A doctor’s visit is no longer just about medicine. From scheduling and check-in to reporting and benchmarking, a patient encounter isn’t simply 15 minutes, it’s 90 days.

Compound that with shifting regulatory compliance guidelines, medical coding changes and insurance disputes then suddenly keeping your organization financially sound seems difficult. Many health care providers are unknowingly leaving dollars on the table.

72 percent of physician practices expect declining reimbursements to affect negative profitability in 2014, according to a September 2013 Black Book report. The right health care technology can go a long way to help health care providers, but choosing that technology is a challenge.

John Hoyt, HIMSS Analytics executive vice president, was quoted in a June 2014 HealthcareITNews.com article saying the average revenue cycle management system is “quite old - nine years.” That may be why 86 percent of practice business managers in the Black Book report said their revenue cycle management technology could not handle regulatory requirements and will need updating.

At the same time, electronic health records (EHRs) are also in flux. Black Book named 2013 as the “Year of the EHR Replacement” with 25 percent of providers looking to replace their EHR system.

### September 2013 Black Book Report
- 86% want to replace current Revenue Cycle Solution
- 25% want to replace current EHR Solution
- 71% want new revenue software and revenue management services

Source: Top Practice Management and Revenue Cycle Management Ambulatory EHR Software Vendors

Those numbers explain why 71 percent of physician practices surveyed in the Black Book report are considering a combination of new software and revenue management services to improve their bottom line. 89 percent say they would prefer a single-source vendor offering software, services and consulting options.

The staff at Wafi Inc., in Ohio focuses on podiatry, not on software, revenue or regulations. The one-doctor specialty practice has two locations outside of Columbus. Yet, the busy staff took the time, during and after business hours, to research the best software that would assist the physician, patient and office manager while still keeping the lights on.

“After countless hours of research and investigation into available systems,” said Marie Liden, Wafi’s office manager, “we chose our EHR and practice management systems for the design, ease of use for our entire staff and for its features designed to prepare us for many industry-wide changes to come. It looked to be a sound answer to our billing and scheduling headaches as well.”

A November 2013 KLAS report was aptly titled 2013 Revenue Cycle Management Perception: Providers’ Wishlist: Integration, Single-Source, Reform The authors state, “providers are looking at their revenue cycle management (RCM) more holistically as we enter a more patient-centric environment in healthcare.”
**Holistic revenue management**

“If a health care provider wants a patient-centered approach to Revenue Cycle Management, they need a solution provider who knows the clinical side of medicine,” said Jason Rawlings, senior director of Cerner’s Ambulatory Services. “No matter which venue they practice in, a small ambulatory clinic or a large health system, the solution they choose needs to tie everything together so they can see the big picture.”

Adventist Health saw that big picture and knew they needed to change. The California-based health system encompasses 19 hospitals, more than 150 clinics and 14 home care agencies. Their total annual revenue is more than $2.7 billion. Adventist Health was already operating on Cerner’s EHR, but they realized they needed to take a more holistic approach to managing their health system.

They needed a way to capture and manage end-to-end revenue. They also knew they needed to look beyond technology to help them navigate the complex changes in health care.

In March 2013, Adventist Health announced a strategic alliance with Cerner that would expand on their existing relationship with the company to provide an integrated revenue cycle platform across Adventist Health’s acute, ambulatory and post-acute venues. The new phase provided for the transition of Adventist Health’s revenue management services to Cerner to improve end-to-end revenue management across the entire Adventist Health organization.

Robert Carmen, then president and CEO of Adventist Health, said the relationship “allows us to leverage a single platform, ensure consistency in our revenue management operations and reach top quartile, or better, of performance in the industry.”

**Adventist Health and Cerner:**
- Cash Collection at 103% of goal
- 5.5% A/R reduction ($106 M)
- $13 M A/R decrease in 90 Days

Source: cerner.com

In a joint statement, the companies also said the relationship would focus on decreasing variability and driving best practices through standardization. Ultimately, the two stated that the alignment allows for continuous innovation of software and revenue management workflows, which would go toward addressing both current and future reimbursement models.

“Adventist Health, today, is a hospital company,” said Adventist Health senior vice president Bill Wing in January of 2014. “Around 90 percent of our revenue is generated through acute care services in our hospitals. Looking to the future, however, the full continuum of care is where we’re going to see the most growth, including our ambulatory care clinics.” Wing continued,

“In early 2012, we implemented an integrated EHR system across all our clinical care settings. That integrated approach on the clinical side enabled us to pursue an integrated approach on the financial side and that integrated EHR allowed us to connect the clinical and financial sides of our health system as well.”

The relationship between Adventist Health and Cerner illustrates a seamless management of an entire health system. Adventist Health uses Cerner’s clinical and financial solutions across its three different venues, allowing Adventist Health physicians to see patient information while working in their clinic, making rounds at the hospital or while following up at the rehabilitation facility.

On a much smaller scale, Wafi Inc., wanted the same thing. It purchased both Cerner’s PowerChart EHR and practice management solution. “Having both,” said Liden, “allows for seamless flow to both the financial and medical aspects of the patient’s charts.”

Seamless flow, according to Black Book’s September report, is what most providers want. The
November 2013 KLAS report states that providers continue to search for vendors doing what “matter(s) most: integration, partnership, development, functionality and cost/value.”

The KLAS report also quoted several providers, all anonymously. One response to the survey said, “A desire to have a fully integrated system is driving us to make a change.” Another stated simply, “We want integration between clinical and financial.”

