Cycle UP

meduit

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Building Financial Resilience: Tapping Technology Is Key

from Jeff Nieman, CEO

Jeff Nieman, *CEO*

Is your healthcare organization taking advantage of innovative tech-driven solutions to achieve financial resilience? If not, you may be losing ground financially.

Embracing artificial intelligence (AI) and automation to solve today's healthcare revenue cycle problems is essential, according to new reporting by McKinsey. AI is an ideal tool to address the persistent challenges of declining volumes, rising labor costs and staffing shortages.

By leveraging AI and automation, we have demonstrated that we can eliminate up to 40% of human work efforts. Our AI solution SARA (Supervised Autonomous Revenue Associate) has worked approximately 2 million accounts in the past year, automating over 100 revenue cycle tasks. Given that our pilot cases show 40% automation capability, we see significant opportunities to reduce reliance on labor and gain strategic advantage by adopting AI quickly.

Because AI learns over time and grows its capabilities, the sooner a provider adopts it, the faster they will see improvements. Organizations adopting AI today are already 18 – 24 months behind the early adopters. It is critical to make intelligent investments and move now to take advantage of AI's revenue generation. In one case study, SARA quickly picked up the work of 10 employees and created an annualized value of $500,000.

In this issue of *Cycle Up*, we tackle more of today's top revenue cycle issues, including:

- **Calming the Claim Denial Riptide**
- **The Straight Line to Retrieving $1M+**
- **Three Effective Solutions for Recovering Missed Revenue**
- **Strategies for Correcting a Dysfunctional Revenue Cycle**
- **Compliance News Update**

Meduit's goal is to support your healthcare enterprise and revenue cycle so you have the resources needed to continue delivering excellence in patient care. I hope you find this issue of *Cycle Up* informative and useful in that regard.

SARA quickly picked up the work of 10 employees and **created an annualized value of $500,000**.

Compliance News Update

CFPB proposes rulemaking that would eliminate credit reporting of all medical debt

On Friday, September 22, the Consumer Financial Protection Bureau (CFPB) announced it has begun the rulemaking process to "remove medical bills from Americans' credit reports." For more than a year now, the CFPB has taken aim at the Fair Credit Reporting Act (FCRA) slowly chipping away at legal, proper practices of the nation's healthcare providers and their partner collection agencies with false and misleading claims.

Last year, in response to continued CFPB releases, the credit bureaus independently issued sweeping changes that lengthened initial reporting from 180 to 365 days; prohibited reporting of debts under $500; and required removal of paid-in-full accounts. Even with those changes that severely limited the impact of credit reporting on delinquent medical debt collections, the CFPB has been relentless with its claims that medical billing is "plagued with inaccuracies and mistakes" that are "compounded by problems such as disputes over insurance payments or complex billing practices."

These claims are patently erroneous and are causing constant damage to the healthcare system that the CFPB refuses to acknowledge. As the overall delinquent medical debt raises, the healthcare industry will continue to face challenges to fund necessary medical services and eventually begin forcing key healthcare providers out of business altogether when they can no longer cover overhead without payment of services.

... the Consumer Financial Protection Bureau (CFPB) announced it has begun the rulemaking process to

"remove medical bills from Americans' credit reports."

Could you survive with a 10% reduction in your revenue? If the CFPB's proposed ruling becomes law (or the standard?), there will be no consequence if patients stop paying their portion. Join with Meduit today to fight against this proposal that will negatively impact hospitals and physicians all over the country.

Meduit's pledge to our healthcare partners, both big and small, is to advocate against the elimination of medical debt reporting proposed in this announced rule, and we ask you to consider taking that stand with us. The Association of Credit and Collection Professionals (ACA) has already spoken out against the

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Compliance News Update: CFPB proposes rulemaking that would eliminate credit reporting of all medical debt

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rulemaking, and we will be joining in the fight ahead of our industry. There are many groups beginning to rally, as this news is still so new, but we cannot wait.

Separately, we may cause small ripples, but together as a united voice we can create a wave. Get ready to stand alongside Meduit with other agencies and healthcare professionals against this rulemaking! Watch for more information from us about joint advocacy action opportunities. Once timeframes and response mechanisms are released, we will provide further details.

If you would like to review the outline of proposals and alternatives under consideration for the CFPB's medical debt rulemaking discussed in this alert, visit the CFPB's newsroom:

VISIT the CFPB's Newsroom

For questions regarding this alert, please reach out to
Jill Cloys, Meduit *Director of Compliance*,
at: **jill.cloys@meduitrcm.com**.

