

Revenue Cycle Management (RCM) Business Process Transformation 2024 Market Insights™ Excerpt

Process transformation for cost-
efficient, and value-based care

September 2024

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- Key trends shaping the RCM services market
- Avasant recognizes 22 top-tier service providers offering RCM business process transformation services

Demand-side trends (Pages 8-14)

- Healthcare providers are implementing advanced patient-centric RCM solutions to facilitate value-based care.
- Providers are leveraging technology solutions across the RCM value chain to drive operational efficiency and streamline customer experience.
- Providers are increasingly leveraging Gen AI across the RCM value chain to enhance operations and personalize RCM services.
- Healthcare organizations are implementing advanced cybersecurity technologies to safeguard patient data and continue the digital RCM processes.
- Improved margins are showing signs of stabilization, but providers continue to face increasing operating pressure.
- Rising expenses continue to impact the provider margins.

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Key trends shaping the RCM services market



Focusing on implementing advanced patient-centric RCM solutions to facilitate value-based care

- With self-pay as a percentage of collection on the rise, healthcare providers are focusing on offering convenient, digital payment experiences to patients. A survey by TechTarget indicates that about 72% of patients want more digital payment options.
- Healthcare providers are offering payment reminders, flexible payment schedules, and easier origination through various channels, including digital wallets, to enhance the patient experience and improve their RCM to support value-based care.



Leveraging technology solutions, such as Gen AI, across the RCM value chain to improve operational efficiency and customize RCM services

- Healthcare providers are automating parts of their RCM processes to improve efficiency, reduce costs, and boost staff productivity and satisfaction. They are using Gen AI and computer vision in patient messaging tools to streamline processes. These technologies help automate the extraction of data from insurance cards and other documents while also enabling personalized communication with patients.
- Healthcare providers are leveraging AI-driven solutions to streamline coding and billing processes, significantly reducing manual efforts and errors. They are also utilizing AI's analytical capabilities to help minimize errors in claims submission.



Improving margins have refocused provider expenditure but operational pressures continue

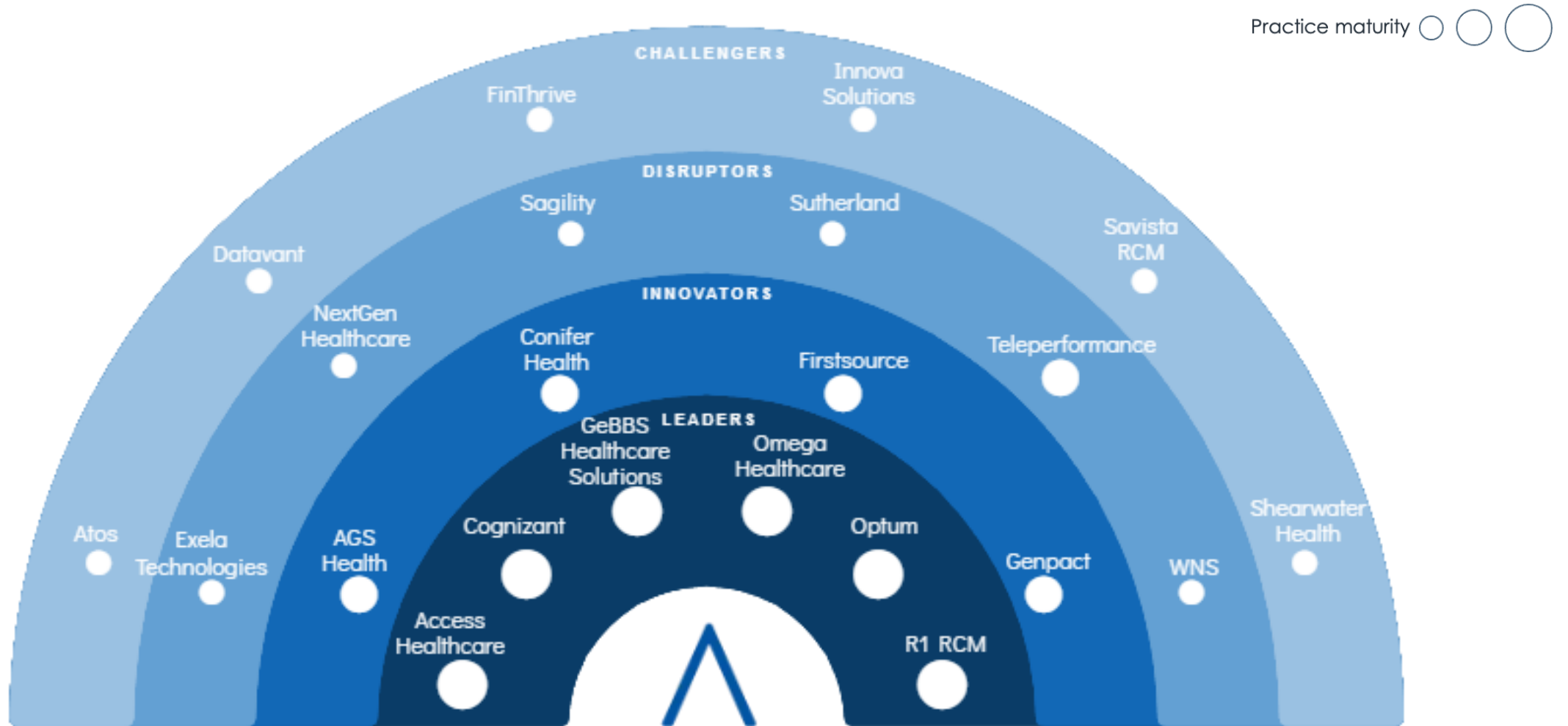
- The healthcare industry is witnessing a critical shift with financial recovery, particularly among larger health systems that have successfully transitioned from operating losses in H2 2022 and H1 2023 to profitability in H2 2023 and H1 2024.
- Despite some healthcare providers achieving profitability, others continue to struggle with rising costs and low revenues. Major factors impacting care delivery costs and margins include inflation, an aging population, underfunded behavioral health services, insurer payment practices, and rising drug costs and shortages.



