BillingParadise
Revenue Cycle Masters

10 RCM STAFFING CHALLENGES FOR HOSPITAL CFOS

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Introduction

Healthcare CFOs are no longer number crunchers, capital, and data providers. They can serve as part models on driving culture, and how they can ameliorate hand well-being and satisfaction of their healthcare organization. The role played by hospital CFOs has evolved greatly, broadening the position's liabilities to go beyond balancing the budget. In addition to fiscal heartiness pretensions, CFOs now lead sweats that can help grow an association through its labor, security, equivalency, and healthcare strategies.

Such crucial decisions and intuition are always required for a CFO to try to keep up with the Work and Cash Flow balance for a sustainable business. Some of the spendings that can be avoided from the perspective of a finance leader are

1. Multiple PAs for doctors who are not surgeons.
2. Over Utilization of manual workforce.
3. Hiring part-time physicians and non-network providers.
4. Multiple in-house billing teams for each hospitalist program.
5. Usage of alternative medicine professionals.

Context

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01 How labor shortages affect hospitals and medical groups

Despite the advantages of digital patient experience tools, things will be as tough on the rear finish as they will be on the front end. Medical billing and AR follow-up teams are all strained by labor shortages. It's clear that today's health systems merely don't have the resources they have to effectively process patients and clear them financially. This has slowed the speed to gather and resulted in higher collection prices.

Nearly half the respondents to our survey report that they're experiencing a severe shortage in their organization's RCM or request department:

90%

of hospitals and medical groups face ongoing labor shortage challenges in their RCM or billing department.

50%

of hospitals and medical groups face ongoing labor shortage challenges in their RCM or billing department.

As the patient volume rises and revenue cycle positions stay unfilled creates an increase in administrative burdens. The mix of staff shortages, raising revenue cycle complexity and technological advancements have led the healthcare business to a degree wherever automation is currently a necessity.

1.1 Eliminating Labor shortages using Robotic process automation

Traditionally, staff working in RCM teams do what are described as mundane tasks like referrals, preregistration, authorizations, payments process, and then more manual data processes.