Key Meduit **RCM Factoid**

For the fourth year in a row, Meduit has been named one of the top healthcare revenue cycle companies in the nation based on total contracts data, as reported by Modern Healthcare's annual survey for 2023. We believe this is because of our dedication to providing innovative solutions, such as technologies driven by artificial intelligence, that achieve financial resilience for our healthcare provider partners.

Calming the Claim Denial Riptide

Strategies for mitigating increasing claim denials

In the first three months of 2023, approximately one-third of inpatient and outpatient claims submitted by providers to commercial payers went unpaid for more than 90 days. Many were outright denied. (Source: Becker's Hospital CFO Report).

Claim denials that were once reserved for a sliver of expensive medical treatments have become a more common occurrence for ordinary medical care. Current payer practices combined with AI and computer algorithms are denying claims by the thousands every month.

Meduit's customers report that insurance denial rates have increased significantly in the post-COVID-19 world, negatively impacting reimbursements. This escalation of denials is causing huge administrative burdens for hospitals, health systems and physician groups.

As a result, the demand for staff to work aged insurance and denials has increased. With labor costs growing across the board for providers and vendors, these competing pressures result in reduced margins and even operating losses for some.

There are really only two options for reducing denials:

1. **Build AI in-house via your internal IT team**
2. **Partner with an expert denials resolution vendor**

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Calming the Claim Denial Riptide
Strategies for mitigating increasing claim denials

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Unfortunately, many healthcare provider teams do not have the internal staff or financial resources to build AI technologies internally. That leaves partnering with the right vendor.

Before selecting an AI denials management firm, ask the following questions:

What processes does the vendor employ to review data, remit data, determine and classify the nature of denials?

What is the vendor's track record for appealing and overturning denials?

Meduit handles this challenge for our healthcare partners by deploying expert denials management outsourcing support. To determine whether claims were paid correctly, Meduit utilizes EDI billing data (ANSI 276/277 and 835) and remits data in the hospital's proprietary system.

By effectively appealing and overturning denials, we help maximize recovery and reduce loss. We research and fix denials by providing proper verbiage in the submitted claim, managing the appeal process and delivering denial analytics and transparent reporting.

To find out how Meduit can help solve your escalating claim denials, contact Dave Frank: **dave.frank@meduitrcm.com**.

The Straight Line to Retrieving $1M+: *The art of claiming $1M+ in monies already owed to you*

Healthcare systems are slowly recovering from the financial pressures of COVID-19. Though margins are moving in the right direction, they still remain slim.

THE GOOD NEWS

Most hospitals with Medicare claims are missing more than $1 million in revenue that is owed to them and waiting to be retrieved. Though Medicare provides reimbursement for $3.5 billion per year for Medicare bad debts, hospitals typically underreport those debts by 4% – 7% every year. That's earned cash not hitting the bottom line.

CLAIMING THE GOLD

This seems like low-hanging fruit, so why are those critical dollars being missed? Hospitals just don't have the staff to chase the data, identify unreported detail and then file the amended paperwork to retrieve those dollars.

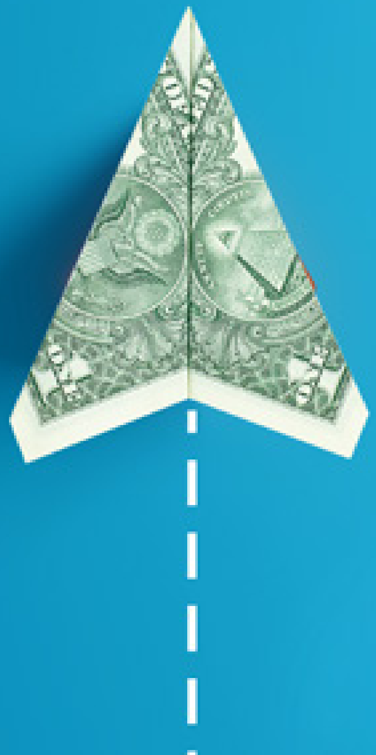
This is why Meduit has developed the Meduit Government Reimbursement solution. Here's how it works:

- Our team engages leading-edge analytics technology using data hospitals already have.
- We validate that data and then run proprietary technology to uncover every missed dollar.
- We file the paperwork to get reimbursements to the hospital.

The Meduit Government Reimbursement team has helped over 250 hospitals, and our success rate is 100% in identifying unrealized revenue.

Get a free, customized report detailing the dollar recovery potential for your hospital.

CLICK HERE for a FREE, Customized Report



Three Effective Solutions
for Recovering Missed Revenue
AAHAM Summer Article

While healthcare provider margins are slowly ticking up this year, most hospitals, health systems and physician groups ran negative numbers in 2022. In fact, last year was the worst financial year in history for providers.

In spite of recent financial stresses, there has never been a better time to identify and recover missing revenue. Many organizations have well over $1M in cash owed to them that they can claim and collect.

