



The Future of Patient Information Management

From the digital front door to the digital back office

Competition for patients is changing the way the healthcare industry provides care as fee-for-service gives way to value-based care reimbursement. Consequently, managing financial processes from the beginning of the patient journey through payment and revenue recognition is an essential component of the patient experience as well as profitability.

What follows is a detailed review of revenue cycle management (RCM) and opportunities for improvement that result in more accurate information, accelerated processing, and increased revenue.

“Our customers have repeatedly told us that automation and advanced capabilities to perform backend workflow remotely is now a matter of survival,” said Rory Fitzpatrick, Vice President, Vertical Marketing, Ricoh. “One thing the pandemic has revealed is that revenue cycle management and health information management have depended for far too long on antiquated workflows that undermine rather than support interoperability, automation and resilience.”

In a recent deep dive on the future of patient information management services, Fitzpatrick, along with his Ricoh colleague Braj Thakur, Director, Portfolio Strategy, Healthcare, and Mutaz Shegawi of IDC, outlined the challenges traditional RCM faces. They also discussed how three forces — digital transformation, the pandemic, and a rapidly expanding ecosystem — are redefining RCM’s role in healthcare from a backend billing function to an end-to-end patient information management system.

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Rory Fitzpatrick, Vice President, Vertical Marketing, Ricoh

Challenges of traditional RCM

“Digital transformation is the approach by which enterprises drive change in their business models and ecosystems by leveraging digital competencies, It’s all the interdependencies of big data, cloud technologies, mobile and social networking technologies, catalyzed by innovation accelerators such as the internet of things [IoT], cognitive computing and AI, for example.”

Mutaz Shegawi, Research Director for Worldwide Provider IT Transformation Strategies, IDC

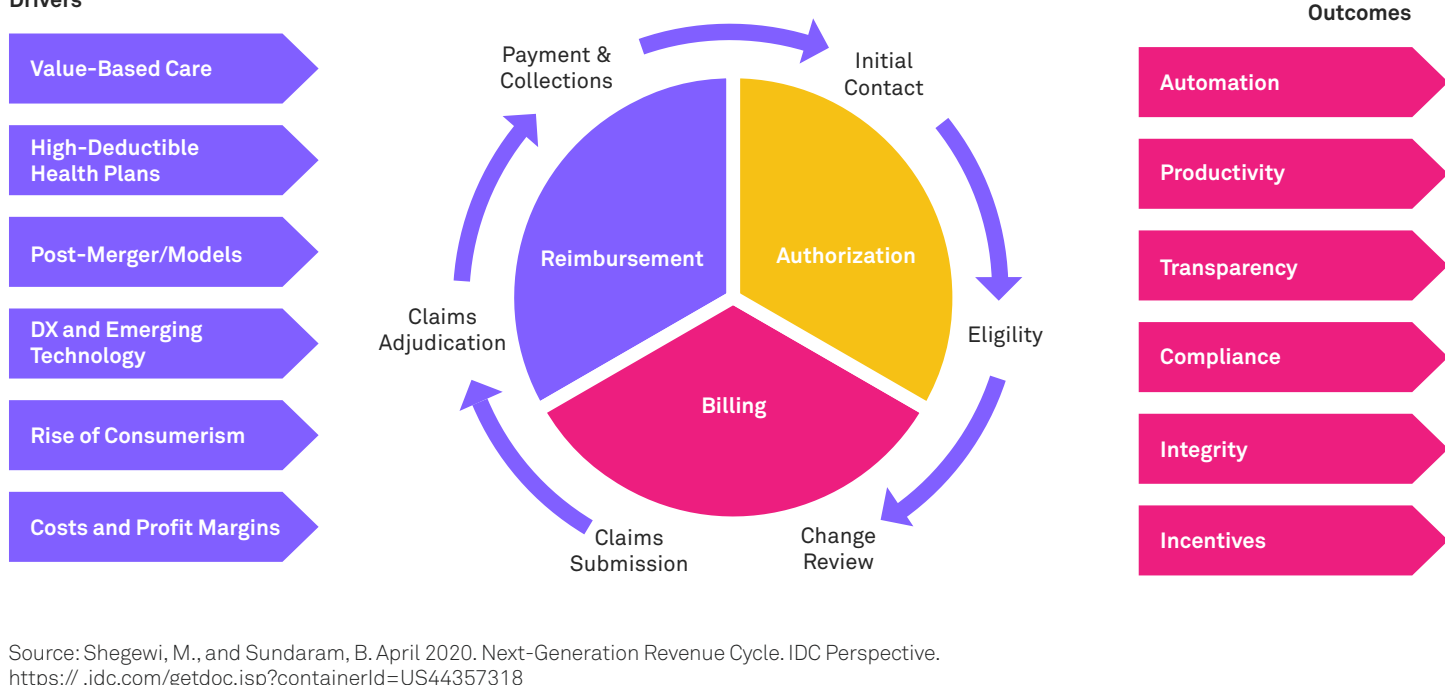
Shegawi, IDC’s Research Director for Worldwide Provider IT Transformation Strategies, said that RCM traditionally was positioned as a post-service, payer-oriented department divorced from healthcare delivery itself.