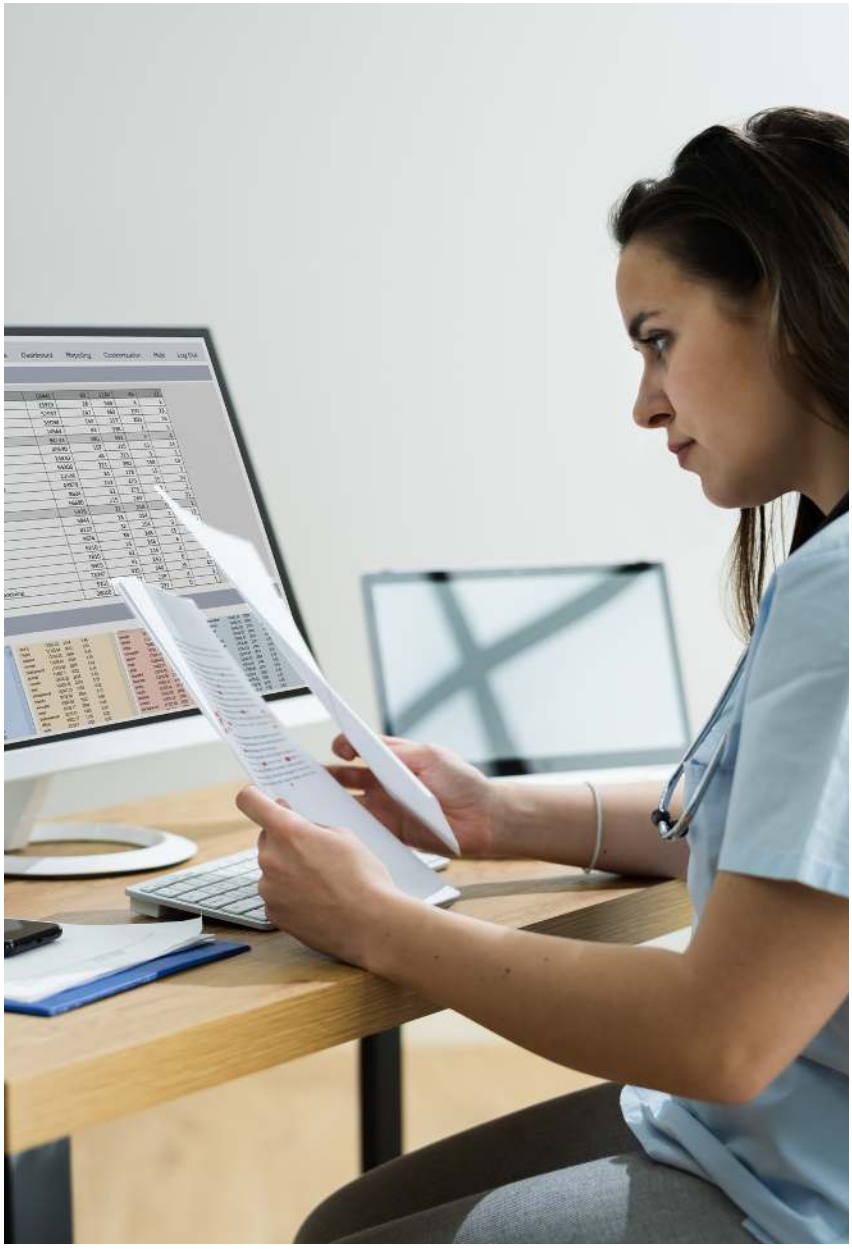
45%

of healthcare CFOs and RCM VPs say labor shortages have led to longer hold times for scheduling and customer service calls.

of patient billing errors have been witnessed because of a lack of experienced staff for claims, coding, and reimbursement.

48%

The right RCM partner will modify a lot of the routine, repetitive work, liberating health systems to take a position in upskilling remaining RCM staff to require additional complicated assignments. Automation conjointly makes for an additional seamless patient journey at points on the revenue cycle while empowering RCM staff to deliver higher patient experiences.



Having said all that, identifying an RCM partner that is well-versed in both RCM operations and Robotic process automation capabilities is crucial for hospitals and medical groups that face these types of staffing shortages. If a practice has only a few reliable in-house staff and the CFO or RCM director does not want to hire new staff and go over the same training and process evaluation processes over again that might be even more expensive considering the shrinking margins of these hospitals and medical practices.

CFOs should consult RCM and RPA experts that can provide the right solution to handle these types of staffing shortages with automation and temporary staffing. Say the patient volumes are reaching all-time high volumes and you need additional support to work on the claims for a week or a month, then automation is the best alternative rather than waiting to hire new staff.

02 Staffing crisis that CFOs face and automation implications

Ripped from the headlines: on could thirteen, native news TV station WMBB in Panama town, Florida, rumored this:

Employees at Healthmark Regional middle in DeFuniak Springs have apparently not gotten their most up-to-date check. News thirteen spoke with a medical skill presently engaging at Healthmark agency which has chosen to stay anonymous.

No one has been paid for my information, together with salaried individuals as a result of what I am asking nowadays since our last day was April 22nd.

Healthmark CFO offered to supply a letter to staff to present to banks and creditors. It states that Healthmark is experiencing a delay in payroll obligations which thanks to circumstances on the far side of their management, funding wasn't obtainable to hide paychecks.

As way as anyone will say it's closed, our supply is aforementioned. There aren't any inpatients, there's no ER, there's nothing. I mean the appurtenant services are there however there's not a patient within the building unless they're associated with patients obtaining their labs drawn. The ER closed back on March eighteen for renovations.

