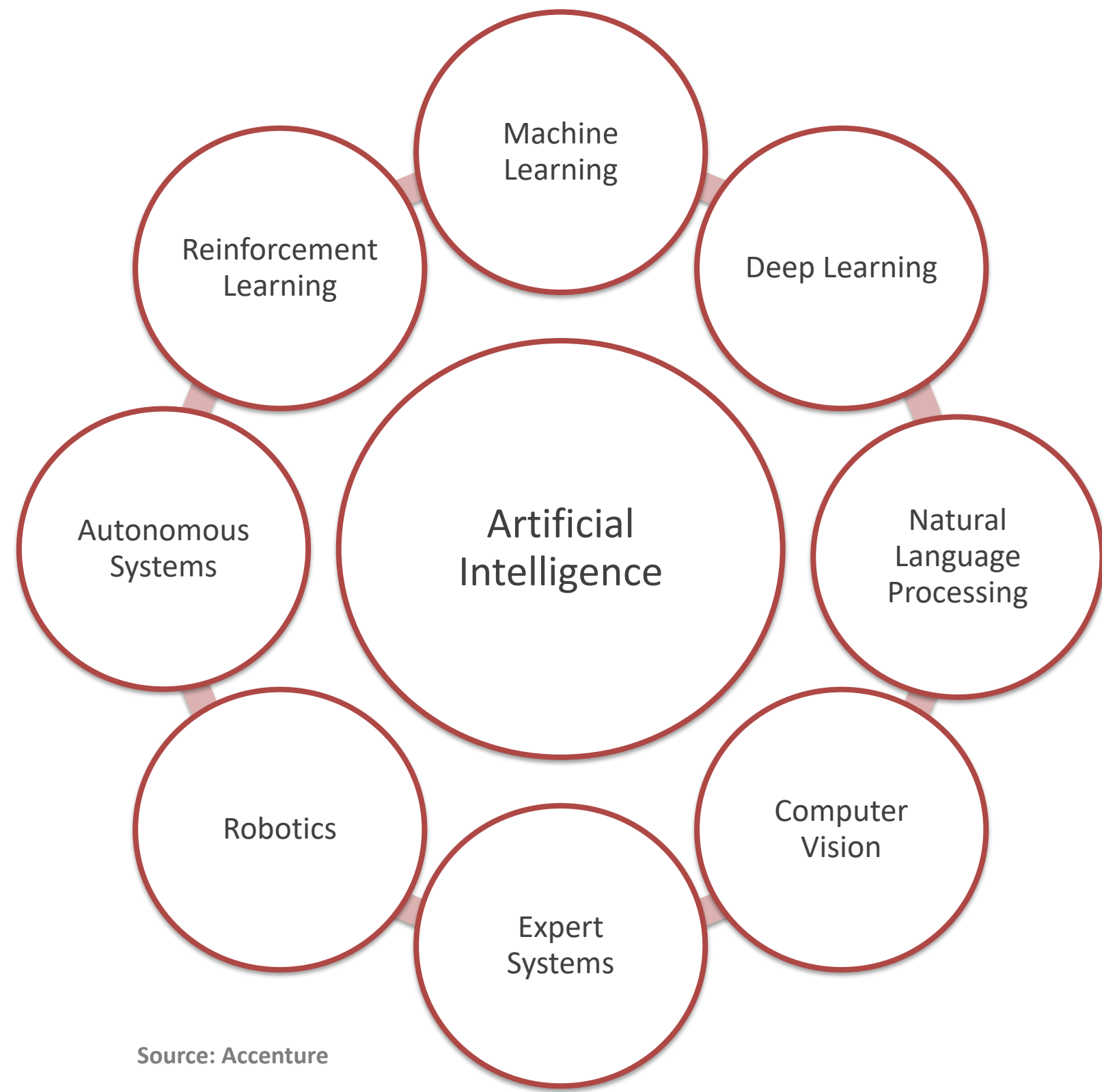


“Artificial intelligence is a constellation of many different technologies working together to enable machines to sense, comprehend, act, and learn with human-like levels of intelligence. Maybe that’s why it seems as though everyone’s definition of artificial intelligence is different: AI isn’t just one thing.”

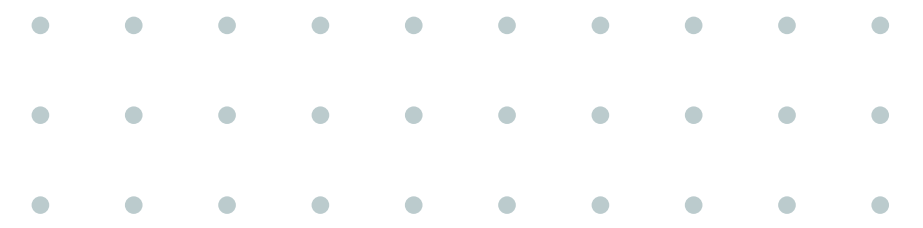
Source: Accenture



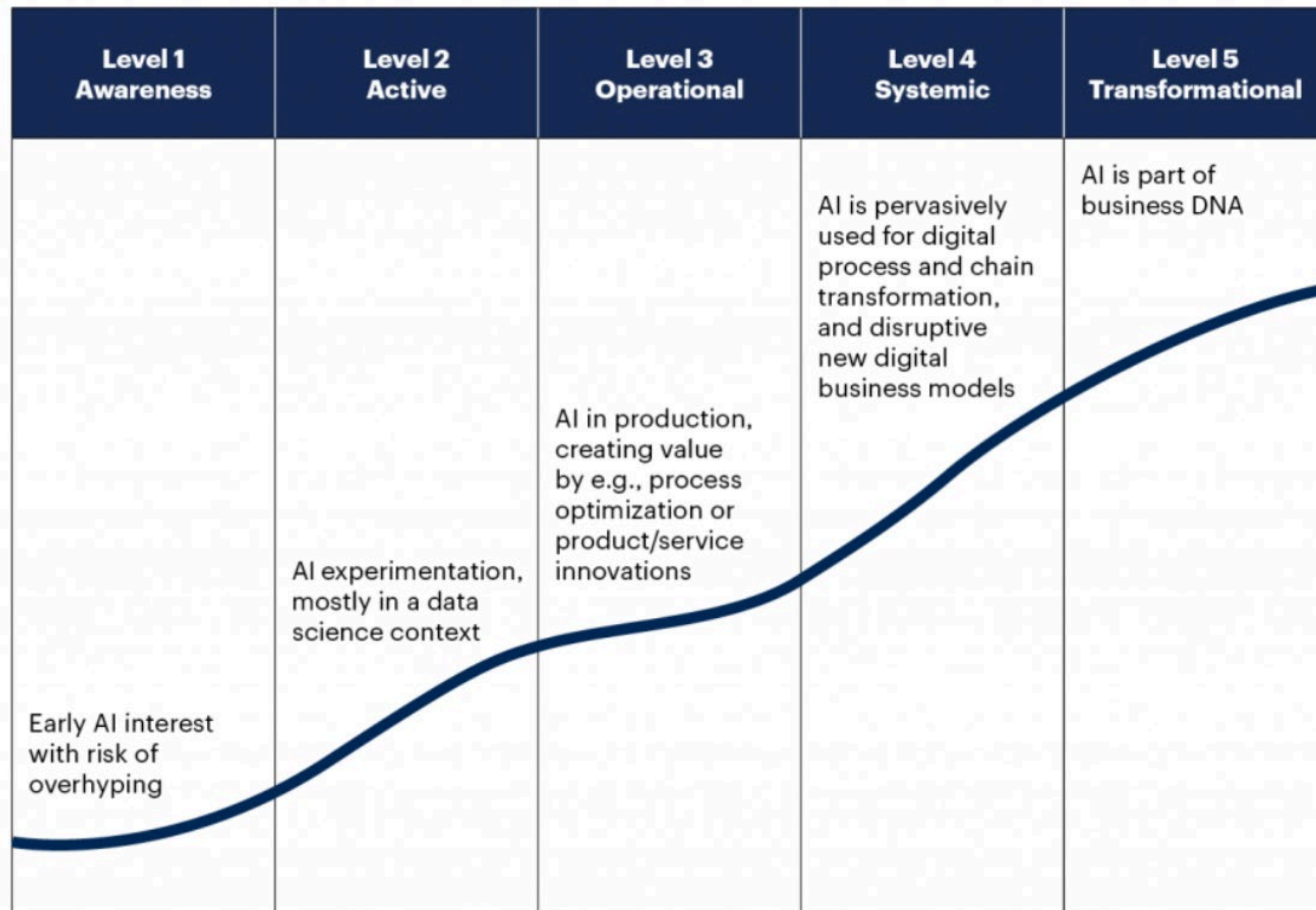
What is AI?