But today, this model is under pressure from the movement toward value-based care, high-deductible health plans and consumerism, declining market share and profit margins, and above all, technological innovation.

While the industry began its digital transformation journey well before COVID-19, he said, it primarily applied these advances to clinical data and systems. Few healthcare organizations have deployed the same technologies to the revenue cycle.

Thakur agreed with that assessment. Traditional RCM remains heavily dependent on manual, resource-intensive processes prone to costly backlogs, delays, and errors. “Unfortunately, it’s a very common situation across thousands of hospitals and health organizations,” he said, adding he sees “multiple intakes, diverse sources of unstructured data, disparate systems lacking any interoperability. In the best case, it leads to delayed payments, and in the worst case, lost information, lost revenue and an inability to provide effective and timely patient care.”

Traditional revenue cycle is under pressure



Source: Shegawi, M., and Sundaram, B. April 2020. Next-Generation Revenue Cycle. IDC Perspective. <https://www.idc.com/getdoc.jsp?containerId=US444357318>

The pandemic accelerator

Fitzpatrick said the pandemic revealed the fragility of a system that remained dependent on the four pillars of 20th-century technology:

- Manual Data Entry
- Scanning
- Faxing
- Printing

When the pandemic forced healthcare workers out of the back office and into the home office, he said, customers began asking how they could apply new digital technology “to develop low-cost, low-risk solutions that could enable remote work and lay the foundation for systemwide business resiliency.”

Shegawi believes this attitude constitutes the next new normal in healthcare

“What was truly remarkable to see during the COVID-19 pandemic was how two years of digital transformation got accomplished in those first two months,” he said. He also noted how an IDC survey during the pandemic found that 93.6% of healthcare respondents were continuing to invest in digital transformation to close technology gaps, mitigate the pandemic’s impact, take market share or introduce disruptive new business models.

“That tells me that healthcare regards digital transformation as necessary for survival,” he said. “And while the traditional revenue cycle management model was under pressure long before COVID-19, ... it has become fairly straightforward to see that RCM needs to be reinvented. Revenue cycle management must adapt to the current and future context to better support clinical, operational and financial integration across the service. Not only to optimize revenue and denial prevention but also to improve the experiences of patients and staff, as well as the resiliency and future readiness of the organization.”