03 The statistics are clear

Hospital finances stay in danger, as of mid-2022. Indeed, the Chicago-based George S. Kaufman Hall firm found this spring in its "National Hospital Flash Report: April 2022," authored by Erik, and discharged on could two, that, whereas some positive signs had emerged by March of this year, and

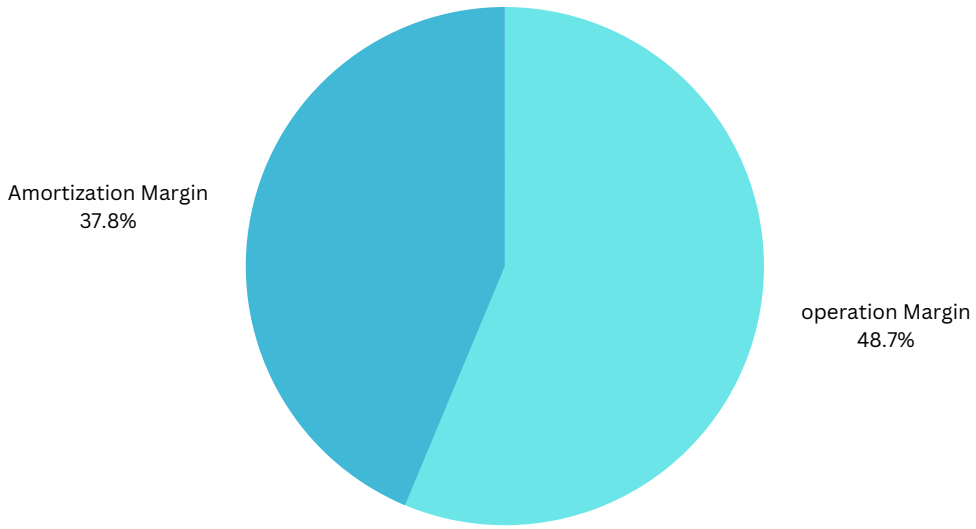
Hospitals saw early signs of relief as patient volumes and revenues came back and expenses were relieved with fewer high-acuity patients, even so, the most recent performance results counsel an extended road ahead with the actual hospital in operating margins within the red for a 3rd consecutive month as organizations struggle with inflation, national labor shortages, and different in operating pressures. The median George S. Kaufman Hall year-to-date in operation Margin Index was -2.43 % in March.

Indeed, when the stats improved over this spring, the money struggle for hospitals continued, the report found, stating that The median modification in operation Margin rose 32.7 % from February to March and 85.6 % compared to March 2020.

03 The statistics are clear

The median modification in operation Earnings Before Interest Taxes Depreciation and Amortization Margin hyperbolic is 26.7 % month-over-month and 98.1 % versus March 2020.

Year-over-year (YOY), however, the median modification in operation Margin was down 48.7 % and therefore the median modification in operation Earnings Before Interest Taxes Depreciation, and Amortization Margin declined 37.8 % compared to March 2021.



The report was written by Ethan Popowitz, with contributions by Todd Bellemare, senior vice chairman of strategic solutions, and Maggy Tieche, marketing research manager, at Definitive healthcare.

04 Key findings include

333,942 healthcare suppliers born out of the workforce in 2021

33% of all physicians are over **59** years old. the typical age of a nurse is **57**, a medical specialist is **55**, Surgeons are **56**, and a family medicine medical practitioner is **52**.

Internal medicine was the specialty that lost the foremost within the last year, followed by family medicine and medical specialty.

The largest healthcare system has a further

10,000 beds

35 hospitals

163 medical practitioner teams within the **past 3 years**.