Implementing advanced cybersecurity technologies to safeguard patient data

- In 2023, healthcare data breaches affected more than 430 organizations and 112M records, continuing to rise YOY causing a concern for healthcare providers. As a result, safeguarding patient data and ensuring compliance with regulations such as HIPAA have become critical priorities for enterprises.
- To mitigate these risks, healthcare organizations are increasingly adopting cybersecurity insurance, backup systems, and vulnerability mitigation and threat detection tools.

Avasant recognizes 22 top-tier service providers offering RCM business process transformation services



Note: Please refer to Avasant's Revenue Cycle Management (RCM) Business Process Transformation 2024 RadarView for detailed insights on the supply-side trends.

Healthcare providers are implementing advanced patient-centric RCM solutions to facilitate value-based care

- Patients are becoming a significant source of payments for healthcare organizations, driving demand for seamless, digital payment experiences from providers.
- Providers are enhancing patient engagement and transparency by implementing digital payment solutions, offering financial clearance tools and flexible payment plans, and leveraging data analytics and management to support value-based care models.

Interoperability



In June 2024, PatientPay, a healthcare patient payment solutions provider, partnered with Higher Standards, a payment processing provider. The companies aim to develop a seamless, end-to-end payment acceptance solution tailored for healthcare organizations, enhancing billing efficiency, streamlining payments, and improving the overall patient payment experience.

Transparency



A multi-hospital health system implemented CORE, which unified payment solutions and provided a single source of visibility across all payments. This streamlined front-counter, back-office, and online payments and enhanced the overall patient payment experience. CORE's automated payment conversations standardized interactions and improved efficiency, leading to increased payment collections and better financial outcomes for the health system.

Payment reminders



In 2024, a hospital chain integrated AnodynePay, transitioning to a digital billing system with e-statements, automated text, and email reminders. This allowed the hospital chain to continue using its existing payment merchant and simplify the process without changing providers. Within one month of implementation, the practice experienced a 75% increase in patient collections and a reduction in collection costs.

Data management



In 2024, Praxis Health adopted Greenway Health Pay, powered by InstaMed, to address payment collection issues and integrate digital solutions such as online payments, e-statements, and self-service payment plans. This saved up to 60 staff hours per week, increased payment plan transactions by 158%, boosted payment plan volume by 95%, increased e-statement adoption by 272%, and grew online payment volume by 14%.

Providers are increasingly leveraging Gen AI across the RCM value chain to enhance operations and personalize RCM services

Technologies

Key use cases and benefits

Illustrative examples

Gen AI-assisted coding



- As per a survey by AAPC, up to 19% of visits are being undercoded; hence, Gen AI-enabled coding is gaining traction for efficient processes.
- Gen AI tools analyze medical records and extract information to generate accurate procedure and diagnosis codes that are updated according to the latest coding guidelines.



Auburn Community Hospital implemented AI in coding to suggest medical codes based on clinical data. This allowed it to expand service lines without additional staff, attract more coders, reduce non-final billed cases by 50%, and boost coder productivity by over 40%.

Personalized services



- Gen AI facilitates tailored interactions and processes according to individual patient needs and preferences, such as adaptive registration forms and customized payment plans.
- AI-driven chatbots and virtual assistants provide customized support in answering patient-specific queries, improving patient experience.



The Walton Centre NHS Foundation Trust

The Walton Centre's AI chatbot, developed in partnership with a service provider, simplified patient care by streamlining consultations, swiftly identifying urgent cases, and offering initial guidance. It also enhanced volume efficiency and delivered a personalized experience.

Administrative tasks



- With a 51% YOY rise in admin costs in 2023, providers are focusing on streamlining administrative functions such as scheduling, documentation, and claim adjudication.
- Gen AI automates routine administrative tasks such as drafting patient communications and creating financial reports, allowing providers to focus on care delivery.



A New York-based healthcare provider used UiPath AI Center and Document Understanding to automate credit adjustments and document redaction, enhancing processing speed, accuracy, and compliance while reducing costs and human errors.

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