



WHITE PAPER

The Hidden Power of Revenue Cycle Management in Mental Health

INTRODUCTION

Receiving a healthcare bill can feel overwhelmingly frustrating and complex, particularly in mental and behavioral health settings. While there's a general acknowledgement of financial responsibility, the primary focus is care. Any hiccups or disruptions due to incorrect billing or missing information may negatively impact the outcome. This dynamic can cause many care providers to struggle with balancing financial stability against the priority of the patient experience.

Faced with lingering social stigmas and scarcity of services, individuals have enough to think about while they are simply contemplating help. Each unnecessary step can become an obstacle that delays treatment or pushes them to join the 55% of adults who receive no treatment at all for their mental illness.¹

A smooth revenue cycle management process is critical, as it minimizes frustration and touchpoints related to insurance, billing and demographic data – improving both the patient experience and the provider's bottom line.

CHALLENGES

Growing volume and complexity in insurance coverage

Demand for mental health services has remained high for the third consecutive year, with 60% of practitioners reporting they no longer have openings for new patients.² In 2023, about 21% of adults experienced a mental illness, which equals more than 50 million Americans.³

Despite the 2008 Mental Health Parity and Addiction Equity Act, which requires large group health plans to place mental health benefits on an equal footing with physical healthcare benefits, access and administration challenges remain. To reduce costs, insurance companies often contract services to other companies for mental and behavioral health services, which is known as carve-out services. For providers, it means a patient may have an insurance card from one health insurer, but the staff must interact with a different insurer for behavioral health coverage.⁴

Ever-changing patient coverage

With ongoing shifts in the mental health services landscape, reverifying patient coverage has never been more important – or potentially complex. Following the conclusion of the Public Health Emergency Act in August 2023, 44 states and the District of Columbia have disenrolled at least 4.8 million Medicaid recipients,⁵ further exacerbating frequent patient coverage changes.

Despite those reductions, Medicaid continues to be the single largest payer for mental health services in the U.S.⁶ The program, which is jointly funded by federal and state governments, allows patients in many states who are enrolled in a mandatory Medicaid Managed Care Program (MCO) to change plans without cause within 90 days of enrolling in the plan.⁷

Shortages in provider care

Though the demand is great for psychiatrists and other mental health professionals, there is just one provider for every 350 individuals in the United States.³ And over half of U.S. counties have no psychiatrists at all.⁸ This ratio adds volume and stress to existing practices, where just one person or a small staff may be handling all billing and claims at a facility.

Properly coding the treatment of various mental health disorders and diseases can be challenging, as can navigating Medicaid and Medicare reimbursement requirements for care delivered via telehealth. Staff members should avoid using outdated codes, upcoding, or unbundling codes to mitigate raising red flags that can delay reimbursement and negatively impact care.

SOLUTION

Automated cloud-based technology is a powerful resource that can drive productivity and speed up the patient eligibility search process to reduce claims denials. By implementing tools that drive accurate patient billing, mental health providers not only maximize revenue and reimbursement opportunities, they ensure a better patient experience.

Case study: Rockford Center / Universal Health Services

The ease of integrating Inovalon solutions into existing systems was a game-changer for the Rockford Center / Universal Health Services of Newark, Delaware, according to Gordon Dixon, the organization's Chief Financial Officer.

A short drive from Maryland, Pennsylvania, and New Jersey, the 118-bed facility is uniquely situated to serve individuals from all four states. So bringing the simplicity of automation and quick patient access processes to a complex environment was especially important.

"Previously, we would have to go to Delaware's Medicaid website to see if a patient had Delaware Medicaid. If we didn't know, we'd have to go to New Jersey or to Pennsylvania. What made [Insurance Discovery](#) so attractive for us is that it's a one-stop shop that will search numerous states' Medicare as well as Medicaid."

[Inovalon solutions](#) have seamlessly integrated with the hospital's practices, supporting their unique requirements and enhancing the quality of care provided to the individuals it serves. This synergy between Inovalon's technology and the specialized field of behavioral healthcare has been essential for helping the Rockford Center / Universal Health Services strengthen its revenue cycle management and maintain a seamless patient experience.

"What it allows us to do in a better way is capture information for incoming patients. It requires us to have minimal information and we can search by only a name and address – or even just a Social Security number in some places. And what it allows us to do is actually reduce the number of denials on the back end," Dixon explained.

Accessing complete information up front not only helps prevent claims denials, but it keeps the organization from having to follow up with individuals when services are underway – avoiding stress and promoting a smooth experience.

“ Oftentimes, our patients are in some sort of distress in behavioral health. The shorter amount of time they spend on an intake process in terms of insurance or demographics, that makes the process of providing care that much faster, which is ultimately what we want.”

Gordon Dixon, Chief Financial Officer
Rockford Center / Universal Health Services



Unlocking additional opportunities

Like some other small providers, Nicole Breck, who operates a mental health practice in New York City, didn't accept insurance for years because she feared time-consuming billing tasks that could take her away from her clients.

But with Inovalon's [Claims Management](#) solution, she discovered that automation quickly paid off with greater revenue, efficiency, and time savings.

"I've increased my revenue by 15% with Inovalon Claims Management," said Breck, who now bills her payers twice per month instead of monthly. "Because I can easily identify denied claims, my overall revenue stream is faster and more continuous."

Get details on [how Breck succeeded](#).

Inovalon leads the way

Our latest innovation, Demographic Verification, improves patient registration and verifies patient demographic data. The cloud-based solution identifies and corrects inaccurate and incomplete patient demographic information to reduce denied claims, shorten time in accounts receivable, and prevent identity fraud.

CONCLUSION

Billing issues such as late and denied claims cause unwelcome surprises that erode patient satisfaction and provider revenue. Fortunately, Inovalon's end-to-end SaaS solutions offer actionable insights on claims denials and workflow automation to improve revenue and cash projections – ultimately streamlining the billing process to ensure a productive experience.

From access to billing, streamlining your entire revenue cycle management process is straightforward with the support of Inovalon's suite of solutions and dedicated subject matter experts. Our predictive analytics tool gives mental health facilities the ability to see payer, payment, and performance trends and take timely corrective action before issues arise. We can consult with you to find ways to keep your entire workflow running smoothly with minimum disruption.



With decades of experience working with mental health providers, Inovalon has the proven expertise to help you strengthen your revenue cycle management. That's why we maintain leading rates of 90% customer satisfaction and 92% customer retention⁹ in our most recent survey.

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SOURCES

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- 9 “Inovalon Internal Reporting. Based on Inovalon’s 2022-2023 Annual Customer Survey results. August 2023

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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