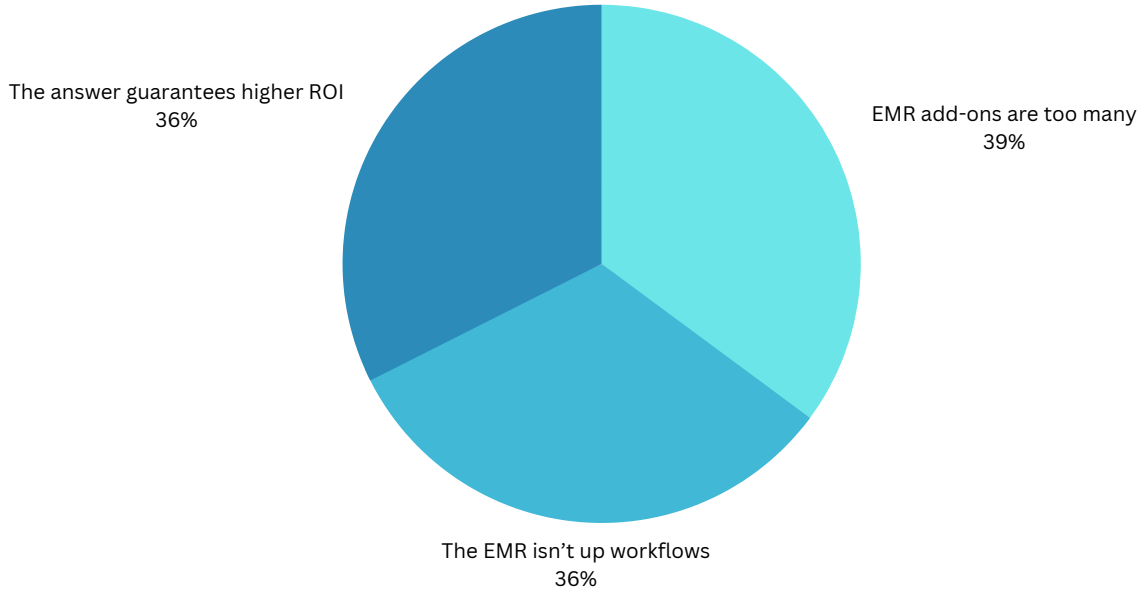
While patient volumes have hyperbolic and are a lot of stable, the lowest lines of medical practitioner practices, hospitals, and health systems still be adversely littered with rising expenses. That has junction rectifiers to negative margins for a lot of the primary half of 2022. Nonetheless, it's unlikely that relief is returning from government payers; a July 2022 report indicates that CMS is unlikely to extend rates to account for inflation, and additional compression margins going forward.

05 The impact of technology investments

It's not shocking, then, those revenue cycle solutions were high among executives' planned IT investments (60%), trailing solely behind cybersecurity investments (65%). In general, the survey found that healthcare leaders primarily obtain solutions outside the EMR because:

- Patient safety is doubtless jeopardized (cited by five-hundredths of respondents)
- EMR add-ons are too many (39%)
- The EMR isn't up workflows (36%)
- The answer guarantees higher ROI (36%)

That makes it obligatory for revenue cycle management (RCM) solutions to demonstrate
ROI, without delay, integrates with EMRs and different technology, improves workflows for physicians and staff, and increases income and revenue generation.



06 How can CFOs evaluate RCM and medical billing department results?

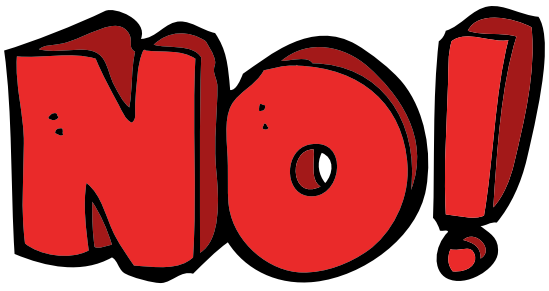
Most practice CFOs and RCM directors agree that evaluating the performance of medical billing and RCM departments starts and ends with the subsequent data. Analyze this information and judge how effective your medical billing process, whether or not in-house or outsourced, is performing up to your expectations.

6.1 Examine insurance payment and aging reports

Whereas weekly reports were in all probability overkill for many practices, monthly reports provide you with significant information to gauge your asking operation. Typically, these reports return from your medical billing department or firm,

Are you receiving these reports now?
Are you analyzing them?

If you answer “No” to either of those queries, you must flip the answers into “Yes,” as long as attainable.