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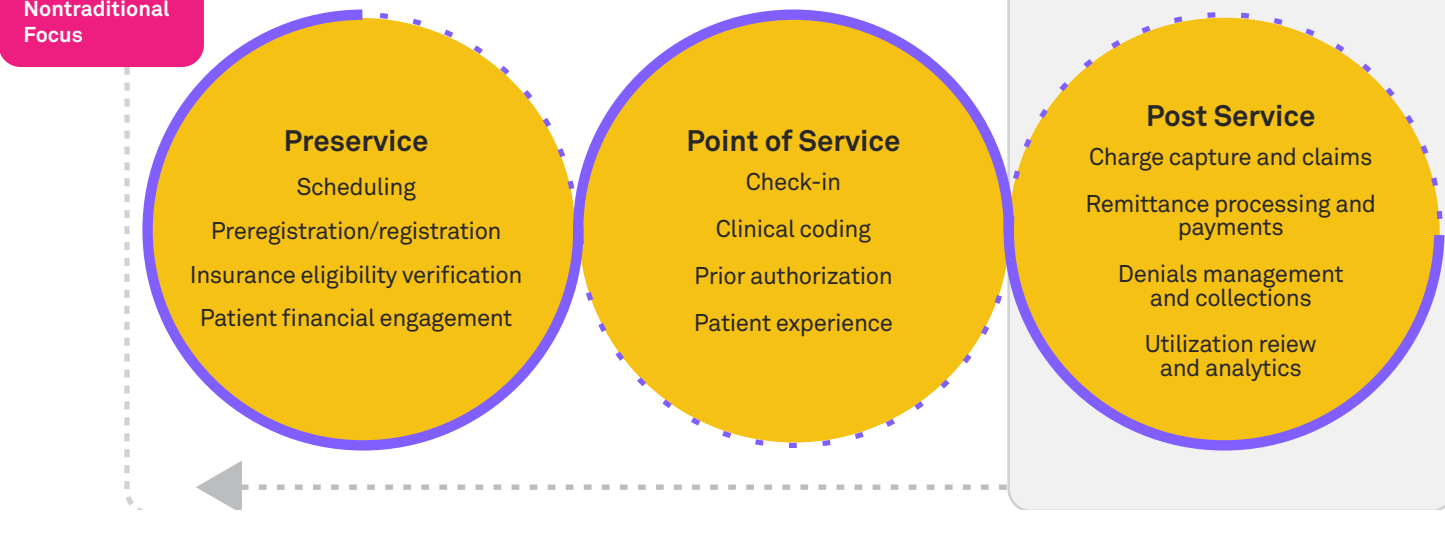
Mutaz Shegawi, Research Director for Worldwide Provider IT Transformation Strategies, IDC

Unlocking the digital front door

Under prevailing fee-for-service models, RCM typically exists as a post-service, payer-oriented process detached from care delivery. But Shegawi predicts the rise of a next-generation, end-to-end RCM model that spans the patient journey, beginning with pre-service digital engagement.

“With value-based care and risk-based reimbursement, health systems need to shift the current paradigm of focusing on post services to the holistic, end-to-end revenue cycle management approach to optimize revenue and value-based care incentives,” Shegawi said.

Revenue cycle needs to change its focus



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An end-to-end revenue cycle that begins at “the digital front door” — a patient portal or scheduling app, for example — moves with patients at the pre-service and point-of-service stages. And with that, Shegawi says, comes a higher likelihood of enabling better documentation, coding, engagements, experiences, data capture, digitization and automation of processes. The critical outcome is the emergence of workflows that bridge the divide between revenue cycle and clinical documentation.

“Non-traditional revenue cycle management is not just a backend initiative,” Shegawi said. “It can happen end-to-end through the right mix of technologies and capabilities across the service in a way that meets the patient where they are and empowers all staff through a holistic approach.”

Building the digital bridge

“We built a digital bridge integrating their RCM system [with the EHR] by automating their unstructured data processing and providing structure data which RCM system can intelligently use. Workflow has improved significantly, weekslong backlogs have been eliminated, and there’s been a significant reduction in reporting and tracking capabilities for compliance.”

Braj Thakur, Director, Portfolio Strategy, Healthcare, Ricoh

That’s the approach Ricoh helped pioneer with a major university health system on the West Coast — one with more than \$4 billion in net patient revenue. Each day, Thakur said, the RCM team received 20 boxes of physical documents from various sources that needed to be sorted, scanned, indexed and matched to patients in the electronic health record. This highly manual process could take as long as 15 minutes per document, and the system routinely experienced a two-week backlog.

The results? Delayed procedures, claims denials, missed audit timelines and revenue leakage.

Thakur and his team recommended an end-to-end automation solution built on decades of handling and processing large volumes of unstructured healthcare data and a proprietary data governance framework. The system stored all documents to a repository in real-time, extracted structured data and intelligently matched the documents to patient records within the electronic health record (EHR) for reports episode of care. A process that once took 15 minutes to complete shrank to five minutes or less, and the document processing backlog cut from two weeks to two days or less.

And with the digital bridge in place, Thakur said the health system plans to expand its use to other workflows, departments, and facilities within the health system or IDN.

“This is an example of the direction in which revenue cycle management is moving,” Shegawi said. “For the time being at least, it’s a marriage between traditional and nontraditional capabilities, but that ultimately should emerge towards nontraditional, end-to-end capabilities that will ultimately better serve not just the organization and staff, but also patients as well.”

Revenue cycle management should be an end-to-end process, starting at the digital front door

Ricoh unlocks, connects and secures healthcare information from end to end, so you can create exceptional patient, provider, and employee experiences with the speed and efficiency your organization requires.

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