Source: Accenture



What is AI?



Source: Gartner

A maturity model helps an organization understand where they are in adopting a new technology.

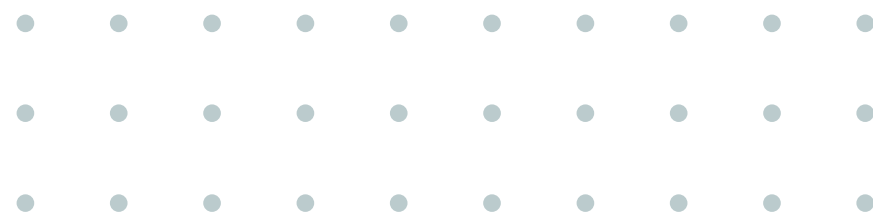
A maturity model therefore helps evaluate an organization's readiness to adopt AI.

Organizations can be at different levels of maturity...

... and different groups within an organization can be at different maturity levels.

So, a maturity model provides a framework to define the strategy for different potential use cases for AI.

AI Maturity Model



Poll Question # 1: Where is your organization on the maturity model?

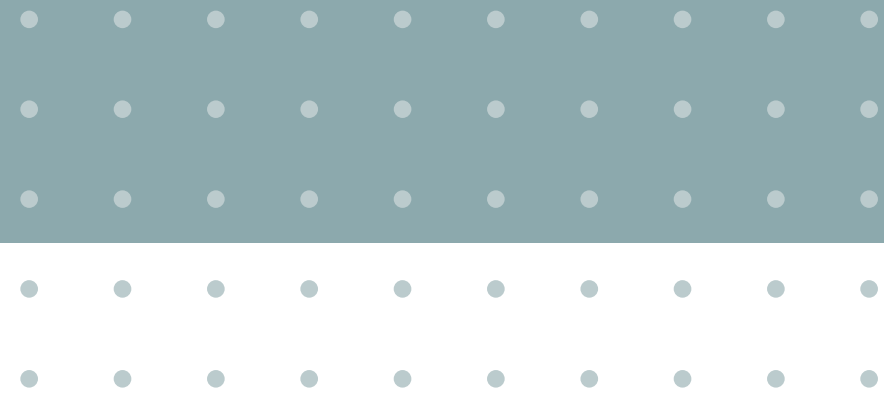


- 0 1. Level 1: Awareness
- 0 2. Level 2: Active
- 0 3. Level 3: Operational
- 0 4. Level 4: Systemic
- 0 5. Level 5: Transformational



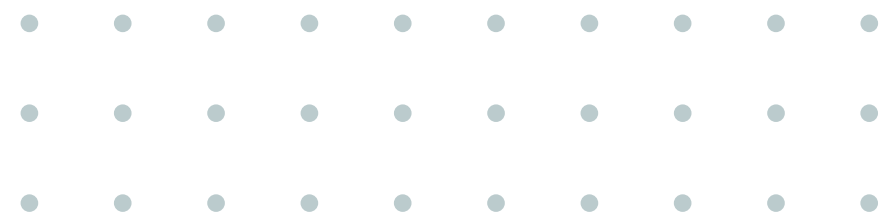
02.

Technology investment prioritization





- Declining reimbursements and site of service risks
- Accelerating focus on cost management & top-line growth
- Achieving scale and decreasing reliance on labor
- Provider productivity, administrative burdens & burnout
- Need to optimize return on assets
- Optimize quality and outcomes
- Accelerate learning & research



Key Factors Driving Innovation

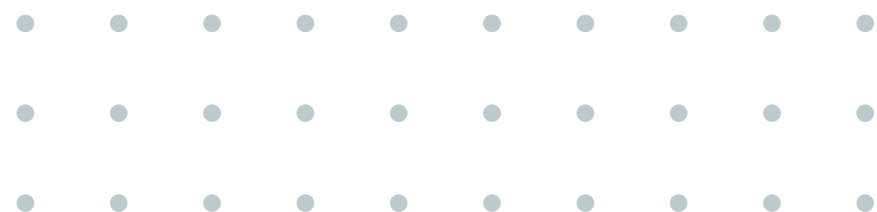


Automated coding analysis & optimization

Workflow automation & prior authorization

Payment analysis & denials management

Fraud detection & prevention



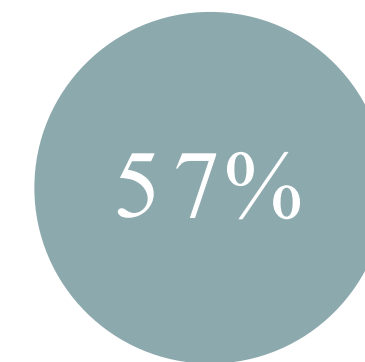
Revenue Cycle Use Cases

Maximizing yield, ensuring organizational resilience, and decreasing costs and labor reliance are strategic imperatives

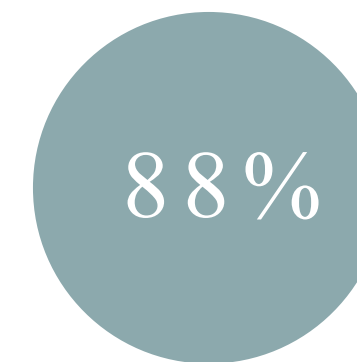
Top 5 Health IT Investments in next 1-2 years

	2023	2022	2023
Data/Analytics	42%	41%	48%
Cybersecurity	41% ↓	51%	33%
Revenue Cycle	37% ↑	31%	33%
Operational Efficiency	27% ↓	39%	36%
Patient Access	26% ↓	29%	19%

Source: Sage Growth Partners



Survey respondents ranked growing revenue as top strategic initiative



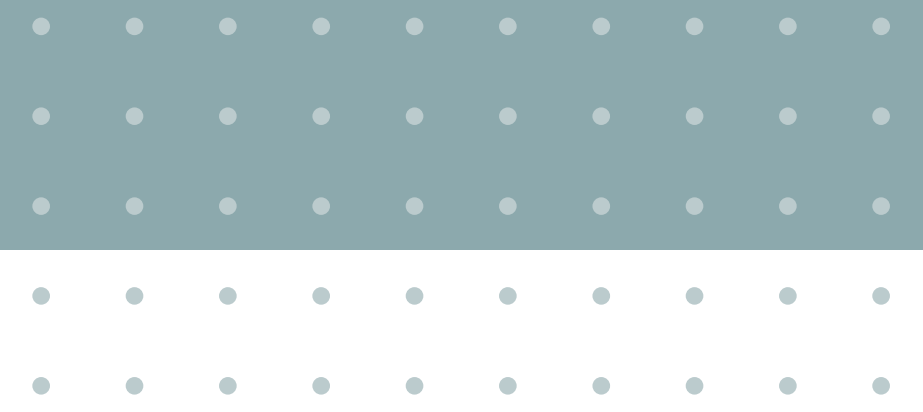
Plan to increase third-party technology investments in 2023-2024

Source: Buyer Mindset



03.