In the Summer 2023 edition of AAHAM's ***The Journal of Healthcare Administrative Management***, Meduit CEO Jeff Nieman shares the top three areas that healthcare organizations tend to overlook when it comes to missed revenue:

Government Reimbursement

Zero Balance Review

Federal and State Charity Programs

Download your copy of ***Three Effective Solutions for Recovering Missed Revenue*** and get strategies for identifying and collecting critical cash missing from your bottom line just click below:

CLICK HERE to Download the AAHAM Article

Spotlight on Fixing a Dysfunctional Revenue Cycle

Dave Frank, Sr. Vice President of Comprehensive Business Office Outsourcing

David Frank
Sr. Vice President of Comprehensive Business Office Outsourcing

In each edition of *Cycle Up*, we sit down with one of the leading voices in the company. In this issue, we're talking with Dave Frank, *Vice President of Comprehensive Business Office Outsourcing*, to discuss strategies for spotting and correcting a dysfunctional revenue cycle.

As a life-long learner, you'll find Dave listening to podcasts, audiobooks and music at various points throughout his day. He loves cooking, golfing, fishing, traveling and spending time with family and friends sharing outdoor activities.

Q: Can you share a bit about your history and what you saw in Meduit?

A: I graduated with a degree in Accounting from DePaul University and started my career in public accounting, quickly finding my passion for the healthcare industry.

After 20 years in public healthcare accounting and consulting, I targeted developing technology that provides niche solutions in healthcare by solving one problem at a time through a combination of technology, people and processes.

In 2012, I founded F2 Healthcare, where we developed a niche solution that helps providers with Medicare and Medicare Advantage bad debt. We grew F2 to scale regionally, and after nine years, wanted to bring our solutions to more providers faster by partnering with a national leading revenue cycle organization.

That led us to our acquisition by Meduit. Meduit is one of a very small field of players that truly brings national depth and expertise to revenue cycle management (RCM). It's one thing to offer some level of RCM services to the industry. It's another to have a 2,000-person bench of expertise, technology, offshore capabilities, artificial intelligence (AI), automation and more to the healthcare arena. As the healthcare industry continues to consolidate, having the ability to bring RCM expertise at scale is a unique position that Meduit occupies. I'm excited that the F2 team is now part of Meduit's growing story.

Q: If we think about the healthcare revenue cycle as a ship on the ocean that is susceptible to developing holes in the ship's hull, where are the most likely places for those holes in the revenue cycle to appear?

A: Today's healthcare revenue cycle is very complex, and I would add in a fragile state. Lower cash collections, rising A/R and denials and net cost are significant financial holes that really change the landscape quickly.

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Spotlight on Fixing a Dysfunctional Revenue Cycle

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Patient engagement and satisfaction are also critical. If RCM processes do not yield a great patient experience, providers will see broad and long-term negative results.

Q: How are providers negatively impacted by a dysfunctional revenue cycle?

A: I see three primary buckets:

- **FINANCIAL** – A dysfunctional revenue cycle is going to deteriorate the bottom line, preventing investment in new staff, buildings and technology. Rising A/R, growing denials and reduced recovery rates all lower the net cash coming to the provider.
- **PEOPLE** – Employees sense and feel the dysfunction. They are often performing the same tasks multiple times manually and seeing lower yields. This kind of environment and dysfunction will not help attract and retain the best and brightest team members.
- **PATIENTS** – Clearly, patients are the reason we are all here. Their primary need is getting solutions for the medical condition or challenge they are facing. As with employees, patients also feel the dysfunction if it is there.

At Meduit, we cover the entire billing and collection process

Our nearly 2,000-member team focuses on driving healthcare dollars and performance every day across the entire revenue cycle spectrum.

Q: Are there signs of a dysfunctional revenue cycle that providers should be aware of?

A: These are things to look out for:

- **FINANCIAL**
  - ✓ You are not hitting the numbers you need to thrive
  - ✓ Cash, A/R and denials have to be level with or beating industry metrics, or you are losing ground daily
- **PEOPLE**
  - ✓ Higher than average job turnover
  - ✓ A significant number of open positions
  - ✓ Low employee satisfaction scores
- **PATIENTS**
  - ✓ Low patient satisfaction scores
  - ✓ Negative industry feedback such as from social media
  - ✓ Declining numbers relative to same-store types of service lines

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Spotlight on Fixing a Dysfunctional Revenue Cycle

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Q: ***For providers with a dysfunctional revenue cycle, is it critical to overhaul the entire revenue cycle, or can those providers simply repair the holes to get back on track financially?***

A: Organizations are often overwhelmed when performance is down. Most organizations do not need a complete RCM overhaul. Many of the building blocks for a healthy revenue cycle are almost always there. However, there are very frequently many holes, and it's important to know where those are and address them. One dysfunctional issue can lead to another, creating a snowball effect.