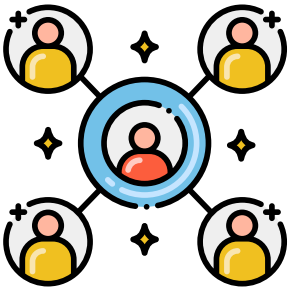
6.2 Evaluate patient payment aging

Use an equivalent analysis of self-pay patient AR. Even though this patient population is little, their payment statistics influence asking employees' performance ratings.

AR balances collected timely indicate your medical billing department is an activity well. Balances that systematically reach the 90- to 120-day buckets will indicate asking and/or assortment issues.

6.3 Rate medical billing employee productivity

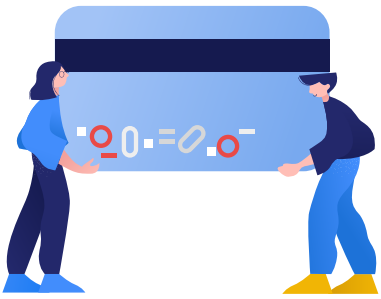
Traditionally, staff working in RCM teams do what are described as mundane tasks like referrals, preregistration, authorizations, payments process, and then more manual data processes.



Referrals

Authorization

Preregistration



Payment process

Manual Data process

07 Core administrative expenses faced by CFOs

Costs related to in-house medical billing operations can embrace quantitative prices similarly because of the associated "opportunity costs" and therefore the number of time intervals that are needed to manage the requested operation.

When evaluating the fastened and variable prices, follows should accurately verify that the bucket the practice prices fall. For instance, whereas in theory, all prices were variable, the associated prices of hardware and software systems were fastened whereas statement and postage prices were typically variable supported volume.

7.1 Quantified prices ought to include

Hardware needed for the request and supporting system(s).

Initial and current prices follow a management software system to stay track of patients' balances and send bills to payers.

IT employee prices related to interfaces to hospitals, EMR, and alternative systems; Direct prices related to the billing: statements, postage, EDI, etc.

Less obvious hardware/software prices as well as disaster recovery, communications (for arriving and outgoing patient calls) telephones, PCs, etc.

7.2 Billing and RCM staff costs

Certified medical coders and direct employees, as well as supervisors and managers to superintend the operation, and the following, are going to be chargeable for responding to any rejections or denied claims.

Benefits, taxes, bonuses, annual will increase, and alternative prices related to the staff;

Less obvious employee costs: coaching, time unit (recruiting, edges administration, etc.), reference documents, etc.

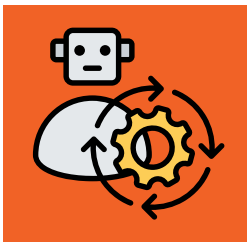
It supports the employees, request system, communications, etc. Overheads as well as area, utilities, supplies, etc.

08 Cost-efficient digital and hybrid RCM operations for CFOs facing staffing shortages

Healthcare CFOs who are trying to reduce costs and at the same time meet their RCM operations benchmark always lose sleep because of the overwhelming budget they face. There are 7 digital and hybrid workforce models and financial impacts every healthcare CFO should know.

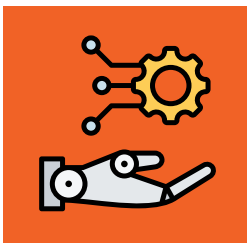
Co-Managed system

Hire our remote RCM experts and allow your billing manager to direct the operations and reduce operating costs simultaneously.



Automate partial process

Automate time-consuming verification and validation process like patient eligibility with our automation platforms to confirm reimbursements.



Entry level process RPA

Entry processes take lots of time and staff to complete day-to-day activities that can be completed automated and allow billers to monitor it saving $100K per year.

Combined hybrid model

Implementing both AR analysis bots and staff to see a 70% increase in resource utilization and faster ROI spent on RPA and staff.

08 Cost-efficient digital and hybrid RCM operations for CFOs facing staffing shortages

CCI and CDM digitization

RPA for correcting codes and documenting medical records precisely can reduce 98% of coding and documentation penalties from federal agencies.

Selective RCM staff coordination

Select the RCM processes that need additional staffing and coordinate with them along with your billing department.