Making the case for revenue cycle investment





Sources of Margin Pressure

- Rising Labor & Supply Costs
- Increase payer denials
- Managed care and other commercial payments
- Medicaid reimbursement
- Revenue Cycle Management

HFMA CFO Pain Points 2024 Survey



Strategies to Improve Margins

- Reducing labor
- Delaying RCM technology installs
- Outsourcing RCM roles
- Dropping Medicare Advantage
- Reducing real estate investments and exploring joint ventures



Sources of Margin Pressure

- ✓ – Rising Labor & Supply Costs
- ✓ – Increase payer denials
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- Medicaid reimbursement
- ✓ – Revenue Cycle Management

HFMA CFO Pain Points 2024 Survey



Strategies to Improve Margins

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Why RCM Should Proceed

Automations

Streamline tasks to increase labor efficiencies and reduce errors to improve clean claims

Workforce Insights

Understand how teams are working processes to identify opportunities for refinement

Prior Authorization

Improve Clean Claims
Reduce Write-Offs

Portal Navigation

Reduce Labor Costs
Improve Employee Satisfaction

Denial Analytics

Proactively mitigate upstream
Understand payer behavior

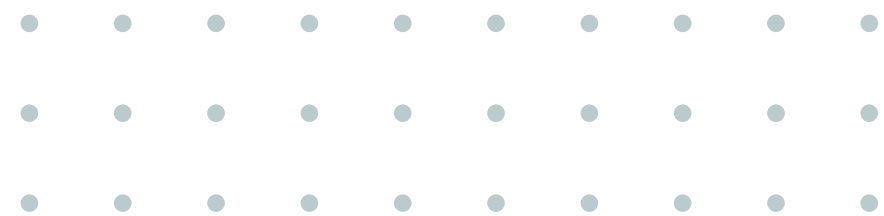
Process Mining

Improve operational efficiency
Remove bottlenecks and barriers

Poll Question # 2: Where are you investing?

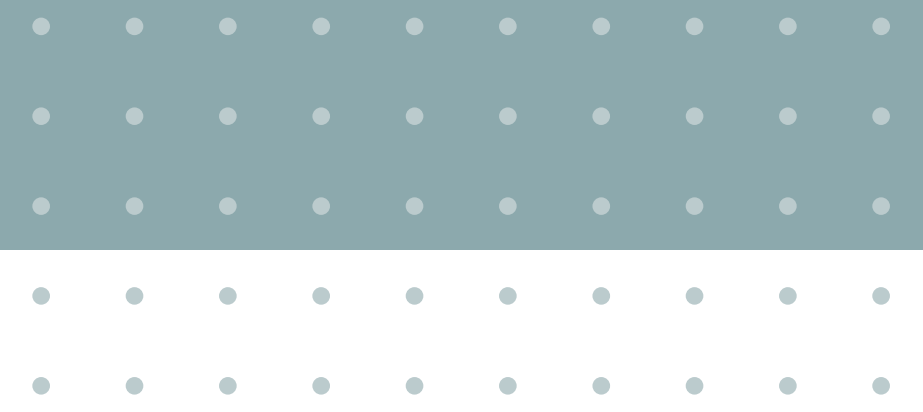
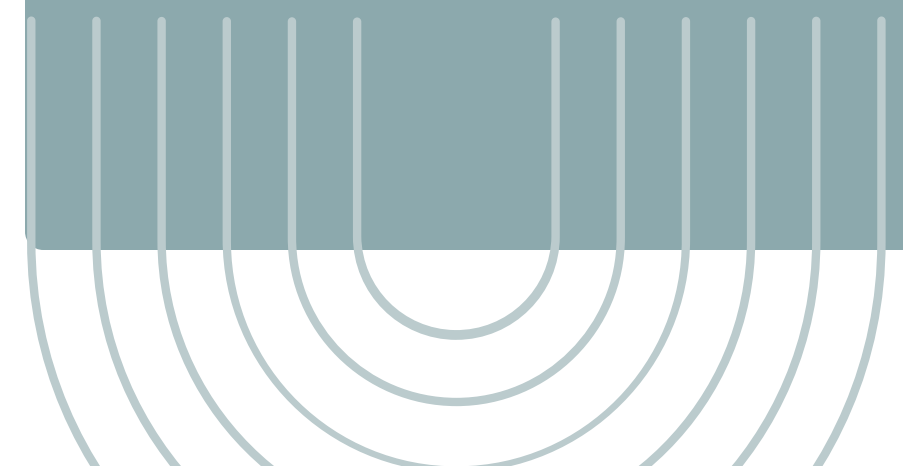


- 0 1. Front-End revenue cycle automations
- 0 2. Back-End revenue cycle automations
- 0 3. Denial analytics
- 0 4. Workforce management solutions
- 0 5. Not sure yet



04.