At Meduit, we cover the ***entire billing and collection process***. Our nearly 2,000-member team focuses on driving healthcare dollars and performance every day across the entire revenue cycle spectrum. With many moving parts, we recognize that it is critical to adapt solutions as needed to solve the unique challenges of any organization.

For example, if insurance A/R is too aged or denials are significant, providers may outsource the entire patient liability resolution area so they can focus on other higher return areas. Most organizations can benefit from an a la carte set of solutions to achieve a healthy revenue cycle.

For those that desire a more managed, outsourced back-end suite, Meduit offers ***Comprehensive Business Office Outsourcing***. This consolidated back-end offering covers bill drop to final self-pay payment and even Medicare bad debt. Typically, we build this solution with a combination of internal resources and external components to solidify the entire RCM process.

Q: ***What are the top strategies that providers should focus on to ensure a healthy revenue cycle, and how can Meduit help?***

A: Target these areas:

- **FINANCIAL:** Develop strategies to achieve industry metrics. This involves making the right investments in people, processes and technology. Meduit works with healthcare organizations to optimize these investments.
- **PEOPLE:** Consider outsourcing all or in part and leveraging onshore or offshore outsourcing support. We've seen staffing shortages in certain markets, and we are able to provide outsourced services by leaning on people in other offices.
- **TECHNOLOGY:** Tap solutions that work with essentially all the major patient accounting systems with depth in each. Meduit brings a full division of AI/automation/machine learning resources. Today, we leverage 200+ "machine FTEs" doing automated tasks for providers to drive efficiency, accuracy and cash.
- **PROCESSES:** Workflows are often under-appreciated. Knowing how to work an insurance denial and having a standard appeal template are big parts of the equation. At Meduit, we offer thousands of those processes.

At the end of the day, Meduit brings national scale and industry leading insights to healthcare providers. We design the best solution to work in partnership with them to achieve a healthy, resilient revenue cycle.

Solutions for Staffing Shortages that Accelerate the Revenue Cycle

Episode 2, Season 3 of Meduit's Podcast Series

Healthcare providers nationwide are still grappling with the impact of COVID-19 on staffing shortages and thin financial margins. That is why we have just launched Episode 2 of our award-winning podcast series – **Solutions for Staffing Shortages that Accelerate the Revenue Cycle.**

In this episode, Meduit's Jeff Nieman, *CEO*, and Greg Rassier, *Chief Strategy Officer*, discuss:

- **The impact** of COVID-19 on staffing and financial margins
- **What we can expect** this year in volume trends and labor pressures
- **How strategies** such as outsourcing can help solve staffing shortages
- **How deploying AI solutions** can help drive significant revenue efficiency, accuracy and cash

As with all of our thought leadership content, Meduit's podcasts are created to provide the necessary information for healthcare providers to elevate their financial health so they can continue to deliver excellence in patient care.

LISTEN to the Podcast

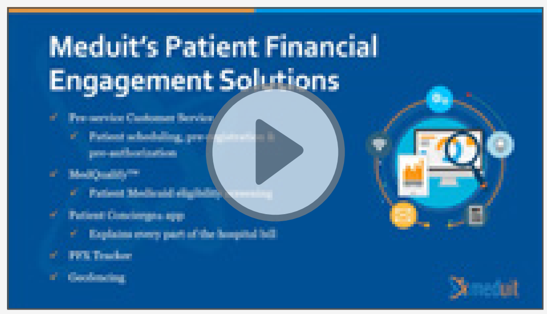
DOWNLOAD the transcript

In Case You Missed It
Meduit Webinars

If you missed the Meduit/HFMA KY webinar, *Top Tech-driven Tools Changing the RCM Game*, you can watch it now.

Learn how healthcare providers are leveraging leading digital tools, artificial intelligence and automation to generate revenue, reduce costs, stabilize finances and ensure economic resilience from Jeff Nieman, *CEO* of Meduit, and Jason Petrasich, *Sr. Vice President of AI* for Meduit. Access the webinar below.

Top Tech-driven Tools Changing the RCM Game



Presented by: Jeff Nieman, *CEO* of Meduit, and
Jason Petrasich, *Sr. Vice President of AI* for Meduit

WATCH the webinar here

We Want To Know What You Think

Have comments or questions regarding an article in this issue or a topic you'd like our editorial team to consider for an upcoming issue? Send us your thoughts at: **info@meduitrcm.com**.

And be sure to like and follow us on **LinkedIn**, **Twitter** and **Facebook** for the most current information on revenue cycle management.