What's Next for Revenue Cycle Management?

Insights from Hospital Leaders

Challenged by revenue shortfalls, decision-makers are considering — and in many cases, adopting — a fresh approach to revenue cycle management (RCM), leading to improved financial performance, sustained growth, and enhanced patient care.

How do hospitals balance financial viability with their mission to provide exceptional patient care? In recent years, this dilemma has been fueled by declining reimbursements, dwindling patient populations, soaring operational costs, and other factors.

TruBridge recently commissioned an online survey of hospital leaders, including chief executive officers, chief financial officers, and chief operations officers, to better understand how they've adjusted their RCM strategies in response to revenue shortfalls and other financial challenges. From 92 responses, we gained valuable insights into how RCM automation and partnerships can empower hospitals to strengthen their finances and organizational independence, while ensuring excellence in patient care.

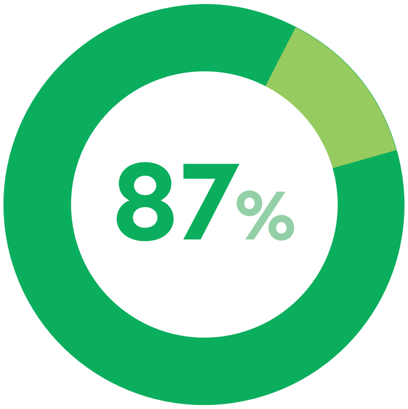
The Financial Reality: Revenue Shortfalls Are Reshaping Strategic Plans

Acting to Ensure Long-Term Success

The massive scope of the financial challenges facing hospitals is reflected in this leadership survey metric: 87% of respondents said they have had to modify their strategic plans during the past two years due to revenue shortfalls. Operating with razor-thin margins, they understand that every dollar of revenue counts, and they must make the right financial decisions to secure long-term success for their organizations.

Rethinking the 'Go It Alone' Model

Traditional reliance on in-house RCM is quickly fading, as hospitals grapple with the increasing complexity of healthcare billing — exposing them to vulnerabilities ranging from process inefficiencies to revenue leakage. As the survey reveals, a substantial percentage of these organizations have responded by moving away from homegrown and internally managed revenue cycle functions to RCM automation and, increasingly, RCM outsourcing.



of healthcare executives surveyed have modified their strategic plans due to revenue shortfalls in the last 24 months

A Clear Shift Toward RCM Automation and Strategic Partnerships

Survey: Overwhelming Agreement from Hospital Leaders

Quite simply, the enormous financial pressures confronting hospitals require a radical change in how they manage their revenue cycle. Too much is at stake — for the organization, employees, patients, and community at large.

Accordingly, a majority of the survey respondents view RCM automation as a helpful tool for addressing revenue shortcomings. In addition, 82% of the respondents said they have discussed outsourcing all or part of their RCM during the past three years. This shift toward automated and expert-driven RCM reflects the urgent need to boost financial performance, alleviate administrative burdens, and empower staff to focus more fully on patient care.

82%

of healthcare organizations have discussed outsourcing their RCM in the past three years

Deliverables of a Comprehensive, Industry-Leading RCM Solution

Which hospitals are best poised to thrive in today's challenging environment? Certainly, being large and well-funded provides an advantage. But that's not a reality for most hospitals. However, they can gain an advantage through proven RCM technology coupled with smart partnerships. Specific ways a comprehensive RCM solution can help hospitals include:

- **Reducing denials and bad debt**
- **Improving billing accuracy and cash flow**
- **Providing real-time data analytics for better decision-making**

One additional — and significant — benefit of the outsourcing model: It provides access to cutting-edge technology without the high cost of purchasing and maintaining a complex system. This, by itself, can contribute positively to a hospital's bottom line.

How to Choose the Right RCM Partner: 3 Key Criteria

Based on input from hospitals that have successfully transitioned to an outsourced RCM solution, here are three crucial criteria to use when evaluating potential partners:

01

Look Beyond the Technology

Of course, best-in-class RCM technology is important. But it's even more vital to seek a partner with hands-on experience in managing financial performance. Good indicators of a well-qualified RCM partner include the ability to handle:

- Billing and invoicing
- Contract management
- Claims management
- Denial management
- Revenue cycle assessment and analysis

02

Seek a Complementary Partner

In other words, your RCM partner should function as a natural extension — not a replacement — for your team. The ideal partner will be able and willing to:

- Work seamlessly with your in-house team
- Effectively communicate with hospital leadership, finance teams, and frontline staff
- Share accountability for financial outcomes

03

Prioritize a Proven Track Record

Does the potential RCM partner have extensive experience with hospitals and understand your unique financial and operational challenges?

Do they offer customized solutions, or do they take a one-size-fits-all approach?

Most importantly, can they demonstrate measurable financial improvement on behalf of hospitals like yours?

Success in Action: Sweetwater Hospital Association's RCM Transformation

Improving Financial Performance without Sacrificing Local Jobs

Sweetwater Hospital Association's experience provides proof that outsourcing RCM to the right partner can improve financial performance while retaining local control and jobs.

With TruBridge as its RCM partner, Sweetwater achieved significant, measurable results — including a 26% increase in monthly cash collections, a 13:1 claim-to-collection rate, and a $160,000 monthly decrease in electronic health record (EHR) spending.

And, because TruBridge functioned as an extension of Sweetwater's in-house team, hospital employees retained their jobs. Moreover, they've been empowered to focus more fully on their core responsibilities — not the least of which is the delivery of exceptional patient care.

The Path Forward

For hospitals, revenue shortfalls and other financial challenges are only growing in intensity. Fortunately, financial stability — and even the potential to thrive — are attainable with the right RCM strategy. There's never been a better time to consider RCM automation in tandem with RCM outsourcing. This powerful combination supports the ability of hospitals to achieve their financial goals, without giving up local control or jobs, positioning themselves to serve their communities for generations to come.

Measurable Results, at a Glance

Key indicators of Sweetwater's success in boosting financial performance include:

Higher billing collections

26% increase in monthly cash collections

Reduced claim denials

13:1 claim-to-collect rate

Operational cost savings

$160K monthly decrease in EHR spending

In addition, outsourcing its RCM to TruBridge gives Sweetwater access to the most advanced RCM technology without the cost of purchasing and maintaining the technology.

> ***"Being able to offer employees a role with TruBridge was a huge factor. We maintained community employment while improving financial stability."***
>
> **Ashley Votruba, CFO, Sweetwater Hospital Association**