Understanding the budgeting process

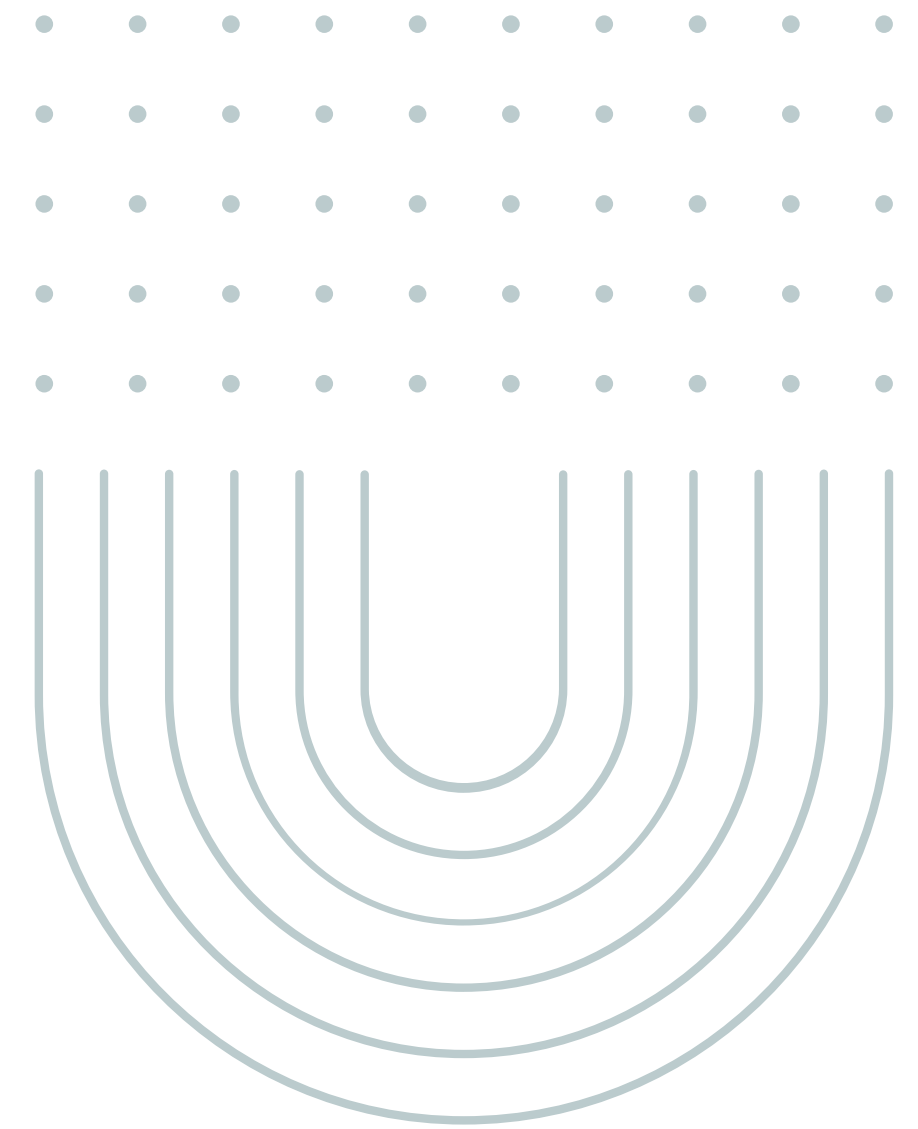




Revenue
(Costs)

Profit

- All about the estimates
- Meeting your organization's financial targets



Budgeting
Process

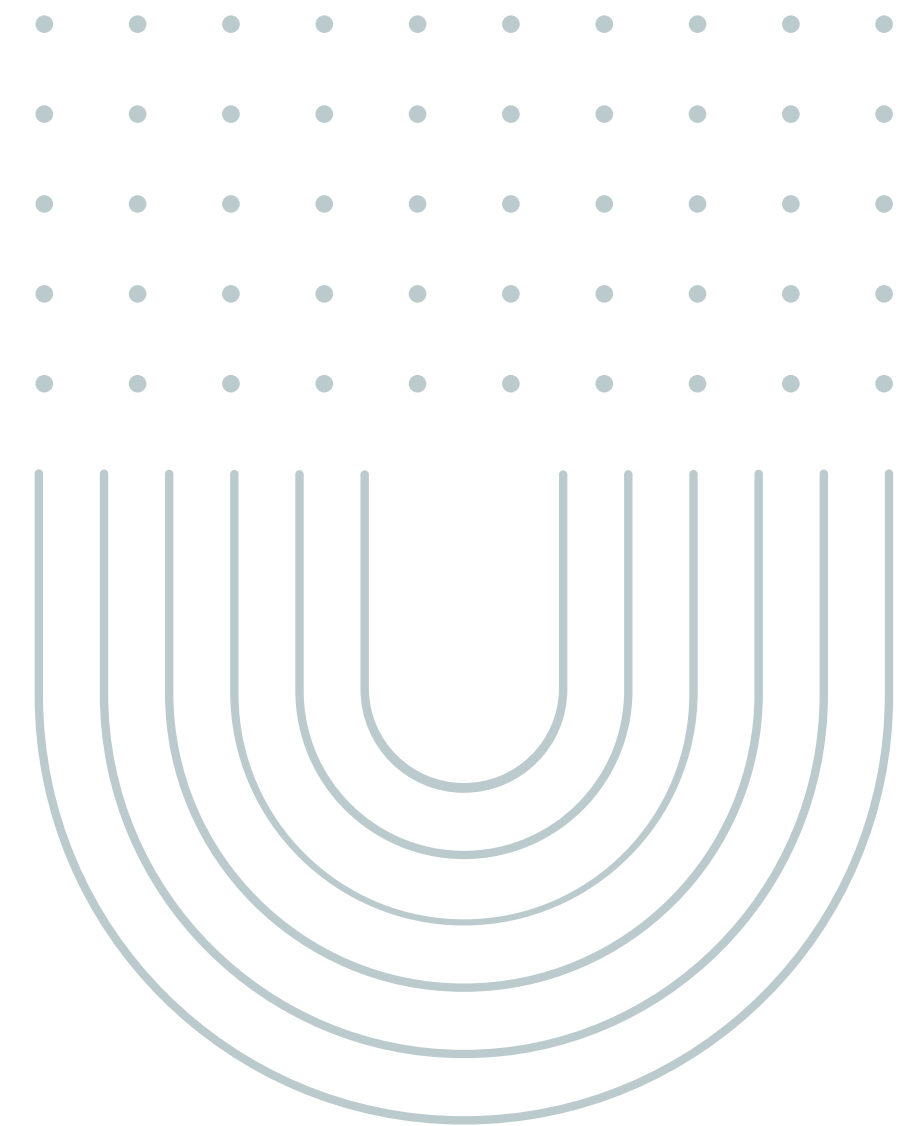


SaaS Agreements

Typically structured in
3-year contracts

Risk Mitigation

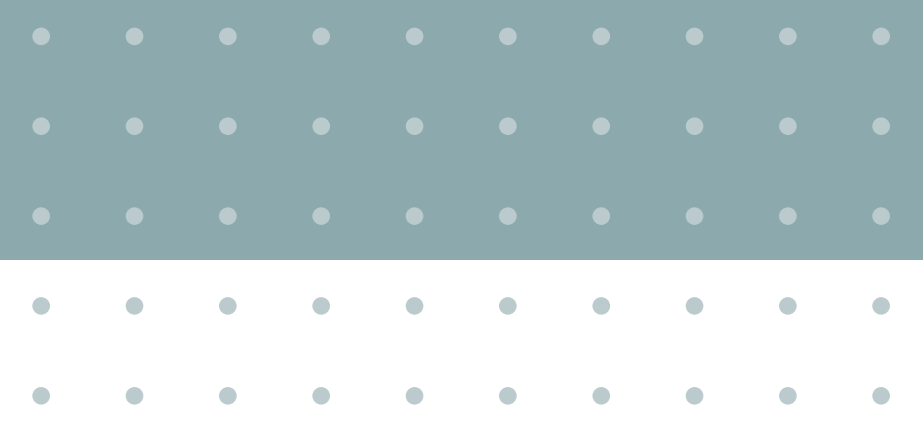
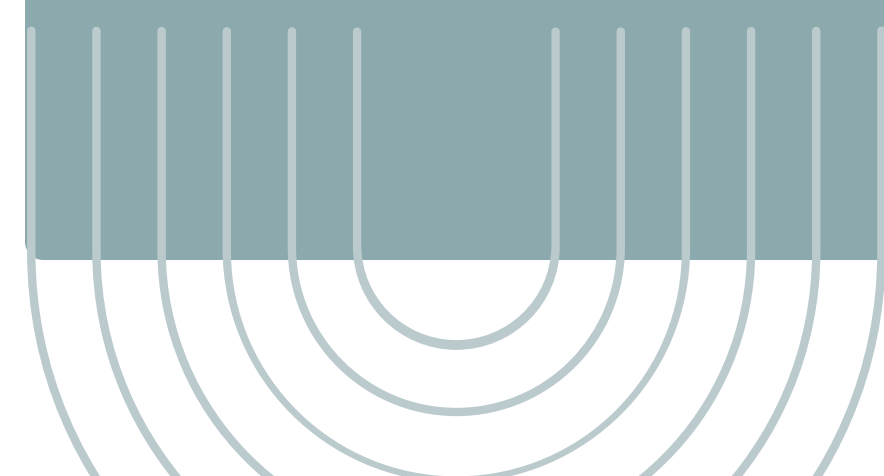
- Pricing based on
- What's included with the price
- Are other services needed
- Service level agreement (SLA) & penalties
- Identify the risk management/change management/governance model



