



WHITE PAPER

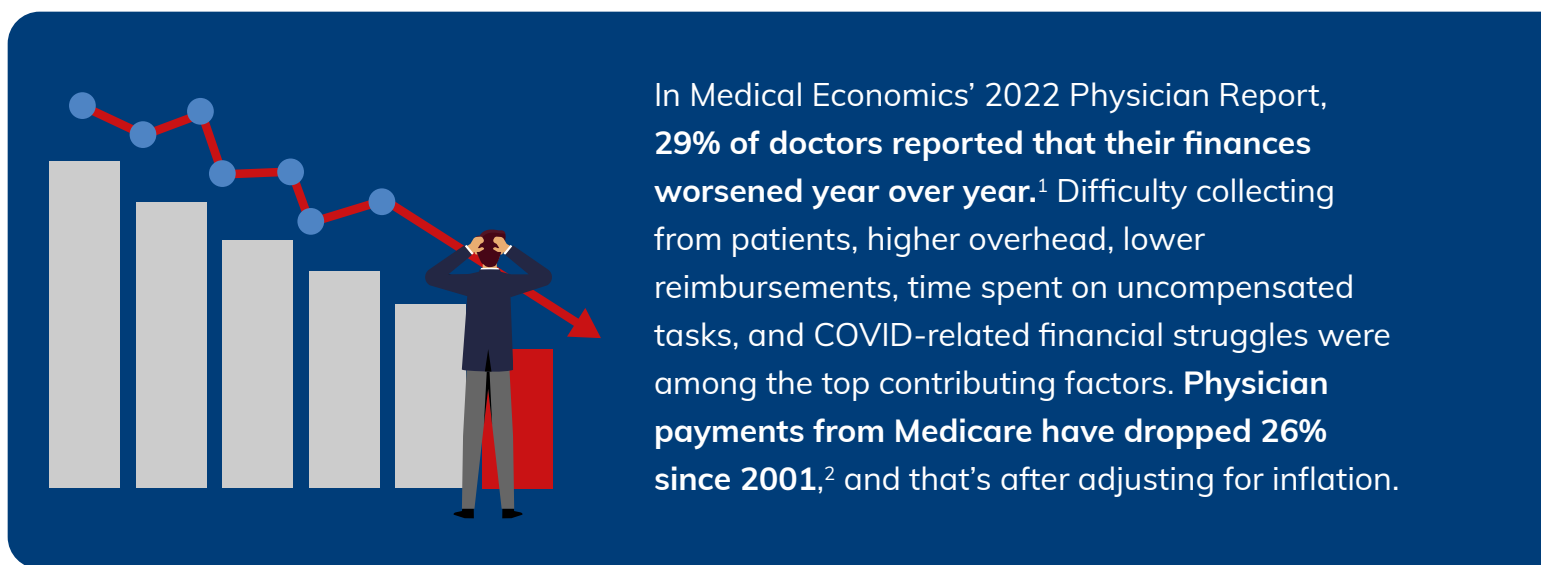
Maintaining Your Practice Autonomy: 5 Ways To Increase Profitability And Reduce Your Administrative Burden

Learn how to strengthen your independent practice with these strategies to improve cash flow and simplify complex tasks.

Independent physician practices face a growing risk due to heavy administrative burdens, declining revenue, and increased expenses. This white paper reveals five strategies to combat revenue loss and simplify administrative duties to secure your practice autonomy.

Maintaining the autonomy of your medical practice comes with numerous benefits: retaining full control of your business' direction, shaping a positive office culture, and building meaningful, lasting patient relationships, just to name a few.

However, staying independent also comes with some sizable administrative and financial burdens. Physician-owned practices must not only oversee EHR management, billing and claims submission, staffing, and office infrastructure, but bear the full weight of these activities' costs, as well. It's become increasingly challenging to maintain adequate margins.



With all this in mind, it's no surprise that the number of private practice acquisitions by hospitals, corporations, and even insurers is on the rise.³

To remain independent in this challenging climate, it's necessary to deploy tactics that accomplish two key goals: simplifying complex administrative tasks and improving profitability.

5 STRATEGIES TO INCREASE PROFITABILITY AND REDUCE YOUR ADMINISTRATIVE BURDEN

1. Simplify claims management

The process of creating, submitting, and tracking claims is one of the most burdensome activities associated with running an independent practice. An inefficient system not only consumes staffing resources, but contributes to revenue leakage in the form of claims denials and stalled cash flow.

Streamlining claims processing pays double dividends, reducing the labor hours required to manage claims and enhancing your ability to capture more accurate reimbursements.

An integrated claims management solution allows you to incorporate critical front-end RCM tasks like eligibility verification into the claim submission process, which speeds up workflows and curtails some of the most common causes of denials. Automated claims correction tools provide clear error messaging to help staff make sense of ERAs and turn denials into complete reimbursements.

The payer space is **changing rapidly**, with insurers consistently updating their requirements and regulatory bodies adding new rules on a near-constant basis. Keeping pace with the changes manually is an impractical feat. By layering custom business rules onto your claims management workflows, you can automate the process of making custom edits that comply with insurer requirements and meet your practice's business-specific needs.

