

White Paper

Beware the EHR 'Ripple Effect'

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EHR conversions can be complicated and disruptive. So don't make them more problematic by making unnecessary changes to revenue cycle management systems.

Like any major IT system implementation, an EHR conversion can be seriously disruptive to hospital operations—and finances. In addition to the many technical and clinical considerations of these projects, hospitals and health systems typically face an array of revenue cycle implications that may pose significant financial risks.

Most of the pitfalls, however, are entirely avoidable, and those providers that align the technical, clinical, and financial elements of the project from the start can convert a monumental challenge into an opportunity for improvement.

During many EHR migrations, healthcare finance departments often experience increases in accounts receivable days and claim denials, along with a dip in cash flow. By identifying and addressing potential revenue cycle issues prior to implementation and as part of the EHR workflow, provider organizations can stay on track and maintain positive financial performance during the transition.

Don't Throw the Revenue Cycle Out with the Bath Water

Such complex, multi-phased HIT projects often present opportunities to introduce new systems and technologies outside of the EHR system—including revenue cycle management. But what may appear to be an upgrade to a system that is better matched to the new EHR isn't always that. This is where the "Ripple Effect" comes into play. The rationale is that the transition presents an ideal opportunity to more fully exploit the new EHR's additional functionality, which typically includes many more features than the old system.

What many providers don't realize is that such "rip and replace" strategies do not always result in upgrades to revenue cycle functionality, and can actually add an unnecessary layer of complication to the project. If your organization is using high-performance revenue cycle functions that are purpose-built for you, and your teams trust the data and the processes, it's important to keep those systems in place and optimize them to the EHR.

Core Systems Change—Provider Checklist

EHR conversions can prove costly when the revenue cycle is not made a priority. Here are some tips for maintaining fiscal fitness during the project:

- Work with technology partners to establish regular communication touchpoints in order to properly manage the project.
- Identify a project manager for the revenue cycle portion of the EHR transition, and make sure that person is engaged throughout the migration.
- As a coordinated team, make sure fundamental decisions are made—such as mapping the flow of data between systems—and determine which technology will be used to manage each part of the revenue cycle process.
- Lean on revenue cycle technology partners to recommend best practices for maintaining revenue cycle performance. If they do not have any advice to offer, it should give you pause about moving forward with them.
- Evaluate other capabilities from your current technology partners to ensure you are getting the most out of your current investment. Identify opportunities to convert and consolidate.

Sometimes, fully leveraging a new EHR's capabilities is a matter of turning on additional functionality in the existing revenue cycle technology that was not able to work with the legacy system. So, before any replacement strategy is pursued, work closely with your technology partners to make sure you are making full use of the systems that your team already uses and trusts.

Proactive Providers Prevail!

A fast dollar is worth more than a slow dollar, so do not sit back passively and let your new EHR make wholesale (unnecessary) changes to the technology that manages your cash flow. It's important to weigh the true cost of changing out revenue cycle technology especially during an already tumultuous core system change. Replacement can be expensive, time consuming, and potentially detrimental to both operations and revenue.

Take an active and informed role in contract

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details, and weigh the true value of all offers. The high cost of "free" can be another area of risk. When it comes to healthcare reimbursement, 'good' is indeed the enemy of 'great,' so don't let a 'good enough' process supplant one that is already optimized. Short-term savings often come with high long-term costs in areas of efficiency, flexibility, and opportunity. You need to fully understand what benefits you could be sacrificing and what revenue cycle processes could be impacted by changing technology.

For example, in changing claims management systems, you need to understand any proposed vendor's capabilities around patient estimation and collections, quality assurance, claim editing, Medicare claims processing, process automation, secondary claims, claim follow-up workflow, remittance management, and more. All of these elements impact the speed of payment and utilization of your revenue cycle staff.

And don't evaluate your processes within a vacuum—during or after the EHR conversion. Do you have the right external analytics to measure performance objectively? Recently, we worked with a 2,500-bed health system that suffered from skyrocketing CCI errors and slower cash flow during an EHR migration. Using analytics, they gained visibility into sources of errors, how often they were recurring, and how fix them. The result: an overall acceptance rate that soared from 65% to over 90% (during the first 90 days), and charges for CCI errors plummeting from \$120M to \$1M.

Keep Revenue Cycle Top-of-Mind

It is essential for revenue cycle leaders to maintain a seat at the table during an EHR change to ensure that revenue cycle vendors are proactively working with the core system vendor. These vendors need to have a strong working relationship with one another so that the clinical and financial elements of the project remain in sync. Ask your vendors for best practices for integrating systems. A credible revenue cycle vendor will have experience with most popular EHR systems and will be able to guide you through the process of integrating systems with minimal disruption to your cash flow.

From the revenue cycle perspective, a successful

EHR migration is about maintaining focus. Make sure you optimize what you have, change as

few things as possible, and continually monitor, measure, and review.

Keep an Eye on Those KPIs ...

Successful revenue cycle management is all about monitoring performance and using data to target process improvements. While day-to-day revenue cycle management involves many key performance indicators (KPIs), here are four strong metrics to watch closely during disruptive change:

- **Service-to-Payment Velocity**—How fast are you getting paid? A/R days is the standard industry metric for EHR measure. Increases, obviously, are an issue and usually indicate a process improvement opportunity. You really need a birds-eye view of how long each part of your claims cycle is—with EHR perspective to see if the slowdown is on your side (how fast you are getting the claim out) versus delays with your payers.
- **Discharged Not Final Billed (DNFB)**—Probably the best indicator for your performance. At a high level, DNFB shows you how long it is taking to get a claim out the door. Establishing
- integration points between systems in the initial setup of new technology can impact backbone processes of the revenue cycle. Keeping a close eye on these metrics can alert you to something that may need tweaking.
- **Charge Trends**—An EHR implementation profoundly impacts your clinical departments. It's important to watch for any delays from these areas to pinpoint which departments may not be submitting charges as quickly as before because of changes in the EHR.
- **Denial Rates**—Identifying root causes of denials as quickly as possible and having the data to prove it can help reestablish processes that may be knocked out of alignment during a system change. You'll want to set up alerts for timely filing thresholds as well. During a big change like an EHR implementation, your team could get distracted for various reasons and innocently miss filing deadlines.