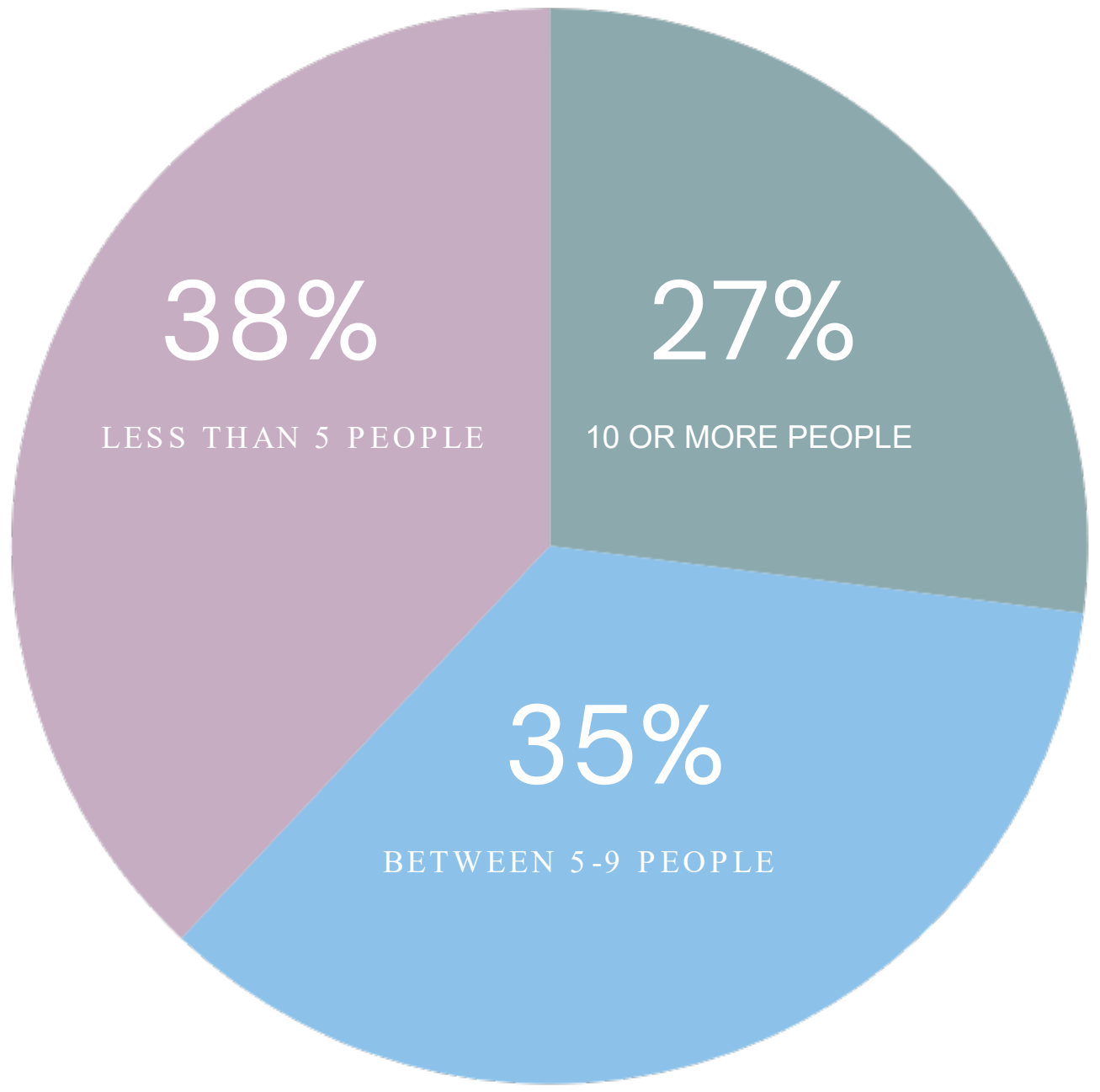
Contracting
Details

05.

Gaining C-Suite support



Gaining alignment with constrained resources is challenging

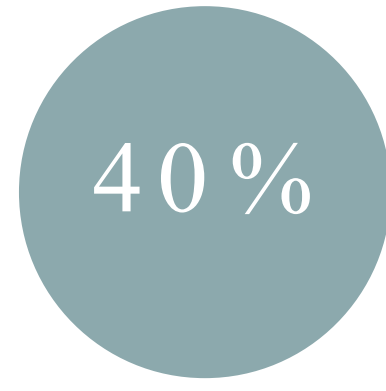


The Buyer's Collective

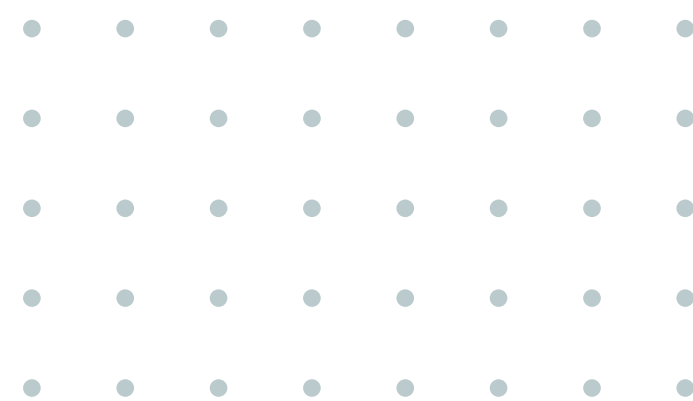
When it comes to purchasing new technology, many people are involved in the decision-making.



Almost 70% organizations report that the typical technology investment lifecycle takes 13+ months

