TOP 10 DEFICIENCIES IN YOUR PRACTICE MANAGEMENT (RCM) SOFTWARE

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No software is perfect, but many revenue cycle management (RCM) systems are far from it. Despite many years of software development aimed at making the business-side of medicine easier, practice management software systems (sometimes referred to as "billing software" or "PM systems") can exhibit exasperating deficiencies. Precision recommends candidly evaluating your PM system in light of optimizing RCM processes and determine how to work around the deficiencies you find. There are ways to plug gaps in your billing software. Here are the top 10 deficiencies to watch for, in reverse order:

10 | Deficient Appointment Scheduler

Patients are a medical practice's customers and proper management of customers is critically important in any business. Unfortunately many PM systems don't provide sufficient functionality in support of a superior patient experience before arriving at the medical office.

Your appointment scheduler **should**:

- ✔ Be easy for your front desk staff to use–it should change screens quickly and easily

- ✔ Allow for your staff to view open appointments and change dates and times quickly

- ✔ Allow your staff to double-book and rebook appointments quickly to accommodate changes in the doctors' schedule

- ✔ Be able to automatically send appointment reminders and schedule recalls, check insurance coverage and eligibility

- ✔ Have a tracking mechanism for revisiting canceled and no show appointments–patients who don't come back are lost revenue

- ✔ Accommodate mid-level provider coverage and schedule changes

- ✔ Identify and be capable of quickly and easily support patient balance collection

- ✔ Be able to help ensure you are capturing all billed charges

Workaround

In some systems, speed deficiencies are not a function of the software itself but can be caused by network/ internet bandwidth limitations, may be due to a needed version update or maybe be caused by internal network or hardware deficiencies. Speed problems often appear first in the appointment scheduler due to the data intensity associated with that functionality (i.e. the canary in the coal mine). Other deficiencies can be overcome with third party interfaces to standalone supporting software systems (e.g. patient appointment reminders and eligibility update services). Sometimes though, it just takes experienced, skilled staff at your front desk to deliver the patient experience you want, overcoming the limitations of the software.

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9 | Poor Interface to Clinical Software

Most electronic health/medical records software (EHR/EMR) to PM system interfaces work well in more up-to-date systems, but where they don't work well, a great deal of efficiency is lost. A medical practitioner should never have to access the billing system for any important information – all desired PM system information should be available in the clinical system, delivered (uploaded) via the interface. Likewise, a physician encounter should always allow for electronic superbill functionality – the entry of CPT and Dx information associated with the patient encounter, downloaded automatically to the billing software system.

Workaround

Improvements to a single-vendor system interface usually require waiting for the next version update. But custom interfaces can be programmed – Precision recommends undertaking that programming if your system allows for it. As to electronic superbills, they can be formatted in most good systems. But many times software system trainers are more focused and comfortable with the formatting of clinical note templates and don't initiate the programming of RCM-related functionality. Precision recommends making a second pass and getting that superbill built – the benefits will make it worth the effort and cost. This includes updating MIPS billing codes as well as optimizing mid-level provider (incident-to) billing workflow and protocols. Significant revenues can often be found this way.

8 | No Payment Balancing/Reconciliation System

Your practice's RCM/PM system is in fact an accounting system for your medical claims (and corresponding accounts receivable balances). Transactions in and out of that accounting system must balance and tie to general ledger of your enterprise-level books and records system. Your PM system (and your internal RCM workflow processes) should allow your staff to balance all transmitted charges to payments and adjustments, including handling unapplied payments/balances, reconciling posted payment batches to bank statements and balancing. Don't lose control of your revenue stream accounting!

Workaround

Precision strongly recommends establishing a spreadsheet reconciliation for balancing payments outside the billing system if that system doesn't have the appropriate software functionality to do so internally. Electronic Fund Transfer (EFT) amounts should reconcile to Electronic Remittance Advices (ERAs or 835s) and to bank statements. Copay collection and deposit reconciliation is especially important due to the risk of cash mis-management. Every month-end should balance to the penny. This can be organized effectively outside your billing software system as necessary.

7 | Poor Clearinghouse Interface

Claims denial management can first be addressed at the claims clearinghouse level and the cash flow benefits of doing so are significant. But some PM systems don't assist much in working claims early in the revenue cycle. Claims should be capable of being held, or transmitted in bulk, sorted by payer. Nearly all claims should be capable of electronic transmission but your system should allow for paper claim submission if necessary. Secondary claims should be transmitted electronically to the secondary payer with primary payer information included, facilitated by your clearinghouse.

Workaround

Precision's recommendation is to complement RCM billing system deficiencies with clearinghouse functionality. Many clearinghouses have programmed workarounds to PM system problems. You have to know what to ask for and to then set up RCM protocols with your staff, in conjunction with the right claims processing clearinghouse. All clearinghouses are not created equally - it's a matching process….

6 | Poor Patient Balance Payment Workflow

Today's medical practice revenues (and financial health) are highly dependent upon patient payments. The days are now long gone where patient payments for medical services just don't matter. Copays need to be collected (up front) and the process by which patient balances are collected after insurance adjudication is critical. Many billing systems fall horribly short in this aspect of the RCM process. In part that's because patient balance management is surprisingly complex. Patients are more likely to pay what they owe to a practice if communications to them are accurate, timely and professional. A practice management system should be capable of sending electronic as well as paper (mailed) statements, based upon patient preference. An effective patient payment portal should be available to take payments online. And if a patient has questions, the patient should be able to call a representative of the practice who can answer their questions professionally and then take credit card payments in a manner that that is HIPAA and PCI compliant.

