

REVENUE CYCLE BASICS SERIES

Part Seven

Virtualize your Revenue Cycle

Using Cloud-based applications to create a "Virtual Business Office (VBO)" to improve performance and lower costs by over 20%

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Virtualize your Revenue Cycle

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Technology advances can enable significant improvements in cost and performance without reducing control over your AR

Almost every healthcare organization in the US deals with the same issue on a day-to-day basis — not having the resources necessary to adequately collect all the different areas of AR. This is **particularly** applicable to specific areas that are difficult to collect — medical denials, appeals, workers compensation and self pay, etc. Improving this process could not only increase cash but also reduce collections expenses, thus improving earnings.

Many healthcare providers have decided to implement a Central Business Office (CBO), but they have yet to realize the desired results of improved cash and reduced cost. Much of this is because the technology and process necessary for CBO success are not the same as in a single facility business office. Additionally, many providers believe that a CBO, by definition, simply involves aggregating all resources into centralized locations.

Smaller hospitals and systems with standalone business offices face a similar dilemma. A smaller business office staff inherently means that there is less opportunity for specialization, and more issues due to staff turnover. Almost every healthcare provider in the country staffs their CBO for peak volume periods, which means that in off-peak periods they are carrying 15-25% more employees than necessary to handle the current workload.

Advances in technology (like HealthTech's [myClaimIQ AlphaCollector](#)), now present the opportunity to take an entirely new approach — the "Virtual Business Office." Being connected in a virtual business office (VBO) can provide the desired results without the traditional feeling of losing control of your AR that is often associated with outsourcing.

Why has the current CBO model not produced the desired results?

Most systems that centralize their business office operations fail to accomplish some or all of the goals that were established at the start of the project. Much of the lack of success is due to the limitations of their software since it was not specifically designed to run a central (virtual or single location) receivables management operation.

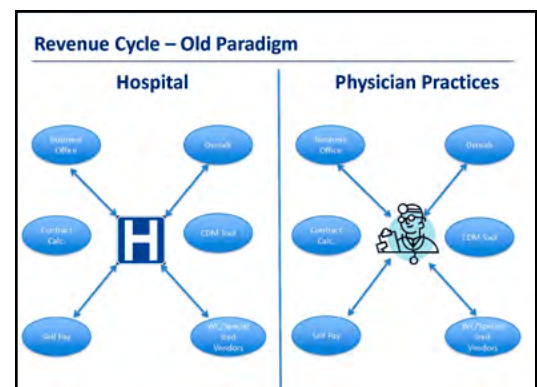
6 Reasons Why CBOs Don't Produce Desired Results:

1. **The ability to specialize functions is compromised**

- Much of the benefit of creating a CBO comes from the ability to specialize your collectors by grouping accounts into distinct buckets.
- Unless you have a workflow tool that is able to aggregate accounts and account types into large enough buckets, the benefit of specializing collectors dissipates.

2. **Integrated workflow across multiple facilities is difficult**

- Most CBOs continue to work their AR in the hospital's PA system — thus if they have 2 or more facilities, a great deal of time is wasted switching back and forth between systems.



3. Productivity is reduced due to multiple PA systems

- When CBOs have to work in different PA systems (hospital, physician clinic, long-term acute care hospital, etc.) productivity is reduced due to switching between systems and related training for the various systems.
- CBOs historically have not had access to technology capable of integrating all PA systems into one location (like [myCLAIMIQ AlphaCollector](#))

4. Communication with host facility is hard to coordinate

- This is probably the single biggest reason why CBOs struggle. When a business office is in the hospital, it is easy to walk down the hall and resolve an issue with another department. When the department is moved off site, document requests become much more difficult since the collectors become dependant on email, telephone, etc.
- Simple tasks like requesting medical records and keeping track of requests, including how long they have been open and who is responsible for them, etc. become problematic.
- A subset of this is the transfer of accountability. It is very common for the hospital departments to exhibit lack of accountability once a CBO is established.
- Communication has not been streamlined as available in [myCLAIMIQ AlphaCollector](#), where you can request communication between departments, send letters and request adjustments with the click of a button — while it keeps a record of all your activity.

5. Management of collector work assignments and follow up is not consistent — often based in a spreadsheet

- Every PA system is set up for a single hospital operation. When multiple entities are being collected in a single location, most of the work list management is done in a spreadsheet — relegating collections priorities to the collector.

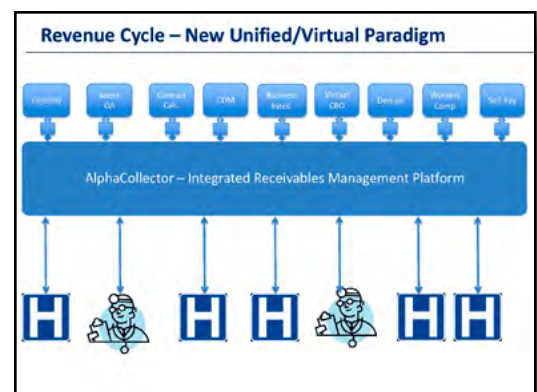
6. No centralized reporting and analytics

- [myCLAIMIQ AlphaCollector](#) is specifically designed to improve the productivity of those responsible for managing receivables.
- Business Intelligence and drill down capabilities are embedded. Reviewing the top 100 accounts takes minutes, not hours, due to custom metrics and reports. Every piece of data, including account notes, is no more than two clicks away.