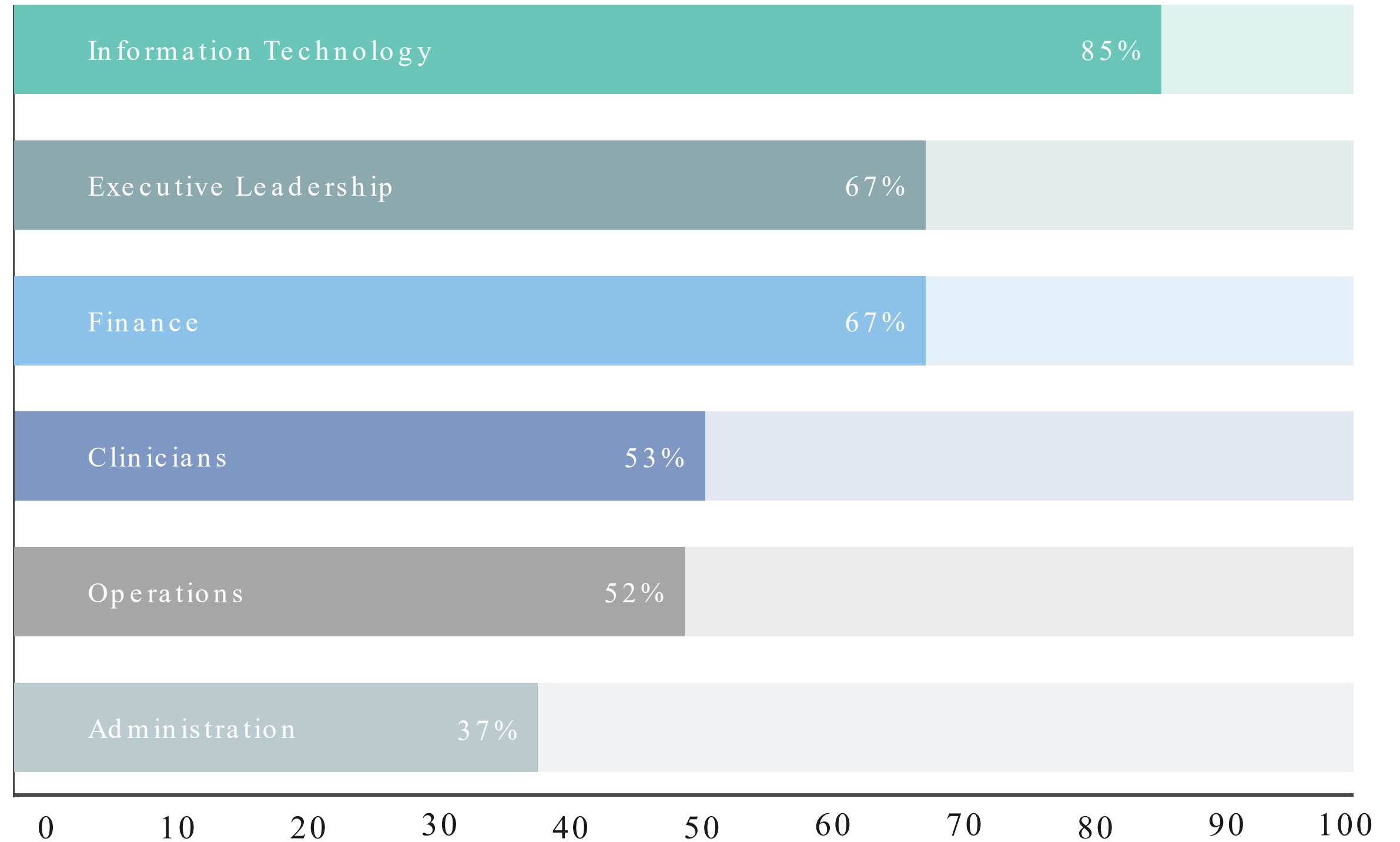


Over 40% have a 24+ month cycle



Buying Team Functional Areas

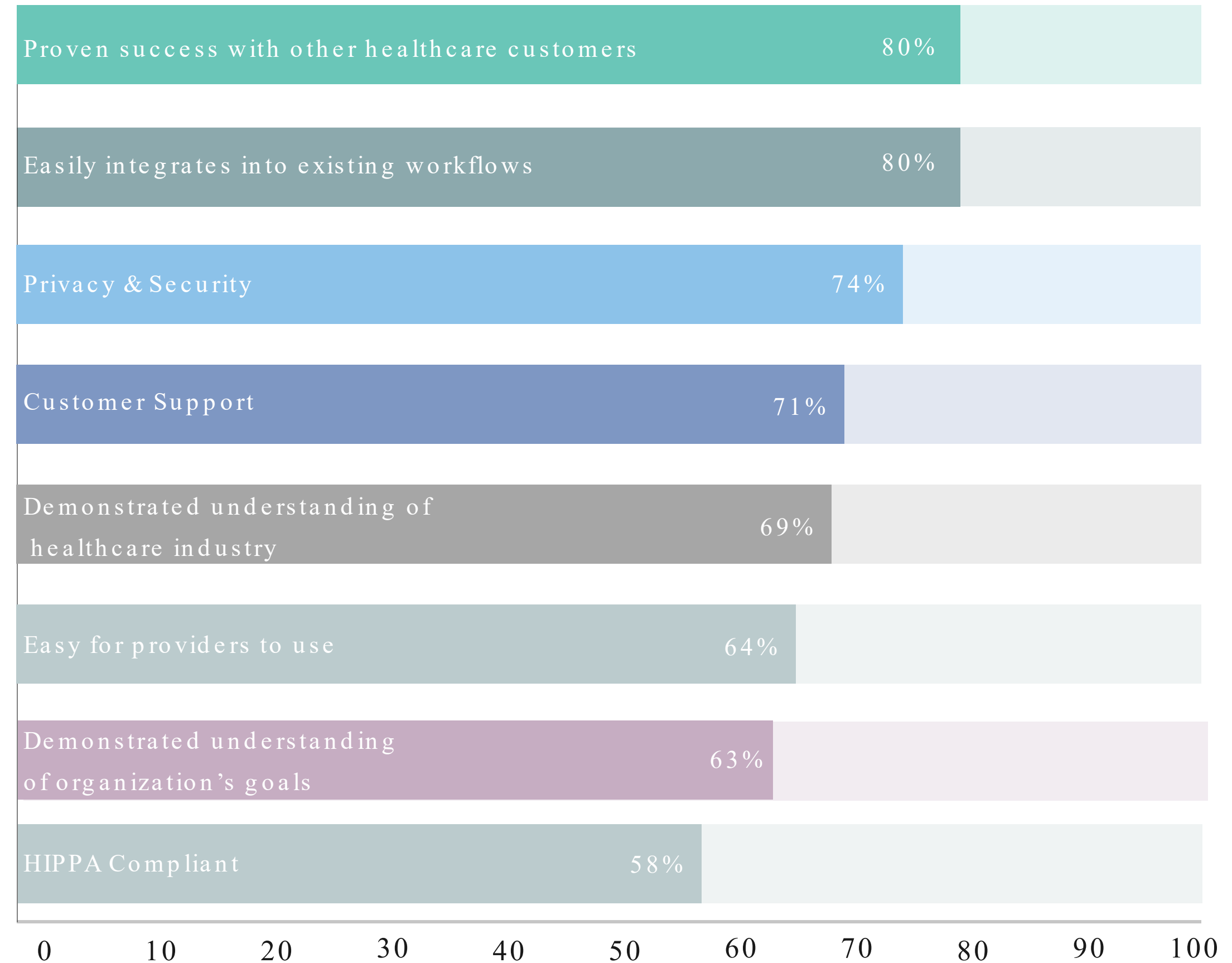
- Multiple stakeholders participate, creating complexity
- Different functions and roles play a big part in tech buying decisions
- How to best frame priorities is a key consideration?
- How is organizational resiliency considered?
- Are threats and opportunities rigorously evaluated?