Workaround

Precision recommends no compromising on effective patient balance management – it's too important and easy to overcome PM system inadequacy in this area. Almost all PM systems – even some very bad ones – allow for the export of patient data to print statements. Take that patient statement data export and create a protocol that manages the process most effectively. Change up the patient statement delivery with notice letters – modifying the patient communication based upon whether the patient is paying you or not. Use electronic patient communications whenever the patient allows it. Do not keep sending the same patient statement month after month without payment and don't stop communicating with a patient that isn't paying what they owe you. Instead, set up a system for responding differently to the patient, based upon how the patient is responding to the last communication you transmitted. To apply a preventative component to this process, put a cost estimator in place, determine estimated patient balances due and collect those estimated balances at the time of patient check-in.

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5 | No Patient Portal for Payment Processing

An EHR (clinical) patient portal is not the same as a patient payment portal. Since patient portal functionality was made a "meaningful use requirement" for EHR software systems a few years ago, it's no surprise that medical software companies focused on providing them. But it was never established that effective **patient balance payment** functionality had to be part of the patient portal experience. And so as a result, many patient portals allow for prescription refills and appointment requests, but very few portals address PM system-related processes efficiently, including patient balance payment. When it comes to collecting revenues, they drop the ball.

Workaround

Even if you have an EHR-focused patient portal that handles clinical support, consider adding an effective third-party patient **payment** portal – tied to your revenue cycle protocols and processes. Your patient payment portal can "run in parallel" to your clinical portal and address missing RCM functionality, aligned more with your patient payment communications. Payment portal functionality can then be coordinated with access to professional, knowledgeable patient services staff who can answer questions but also take payments and set up automatic payment plans for those patients that need more time to pay what they owe.

4 | Poor Collection Agency Interface

Very few PM systems adequately address the inefficiencies associated with patients who never make full payment of amounts due to the practice. Establishing a policy for managing patient delinquency should be well-supported by a practice's billing software, but it rarely is. Not all practices are the same and not all patients are the same. A practice management software should be able to support a practice's policies for patient payment and non-payment. The ability to download unpaid balances for collection to a collection agency, track payments made post-transfer (whether paid to the practice or the collection agency) and to respond to appointment requests by patient with balances out to collection (or written off in prior periods) is very important.

Workaround

Fortunately, the protocols for managing "collection agency balances" mostly involve transactions at the tail end of PM system functionality, so they can be managed independently. Precision recommends picking a collection agency with the technical ability to interface with your PM system and then build the necessary bi-directional interface to manage these balances. Then build protocols effectively supporting transactional accounting between your practice and the collection agency. Note that a good collection agency will work unpaid balances according to protocols you establish, so you can always maintain good patient relations while collecting the revenues due to you.

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3 | No Denied Claim Tracking

Lack of claim denial functionality is a really damaging software deficiency. The concept that payers will not deny clean claims is a myth. There is truly no way to avoid claim denials and the total value of those denied claims to a practice is substantial. A good PM system should track unpaid claims by denial type and should also have a mechanism for working denied claims in real time. Working denied claims from an Aging Report is very costly in terms of cash flow and staffing productivity. Some billing systems have a denial tracking system that captures some claims but not all, requiring your billing staff to depend on reports to catch what the PM system misses. Coupling a bad denial management system with short-staffing will result in accounts receivable write-offs for untimely follow up, lost revenues that no medical group can afford.

Workaround

Precision recommends changing software systems if you need to do so to get control of denied claims. At a minimum, make the very most of the denial tracking that your software system supports. Where possible, denied claim data can be extracted from the billing system and worked outside of a deficient PM system platform. That solution requires significant programming expertise but it can be done by those with the ability to do so. A lower-tech alternative is to add staffing resource to working denied claims – run the math on how much more in revenues you can realize from that strategy – it almost always has a measurable, positive return. Precision strongly recommends gaining control of your denied claims!

2 | Poor Patient Balance Payment Workflow

Many systems that track payer denials have no way to track claims that are neither paid nor denied. A claim goes out, the days go by and nothing comes back. These claims are essentially lost until they appear on an Aging Report 60 or 90 days from the date of service. Most denial management systems don't adequately catch this category of lost revenue. These claims are often first identified when they are untimely, giving payers the opportunity to deny ever paying them. Any significant number of claims in this category can be devastating to a practice's revenue stream.

Workaround

A practice's cash flow is greatly enhanced by identifying these "lost claims" as early as possible. There are manual ways to do this with custom reporting, looking for claims with dates of service just beyond that expected for each given payer. If possible though, Precision recommends incorporating lost claims with denied claims data extracted from the billing system, tracking all unpaid claims together outside of the billing system for optimal results. A real-time system for tracking both lost and denied claims together is best.

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1 | Poor Reporting Systems/Dashboarding

The greatest deficiency of all, one that will truly leave you flying blind, is poor reporting. No business can be managed profitably without good decision-making, and good decisions can't be made without the requisite information, both timely and accurate. Many systems offer reports that don't balance, aren't complete and don't provide the information that is needed to make important decisions, including tracking staff productivity and performance. Many systems cannot merge clinical data with billing data in a single report. Many systems don't provide dashboard reporting that is useful in identifying negative trends. This #1 software system deficiency must be resolved if you are to optimize your practice's revenues!

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> Make your medical group practice financially stronger and better able to serve patients. Evaluate your practice management software system and RCM protocols. And if you need Precision's help to do that, please give us a call at **314-881-5208**.

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