Challenging the current CBO model with a VBO

Cloud-based collection management and reporting software is now available to not only improve CBO operations, but also provide an effective alternative to the traditional CBO model. **We call this our “Virtual Business Office” or “VBO”, and [myCLAIMIQ AlphaCollector](#) is the backbone.**

Cloud-based software takes data feeds from any Patient Accounting system and imports them into a platform that is custom designed for one single purpose – collecting healthcare receivables in a distributed environment. The software enables all permitted users to collect and manage their AR at any time, from any computer. Think of it as a “receivables management community” where all users see the same thing and can work the accounts with ease, and all receivables data is normalized so it can be worked in a single platform. Sound familiar? Hospital



based transcription was at the same crossroads 20 years ago, and EMR was in a similar position just 10 years ago.

Once implemented, VBO software not only provides an immediate improvement to in-house collection efforts, but it also provides a seamless tool for transferring and managing AR with all facilities as well as outside collections vendors. Because the CBO or any vendor is essentially working on the same collections platform as the hospital there is no time delay between what the CBO and/or vendor accomplishes and what the hospital sees.

Other advantages are that the CBO/hospital/vendor use exactly the same workflow, the same audit mechanisms and also the same management reporting tools (Business Intelligence and other) –***aligned processes, procedures and incentives are inherently built into the software.***

Working on the same system at the same time with an **integrated request log** feature eliminates any timing difference in the communication and execution of requests between the facility, the CBO and vendor – in both directions. The hospital is able to audit and review account activity, notes, collector productivity and account resolution in real time – creating a level of accountability that is not possible with the current CBO model.

What is a Virtual Business Office and why should I consider it?

Many systems today are either moving to a CBO model or considering it. Today's model almost always has the collections function centralized in a single or several locations to take advantages of economies of scale. For some systems this is easy, but many geography presents an obstacle. CBOs also create a "loss of control" feeling for the hospitals that transfer operations.

Cloud-based systems like [myCLAIMIQ AlphaCollector](#) provide a new and unique opportunity. It can be used to create a CBO-like effect without ever moving people or assets into a single location. Because the software is able to aggregate any and all AR data into a single workflow tool, it is possible to manage workloads across many facilities including management, work lists, specialization and vendor management without moving a single employee.



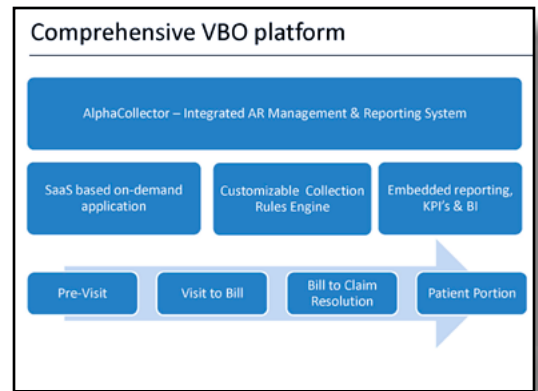
For facilities and systems that are considering a CBO or complete outsourcing, the VBO presents a third alternative as a connected (insourcing) model. It is also possible to use the platform to create a hybrid model — utilizing the CBO for the extremely specialized functions, but keeping routine operations in the hospitals and using the VBO to balance the workload.

The number of alternative models is only limited by the hospital/system. It is not necessary to be bound by current thinking about CBOs and/or outsourcing. You can create your own VBO and take advantage of all the current technologies and specialists anywhere in the United States.

Key Advantages of the VBO using [myCLAIMIQ AlphaCollector](#)

- ✓ You control the data and the process — you assign business seamlessly within the platform.
- ✓ Because the vendor is required to work their section of AR within the platform, there will be no need to extract and transfer multiple sets of data.
- ✓ Your collection metrics and workflow will be mirrored in AR worked by the collector — no matter where they are located. Collection activity is measured every second of the day, enabling accountability no matter where the work is done.
- ✓ Daily management of your AR is not just limited to accounts worked by the facility or the CBO, but it can be a vendor, a remote controller, or even a coach or resource.

- ✓ Productivity and accountability is improved as everyone is working on the same system with the same data at exactly the same time.
- ✓ Communication between the facility and the CBO (or whomever is working the accounts) is improved.
- ✓ Built-in business intelligence and management reporting tools improve oversight and reduce time necessary to audit performance. Audit queries automatically look for inconsistencies in data and performance.
- ✓ Since you decide your business rules, our system requires all stakeholders to adhere to your standards and philosophy and be accountable for results in real time.
- ✓ Many other applications — like CDM tools, contract calculation engines, month end contractals, eligibility qualifications, etc. can plug into the platform without any installation — think of it like your smartphone apps.



Conclusion

Call it what you like – “VBO” or connected AR management – advances in technology have introduced the ability for hospitals to achieve better results from their receivables management processes and retain control as part of the package – providing a much needed alternative to the current CBO and complete outsourcing models.

HealthTech’s Cloud-based application – “AlphaCollector” – has the ability to be installed and operational with very little upfront investment in time or money. Access to the internet and a reasonable monthly subscription fee is all you need to start receiving all these benefits.

Circumstances around revenue cycle management change rapidly. A “connected” approach gives the facility the control necessary to make changes when necessary without ever being hindered by a static collections model or the inability of your PA system. Not only will cloud-based collection management software improve your AR performance, it will provide you with the platform to get better results in all phases of the collection cycle.

| Date | Status | Amount | Progress |
|----------|-------------|------------|------------|
| 01/15/13 | In Progress | \$4,200.00 | \$4,200.00 |
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Management productivity can dramatically increase with myClaimIQ AlphaCollector

TAKE CONTROL BACK. VIRTUALIZE YOUR RECEIVABLES MANAGEMENT TODAY.

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