Source: 2024 HIT Buyer's Survey of HIMSS Enterprise Audience

Most Important Factors

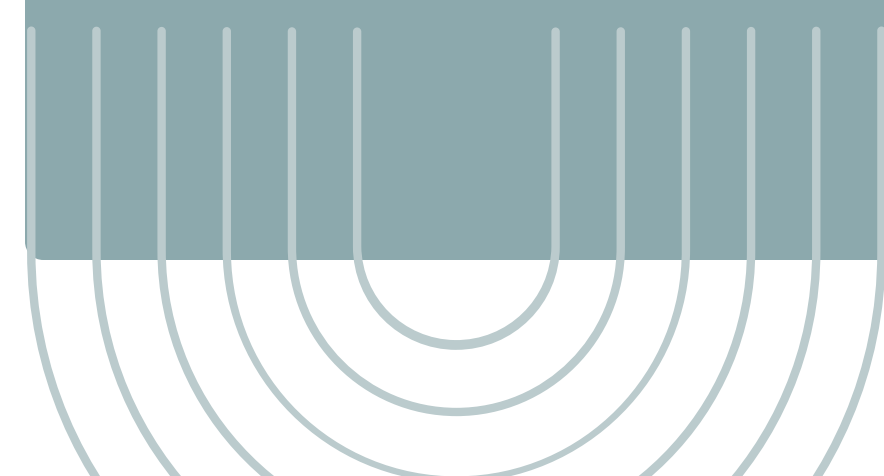
- Proven success & interoperability
- Lower cost & short deployment times are low on the list at 44% and 34% respectively
- New solutions face classic “innovator’s dilemma”
- As a CFO, must build the business case & personally commit to success




Source: 2024 HIT Buyer's Survey of HIMSS Enterprise Audience

06.

ROI expectations





Tired of their digital health spend not delivering on ROI as promised, many healthcare system CFOs have made their expectations clear: any new technology investment must deliver an ROI of at least 15 percent within 12 months.

Source: MedCity News

Despite 70% of executives saying overall hospital expenses have not decreased as a result of new digital tools, nearly all (96%) believe the initial investment in tech is worth the cost

Source: Fierce Healthcare



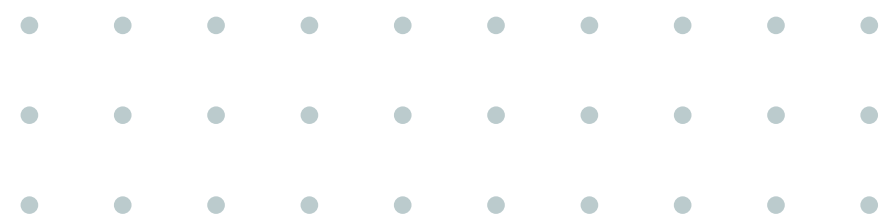
Poll Question # 3: When do you expect to realize ROI?



0 1. Within the first six months

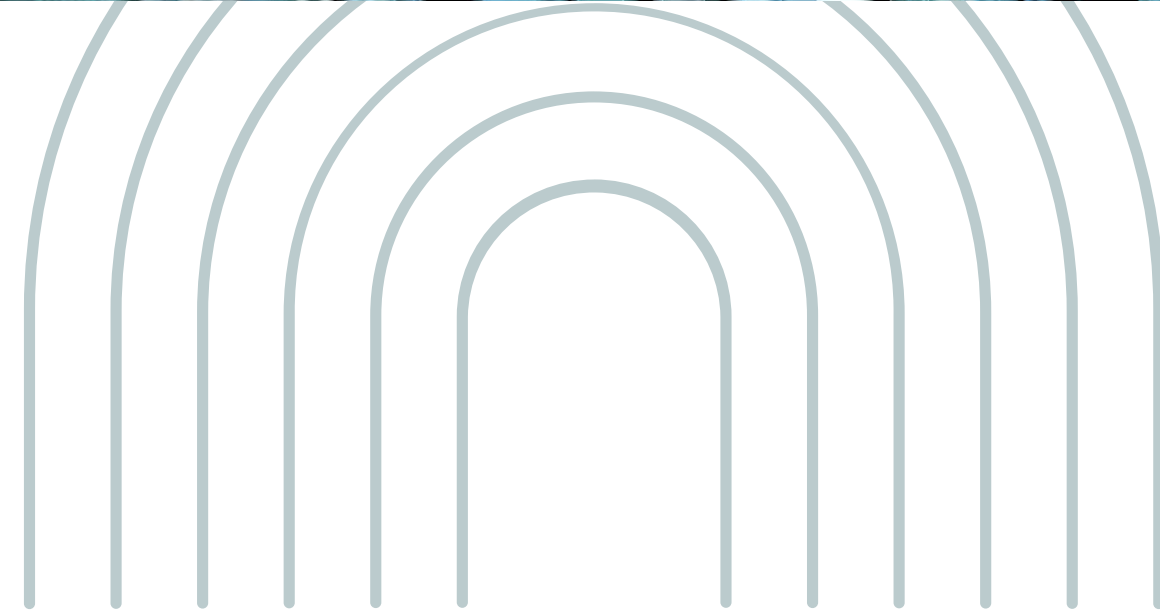
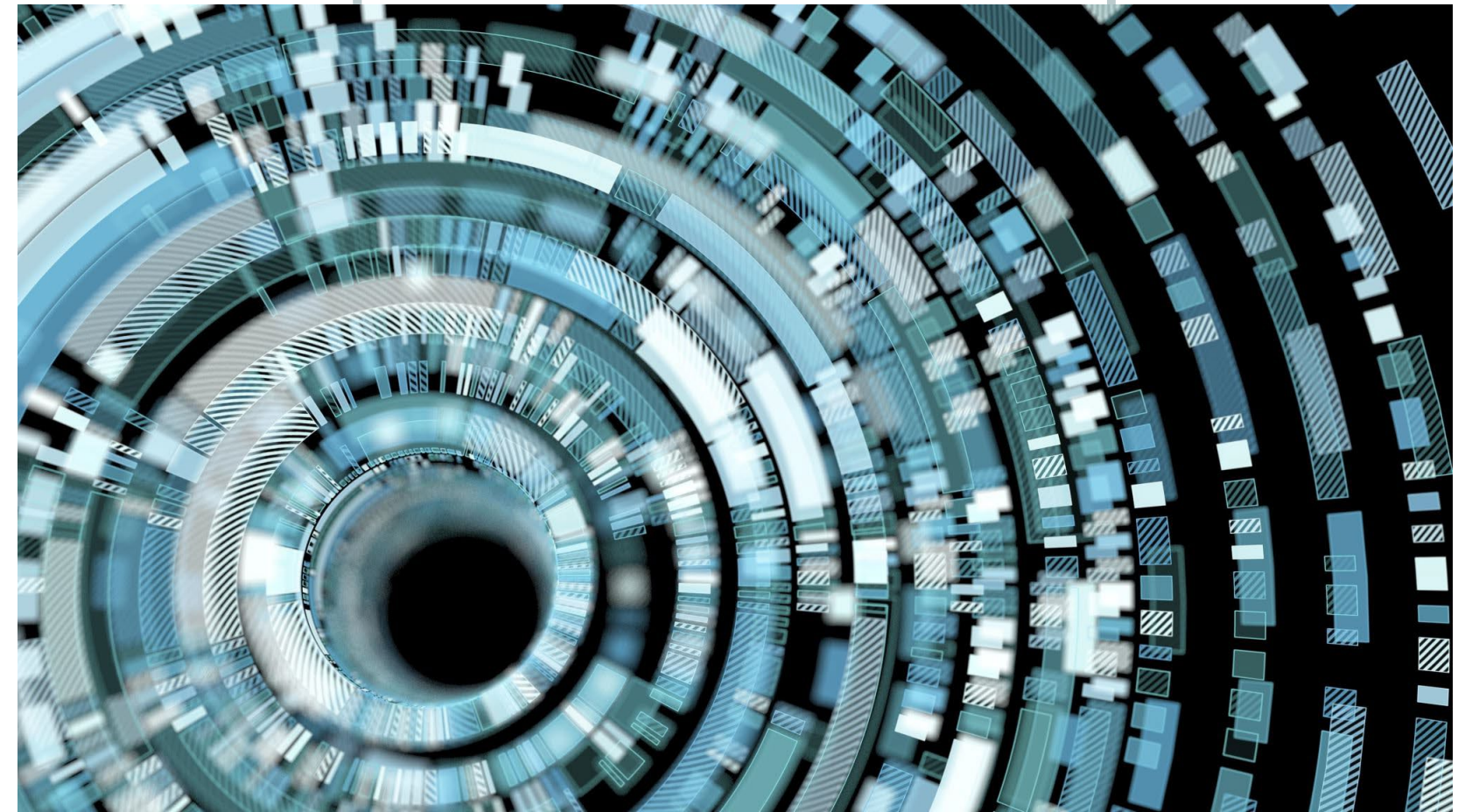
0 2. Within the first 12 months

