

Accelerating Physician Reimbursement at Radiology Practices

Strategies to improve your facility's financial health

Today's radiology practices grapple with a great amount of economic stress. Physician reimbursements have declined over the past decade, provider salaries have dropped, compliance rules have changed, high-deductible health plans are commonplace, and the costs of employing staff to provide services, such as billing and audits, have increased.

"All of these factors have squeezed practices' operating margins," says Jimmy Stuart, national vice president, Radiology Operations, Change Healthcare, a company focused on revenue and payment cycle management. "Consequently, practices should look at creative ways to manage these dynamics."

Outsourcing billing services is one way that a practice can save money in these financially turbulent times. Not only will outsourcing cost approximately 20% less than doing it in-house, as reported by the Radiology Business Management Association¹, but billing specialists can leverage their expertise to help practices improve their bottom lines.

For example, expert billing and coding vendors can advise on how to collect more money from patients upfront, perform coding audits, provide insight on the benefits of using business intelligence tools to better manage denials, and assist with strategic growth planning and payer contracts.

Attorney Neville M. Bilimoria, JD, a partner at Health Law Practice Group at Duane Morris LLP in Chicago, who also recommends outsourced billing, says that specialty billing services deploy expert technologies, including artificial intelligence (AI), to catch errors and more accurately and properly bill for radiology services.

“Oftentimes, internal billing processes don’t account for special rules that may apply to the myriad of different managed care organizations coupled with new updates and amendments to those rules,” he says.

Furthermore, Bilimoria says that an outside third-party billing service may provide a more objective and less entrenched view of a practice and its billing, offering a fresher perspective than internal staff can.

And because the radiology specialty isn’t geographically limited—since physicians can virtually interpret images from anywhere—having a business partner that understands regulations and can also provide billing services across state lines is paramount, Change Healthcare’s Stuart adds.

Here’s a closer look at six things a third-party billing service can provide or advise radiology practices on:

1. Increase pre-services patient collections

Unlike hospital-based providers, imaging centers and clinic-based radiology practices can interact with patients prior to providing services. “This gives them an opportunity to verify demographic information much more robustly than patients who come through an emergency room,” Stuart says. “Practices can check patients’ eligibility and ensure that they have suitable coverage. They can also collect co-payments and deductibles prior to rendering a service.”

Ultimately, through face-to-face interaction a practice can increase its collections per procedure and accelerate its cash flow, which will reduce its days of outstanding accounts receivable. “Taking advantage of eligibility tools, deductible insight, and coverage discovery type tools—all of which an outsourced billing company can provide—will benefit a practice’s upfront collection and increase self-payments,” Stuart says.

2. Perform coding audits

Certified specialty coders are uniquely qualified to perform reviews. Coding audits help practices ensure that services are coded correctly and assess the quality of their reimbursement environment.

“This is all part of a practice’s risk mitigation strategy, which they should incorporate into a compliance plan,” Stuart says. “Having a truly independent review also helps to eliminate bias and ensures greater accuracy in generated results.”

3. Employ business intelligence tools

Although a typical radiology practice doesn’t have the expertise and capital to develop AI and predictive analytic tools, some third-party billing companies do. “After AI tools are developed, they have to be tailored using a tremendous amount of data from each practice in order to increase their effectiveness,” Stuart says. “They can help identify trends and make more accurate forecasts.”

According to Bilimoria, “New technologies can identify red flag anomalies that can help a radiology practice recognize a billing and coding problem before a bill or claim is submitted. Handling these problems upfront and in real time can avoid administrative delays and costlier appeals down the road, ultimately leading to more timely payments and reimbursement.”

Daily dashboards provide real-time data, which give insight into what charges were generated, cash collected that day, how a production office’s key performance indicators are trending and insight into provider productivity, Stuart says, as well as which patient groups and payers were billed, and what level of service or modality was billed.

“Then, practices can use large data sets to predict what their cash flow will be for the coming days and weeks with reasonable accuracy,” Stuart says. “This fosters a greater accountability of cash management and provides insights into physician productivity and turnaround times.”

Business intelligence tools can also help with benchmarking revenue and quality, both of which are increasingly connected, adds Ben Foster, principal, KPMG, Nashville, Tennessee. Reporting financial results is also becoming a lot more efficient through tools such as robotic process automation, where data can be gathered and presented for better business decision making.

4. Better manage denials

Denials are the bane of all billing operations; a service has been provided yet the claim requires reworking in order to result in payment. These remedial activities drive unnecessary operational costs, frustration, and cash flow delays, Stuart says.

Most systems have multiple edits which attempt to correct these problematic claims, but now larger organizations are able to use AI to help identify and predict which claims will fail. By data mining years of claims history by payer, patterns emerge which provide useful and actionable insight.

“AI can sift through an array of data to gain insights into making business processes more efficient and effective,” Foster says. “In revenue cycle management, AI can examine the different rules that payers apply and where potential denials can arise from health plans, particularly about the rules for diagnostic imaging and when prior authorizations are required.”

“AI also helps to predict which course of action will resolve a denial most efficiently,” Stuart says. “AI technologies attempt to understand previously unseen patterns by using algorithms, and can recommend the best ways to manage denials, thus accelerating your reimbursement.”

5. Focus on strategic growth planning

In order to remain viable, radiology practices should identify growth opportunities and maximize their worth. “Having market analysis information is critical for any group hoping to protect or expand its market share,” Stuart says. “Big data sets from proprietary sources enable practices to identify both underserved markets and areas of opportunity.”

Market data about pricing in a geographic area or even a national area also provides insight on the value of a practice’s services, Foster says.

But assimilating data sets, as well as collecting and reporting on that information in a useable manner, can be challenging and expensive for individual practices—making partnering with an outsourced billing company a logical step. “Having this information can prevent a practice from underutilizing capital by building an imaging center in a location where it doesn’t maximize their internal investment, or deploying radiologists to a market that is not sustainable,” Stuart says.

6. Leverage payer contracts

Hospital-based radiology practices typically participate in most payer contracts. Participation can increase cash predictability and can prevent a managed care company from doing service line carve-outs which are detriments to practices.

“Managed care companies typically have access to more data, which puts them at an advantage at the negotiating table when developing contracts,” Stuart says. Having a revenue cycle management partner that has experience and exposure to multiple markets helps to level the playing field. This experienced partner can also help in the contract review and negotiation process each year to ensure the practice receives fair fees and ensure timely reimbursement on the payer side as well.

Act now

The future of healthcare will only become more uncertain. A radiology practice should maximize its profits now by reaping all the benefits of outsourcing its billing, putting it in a stronger position as turbulent times ensue.

To learn more, call 866-817-3813 or visit <https://www.changehealthcare.com/solutions/revenue-performance-advisor>

¹ <https://www.rbma.org/RBMAMembers/News/Articles/Financial-Management-in-the-Midst-of-Healthcare-Reform>.