Temporary staffing

Hire billing, coding, and denial management staff for a particular duration of time to fill in between the gaps until you hire permanent staff.

Cost savings for CFOs are limitless when it comes to RCM operations. Finding the right model that suits their hospital should be an important priority for CFOs.

09 How CFOs can solve staffing challenges by using cost-saving RCM services

We have run a **survey in 2021** that states that many hospitals and health groups face too many uncollectible reimbursements from insurance companies that will create problems for CFOs, such as:

? Too many prior authorization and referral requested denials?

? Lack of follow-ups on patients and insurance payments?

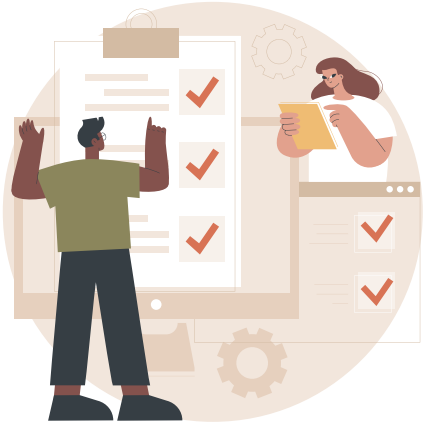
? Too many uncollected, untouched and unworked reimbursements from insurance?

? Struggling to determine patients' benefits for your specialty?

? Is your coding team struggling with suggestions for new procedure Codes?

? Are these issues adding up to your denied and underpaid claims affecting your financial performance?

10 CFOs are performing more than they signed up for



A survey of leaders across **21** hospitals showed that CFOs are responsible for functions outside of finance. Whether it is strategic planning, assessing technology, or working to meet profit and earnings pretensions, CFOs are anticipated to be strategic catalysts of hospitals' growth not just the head of financial planning. This elaboration of the CFO part has left veritably many of these directors concentrated only on finance.

This isn't to say CFOs have relinquished their responsibility for maintaining cash inflow; retaining financial processes; attesting to statements, and dealing with investors, adjudicators, and duty authorities. The proverbial " buck " still stops with CFOs when it comes to the overall fiscal health of their associations. Between that core responsibility and their expanded places, CFOs log some of the longest working hours in healthcare organizations.

They worry about being effective in new strategic duties, a concern that's maybe more acute in hospitals that may not have RCM directors. This pressure is apparent in nearly every survey, as CFOs describe different performances of an anticipation gap the strategic part they're supposed to fill, that takes up a significant portion of their day-to-day time.

This elaboration of old and new roles of CFOs is anticipated to continue, according to surveys by the Institute of Management Accountants, where **72%** of members surveyed believe the CFO part will continue to expand significantly through 2025.

11 Conclusion

As new requirements and challenges are constantly being posed to healthcare CFOs, it is the right time to discover more about the strategies that can positively affect your budget. We understand that getting budgets approved on time will benefit your healthcare organization both RCM and administrative operations. It is the responsibility of the Chief financial officer to know sources that are cost-efficient and at the same time, quality of work delivered. And also has a holistic solution so that you need not search for other individual RCM service providers.

Discover why other premier hospital executives have embraced our services as their answer to the challenges of revenue maximization and cost containment.

11 Conclusion

24 x 7 Full Revenue Cycle Management Services

Patient eligibility and benefits verification

Medical Billing and Insurance Collections

A/R Analysis & Calling, denial, and appeals management

Revenue Cycle Audit (In Patient & Outpatient)

Inpatient and Outpatient Medical Coding, Coding Audits / MS – DRG Audits, HCC Coding Reviews (Outpatient & In-Patient)

BillingParadise dedicated RCM and RPA teams are more than capable of keeping your billing operations budget to a minimum while excelling in resolving the key issues that stop your practice from generating revenue. We have created a perfect whitepaper that will answer most of your questions in terms of practice, financial performance, and RCM operations.

If you still have any further questions in terms of operations timings, team structure, and 24/7 support we have our business development team that can answer your questions over a virtual meeting. Please use the email or phone number mentioned below in the bio to schedule it.