0 3. Within two years



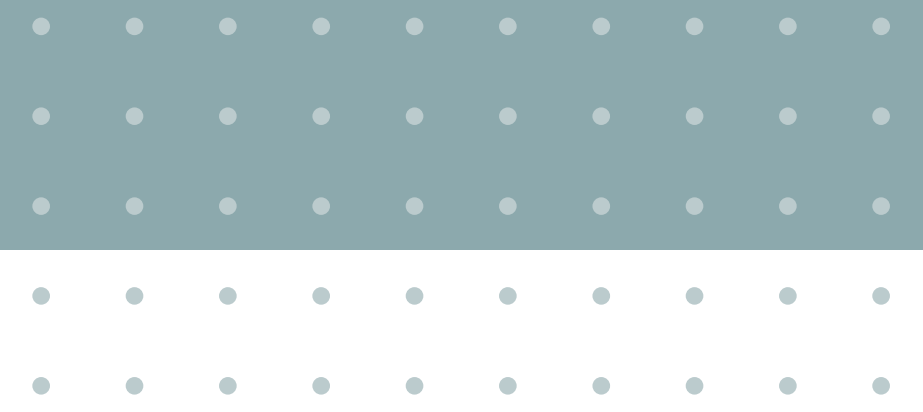
ROI Achievement

- Hold user interviews
- Remove barriers to adoption
- Conduct retraining
- Review data silos
- Consider redefining ROI



07.

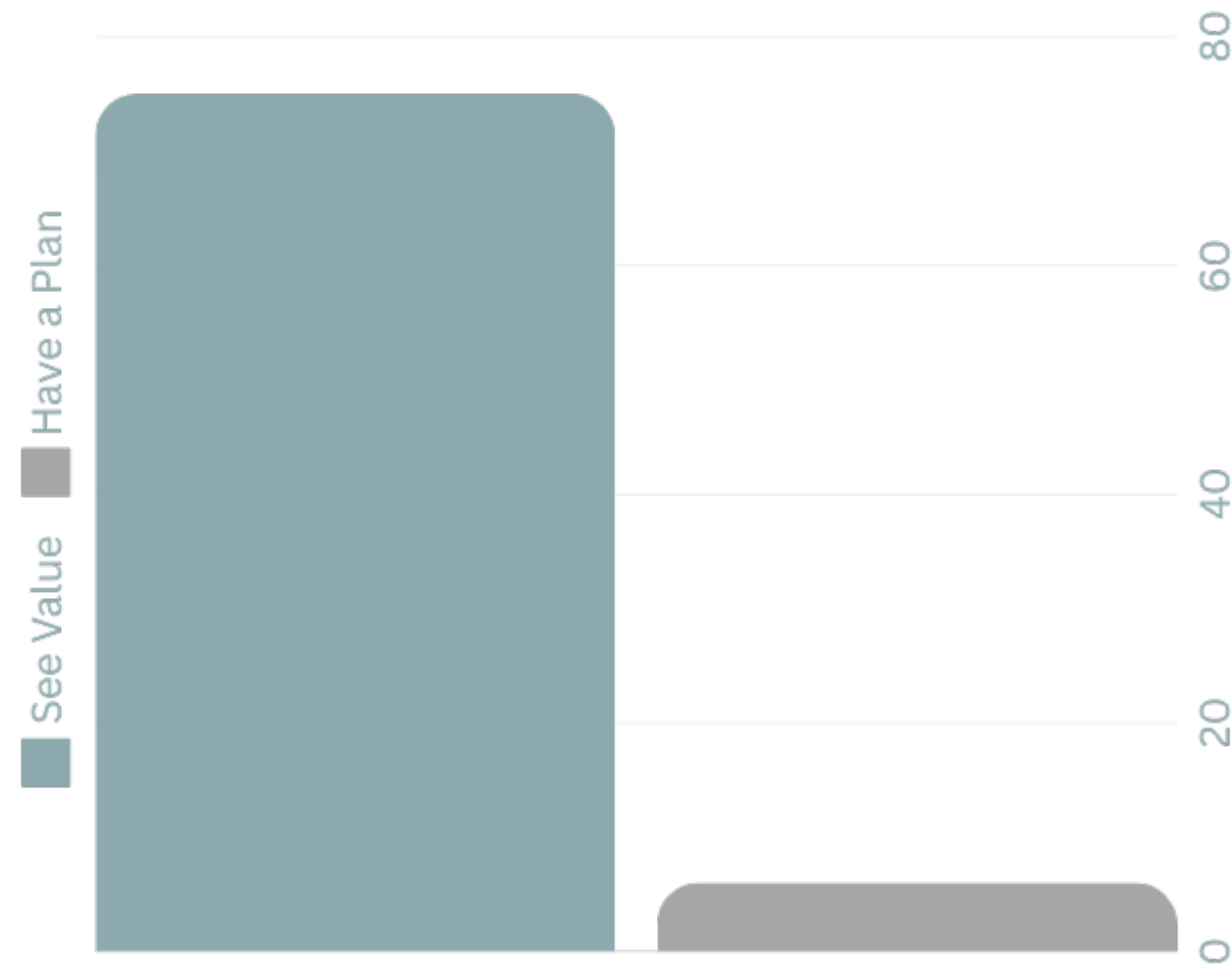
Ensuring informed decision making



GENERATIVE AI POTENTIAL

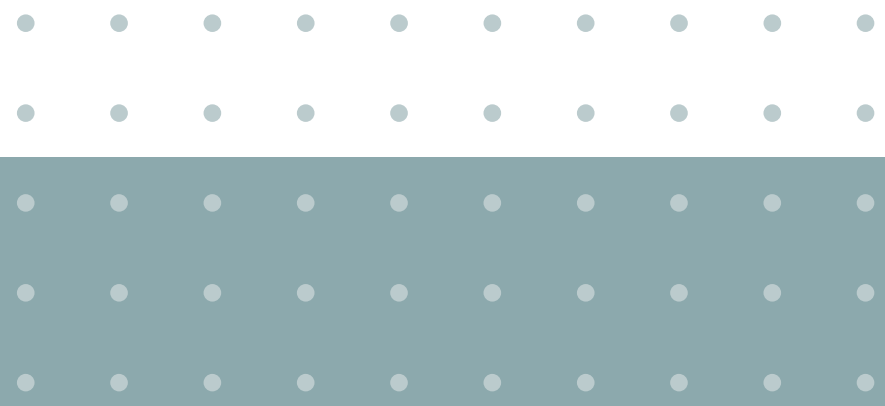
75%

Believe Generative AI can reshape the industry



6%

Only 6% have an established AI strategy



THANK YOU

OPEN Q&A