A third provided KLAS with detail on the office workflow. “This integration is very important. If I am running an office and I have a limited front office staff, the less scanning and fooling with data to get into the [EHR] my office staff does, the happier I am, and certainly the happier they are. It increases our accuracy and overall usefulness. That is key.”

However, Adventist Health is a company with a $2.7 billion revenue stream. Many physicians and even some health systems cannot afford to take such steps to keep their financial health.

Revenue Management Services

The December 2012 KLAS report Revenue Cycle Services: Which Firms Deliver Big Returns? outlined the growing trend of outsourcing. “What we’re seeing in some instances,” Mike Smith, vice president of financial and services research for KLAS asked InformationWeek Healthcare, “Are folks choosing to use outside resources so they can have some more focus on meaningful use?”

Smith also told the publication that regulatory guidelines forced many to replace their EHR system and consequently, some organizations purchased financial systems from the same source thereby, dealing with a single vendor for everything. While they undergo the transition to the new system, he said, they might bring in an outside RCM vendor to deal with “legacy stuff,” such as collecting old receivables.

A June Black Book announcement echoed these findings. “More than half of hospital CFOs surveyed (54 percent),” Doug Brown of Black Book Research announced, “are certain they have no choice but to leverage next generation financial system solutions, including software and outsourced services, in order to keep their organizations solvent.”

KLAS on revamping RCM:

- Outsource Certain Operations
- Outsource Entire Revenue Cycle Department
- Transform RCM with consultants and redesign


Many hospitals and health systems have leveraged Cerner’s Revenue Management Services. “We focus on navigating the complex challenges of managing revenue management operations so your staff can focus on what they do best—patient care,” said Rawlings. “At Cerner, we recognize that revenue management needs vary greatly and are dependent upon venue and workflow variances. We tailor our services to reflect this.”

For larger health systems, Cerner offers two levels of services: a full-service alignment and a targeted approach. For ambulatory clients, Cerner offers business office services (BOS).

Cerner’s Business Office Services

Cerner’s BOS system is designed specifically for physician practices. By partnering with Cerner’s BOS, physicians can relieve their staff of complex administrative tasks such as claims scrubbing, claims processing, payment posting, self-pay management, insurance follow-up and denial management. There are almost 100 facilities currently using Cerner’s BOS offering.

Wafl, Inc., chose to use Cerner’s BOS after careful research and consideration. “For us, it was key to find someone who had the experience, knowledge and staff to actively bring in revenue for our office,” said Liden. “This consistent team approach has led to consistent revenue for our office.”

Liden also added that Cerner’s BOS allows them to focus on medicine, not the business of medicine. “That is key to our business success,” she said. “As much as we may want to be in medicine ‘just to help people,’ if we cannot run a successful business, then we truly can’t help anyone.”

Cerner’s Rawlings often tells the story of a college town in Kansas with a community-owned not-for-profit health system. It has 65 providers with multiple specialties and 16 practice locations. Its annual physician service revenue is $22 million and growing by half-a-million dollars every month.

However, approximately 80 percent of its monthly outstanding accounts receivable were 61 days or older and its staff often resorted to sorting boxes of papers on the
Many health care providers are saying the average revenue cycle management services are beginning to make the difference.

A doctor’s visit is no longer a patient encounter isn’t being made any easier for these providers. HealthcareITNews.com article 25% want to replace current EHR services. It looked to be a sound decision for hospitals, more than 150 clinics and physicians. It’s a complex process.

The December 2012 KLAS report, is what the solution they choose needs to be. No matter which venue they are in, they need to choose the right one. That’s why the relationship “allows us to leverage our own strengths and resources.”

At Cerner, we recognize that a desire to have a fully integrated EHR system is needed. A doctor’s visit is no longer a patient encounter isn’t being made any easier for these providers. It’s a complex process.

The November 2013 KLAS report states Adventist Health is a partnership as well as the alignment we offer,” said Joseph Liden, CEO of Adventist Health, said the relationship “allows us to leverage our own strengths and resources.”

On a much smaller scale, Wafl Inc., chose to use Cerner's offering. “We partnered with them to provide on-site experts who manage their revenue from end to end.”

It has been little more than a year since turning the responsibility for running their revenue management over to Cerner and Adventist Health has already seen a marked difference in its numbers.

With their full services approach, Cerner provides an on-site revenue cycle executive (RCE) who is responsible for managing the partnership as well as the day-to-day operations of all departments that impact the revenue cycle. Cerner's RCEs have broad expertise in revenue cycle management and experience in successfully leading health care financial operations.

Cerner's Extended Business Office

Addressing the revenue management needs of a large hospital or health care system can be challenging. Cerner offers two levels of revenue management service options specifically for these larger clients.

"Adventist Health is a great example of the full-service alignment we offer," said Joseph Chow, vice president of Cerner RevWorks. “We partnered with them to provide on-site experts who manage their revenue from end to end.”

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On the acute-care side, the EBO can be leveraged during implementations to ensure a smooth technology transition and adoption phase. It is a short-term solution. However, the EBO assumes responsibility for accounts receivable on a client’s legacy system while the staff focuses on utilizing the new system. The EBO also comes with a service level guarantee around collection activities.

Cerner was ranked in Black Book’s September 2013 Top 10 Seamless EHR/Practice Management and Revenue Cycle Management Software Vendors.

The November 2013 KLAS Perception Survey said the bottom line on Cerner was that after a reputation of weak reliability centered maintenance, market confidence in their physician assistant (PA) is growing, though some clinical clients are still hesitant. Its low electronic medical record (EMA)/PA integration (currently 16 percent of its business) is due to clinical clients on other PA systems. However, Cerner is number two in mindshare at 22 percent of considerations, a 12 percent increase since 2011.