According to the most recent CAQH Index, which tracks the process of digital adoption across the medical industry, providers stand to save a collective \$22.3 billion by better leveraging technology to handle administrative transactions.⁴ When it comes to claims management, the bottom line is that greater automation benefits your bottom line.



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2. Utilize a truly integrated system

While there's no question digitization can facilitate greater productivity, too much digitization in the form of excessive vendors and redundant applications can have an inverse effect.

Employees spend approximately five hours each week hunting for fragmented information across multiple apps, and more than half an hour each day switching between different tools. Each time they switch, it takes about 10 minutes to get back into a productive workflow.⁵

All of this bouncing back and forth wastes time, not to mention adding frustration for busy staff. Integration resolves the problem.

While many clearinghouses claim to be integrated, most systems fail to deliver a seamless experience. A true integrated solution offers a single sign-on and interface for processing both government and commercial claims.

With an all-in-one application, there's no need to switch between different systems when working multiple claims at the same time. A consistent workflow improves efficiency and simplifies the training process for new staff, while vendor consolidation contributes to lower overall technology costs.



3. Adopt a strategic approach to denials

Not only are denials increasing in frequency; their costs are going up as well. The cost of prior authorization denials as a portion of gross revenue, for example, **increased by 67% between 2021 and 2022.**⁶

The solution is straightforward: manage denials more effectively. The actual implementation of that solution is far less simple, however, as denials are complex. Resolving them requires specialized knowledge.

Out of 15 different revenue cycle tasks, healthcare finance and RCM leaders said denial management necessitates the most subject matter expertise.⁷ It's not an easy knowledge gap to fill, especially amidst persistent staffing challenges.

An integrated claims management and RCM analytics solution puts denial insights at your fingertips, making it fast and easy to see where denials are coming from and how they're

affecting your revenue. Payer, biller, and claim specific denial scorecards allow you to pinpoint the root cause of denials within your RCM workflows so you can take swift corrective measures to improve claim accuracy and implement custom business rules where needed.

Practice leaders aren't the only ones who benefit from intelligent denial insights. Clear, concise denial guidance empowers staff with appropriate next steps, further alleviating the administrative burden on physician practices. A lower volume of denials means less labor is required to correct errors, payments arrive faster, and fewer reimbursement dollars are left on the table.

4. Leverage real-time RCM insights

The tactics we've covered up to this point are action oriented — changes you can make within your RCM systems and workflows to simplify tasks and reduce unnecessary costs. However, fully optimizing your billing office productivity and overall financial position also requires analysis — a careful examination of your claims performance and cash flow to understand where more targeted efforts are needed.

Ultimately, all staff members should be engaged in revenue optimization.



Thankfully, with the right technology, this isn't a heavy lift. With an end-to-end revenue cycle analytics application, a few clicks give you access to actionable intelligence that will improve your first pass yield and increase staff productivity.

Payer-specific scorecards allow you to monitor payer activity in real time to see where certain insurers are causing revenue roadblocks. By drilling down within the data, you can assess how long specific insurers take to pay and their most common reasons for denials, subsequently pinpointing payer-specific rule changes that will accelerate reimbursements.

The next component of RCM optimization is your staff. Biller-specific performance scorecards help you understand how effective your team is at processing claims, which highlights opportunities for workflow improvements and additional training. Ultimately, all staff members should be engaged in revenue optimization.

Finally, comprehensive revenue cycle visibility is one of the most effective tools for facilitating productive conversations with payers. The right data puts you in a stronger position to negotiate, which can result in more favorable contracts and, in turn, higher reimbursements.

All of the above can be accomplished without manual reporting by adopting an intelligent revenue cycle analytics solution.

5. Select a dependable RCM partner

Though your objective is to maintain your autonomy, you don't have to go it alone. The right RCM partner can equip you with technology, expertise, and assistance that will aid you in your mission to remove administrative hassles and maximize profitability.

Inovalon offers best-in-class customer service with white-glove enrollment, dedicated account management, and rapid custom edit turnarounds. Our direct connection to Medicare, Medicaid, and commercial payers eliminates service disruptions that slow down reimbursements, while support from our denial management experts helps you improve first pass yield with ease.

Inovalon's all-payer claims management and RCM analytics solutions empower providers to streamline workflows and stem the revenue loss that puts independent practices at risk. **Average users achieve a 40% decrease in denials, a 15% increase in cash flow, and a GDRO (gross days receivables outstanding) reduction of five days.**⁸



Discover the benefits of **Claims Management Pro** and **RCM Intelligence** today, or **schedule a consultation** with an RCM specialist to learn more about how your practice can benefit.

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About us

Inovalon is a leading provider of cloud-based SaaS solutions empowering data-driven healthcare. The Inovalon ONE® Platform brings together national-scale connectivity, real-time primary source data access, and advanced analytics to enable improved clinical outcomes and economics across the healthcare ecosystem. The company's analytics and capabilities are used by nearly 20,000 customers.

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