Revenue Cycle Management (RCM)

All administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue make up the Revenue Cycle.

The Revenue Cycle Includes:

- **Front-end processes** – collection, scanning/coping, recording and verification of vital patient and insurance information; collection of copays and outstanding balances; pre-authorization and referral requirements. Daily charge capture and payment reconciliation.

- **Clinical Coding & Documentation** – standards must be met; documentation must be accurate and complete to support the clinical services provided and coded. "If it is not documented it did not happen". Documentation is proof of services rendered.

- **Check-out processes** – Charge capture, collections, reconciliation, etcetera.

- **Billing Office processes** – Reconciliation, charge capture, payment processing, claim review and processing, denial management, appeals and account receivable management, patient statement and collection activities, report management, payer communication and feedback to providers and staff regarding RCM issues.

Ways to reduce Revenue Cycle issues:

- Educate providers and staff regarding all processes in the Revenue Cycle and how they are interrelated throughout the clinic/practice.

- Invest in a good Practice Management system (PM). Functionality and ease of use is essential.

- Choose a robust clearinghouse that permits verification of insurance coverage and benefits, provides claim scrubbing and claim denial management; allow Electronic Remittance Advices (ERA), etcetera.

- Educate and train at least one or two staff members to be PM system super-users. Include on-going PM system training.

- Verify and update PM system with codes, fees and specific payer nuances as needed.

- Provide on-going staff training

- Keep up with payer coding requirements/changes.

- Sign-up for access to provider portals.

Ways to reduce Revenue Cycle issues (continued):

- Create a written financial policy, have it reviewed by legal counsel and make sure each patient receives and signs a copy. A financial policy should include information on the clinic/practice collection of copays, deductibles, unpaid balances, patient financial responsibilities, supplying insurance information, types of payments accepted (cash, credit card, checks, debit, etc.), self-pay sliding fee scale requirements, etcetera.

- Create clear written policy and procedures that addresses billing compliance and Revenue Cycle Management issues, such as payment collections, reconciliation processes, charge entry and charge capture, how to address bad addresses and bad checks, bankruptcy notices, refunds, claim processing, patient statements, etcetera.

- Conduct on-going provider and staff education on proper coding and documentation requirements (Federal, state and by commercial payer).

- Understand your payer contractual obligations.

- Understand and monitor the contractual payer fee schedules; validate that reimbursement is complaint with your contract.

- Monitor that charges are posted correctly:
  - that patient financial responsibility is not adjusted off
  - that claims are appealed appropriately and in a timely manner

- Monitor claim denials and appeal processing.

- Work all patient and insurance account receivables in a timely manner.

- Run standard reports to reconcile charges, payments, and adjustments regularly.

- Reconcile payments to bank deposits and electronic fund transfers.