Three revenue cycle strategies to improve your bottom line

How physician groups are using strategic partnerships to thrive under pressure

This is a historic moment in the U.S. health care system. With spending near critical levels, organizations are under tremendous pressure to cut costs while meeting growing expectations of savvy consumers. They must prioritize scarce resources on competing needs while maintaining their core mission — serving patients and the community. Today’s providers must find a way to streamline processes and scale operations, or risk extinction.
OVERVIEW

With today’s increasingly complex physician group challenges, growth depends on taking a fresh look at revenue cycle operations to identify opportunities for innovation, process improvement and cost reduction.

This e-book explores the advantages of selectively leveraging industry experts to immediately innovate, enhance and scale revenue cycle operations for more predictable and efficient outcomes. Organizations must lead on quality care delivery while engaging a strategic operating partner that can take on financial risk, help deliver optimal practice performance, align trading partners and ultimately help them thrive in this new economic era.
Thriving under pressure

The pressure is building. While it is true that every business deals with capital spending constraints, for physician groups, those decisions are further complicated with the very human component of patient care. Spending decisions on things like clinical vs. administrative systems or brick and mortar improvements can’t be made using traditional risk and return models. Rightfully, the clinical improvements usually come out on top, resulting in less than optimal revenue cycle operations — the very place where financial stability is most easily influenced.

Being nimble is key to remaining profitable and ultimately ensuring the financial stability to meet challenges head on.
Thriving under pressure

**DESPITE INDUSTRY CHALLENGES, WE SEE OPPORTUNITIES**

† Hover over icons to read more

Physician groups continue to see an **increase** in cost pressures and an inability to grow revenue. **Operating loss per physician increased from 10% of net revenue to 17.5% in 2017.**

AMGA 2017 Medical Group Operations and Finance Survey

Health care **merger and acquisition activity reached 1,182 deals in 2018**, with physician group deals accounting for **20%** of **total deal volume** and 10% of total deal value.


It’s projected there will be a **58% increase in patients assuming greater financial responsibility for out-of-pocket expenditures** (between 2016–2026).


Executives predict accelerated shift to value-based payments in **2019** as **46% of health care executives** believe their organization’s pace of change toward value-based payment is moving quickly or very quickly.

Over the last decade, physician groups have focused largely on specific clinical improvements such as the need for electronic health records, system integration and provider productivity. Looking ahead, innovation and transformation are becoming the new normal, as physician groups seek to evolve the operations side of the equation with an approach that seamlessly interconnects all stakeholders, invests in the newest technologies and embraces strategies for applying innovation.
Innovation and transformation are the new normal

The new normal centers on a reinvented model for revenue cycle operations that empowers financial sustainability through transformation.

Through collaboration and innovation with the right partner, the revenue cycle can deliver financial predictability and be leveraged as a competitive advantage through:

- Low-to-no-touch processes through AI
- Patient-centric approach
- Accurate reimbursement realization
- Data-driven decisions
A new twist on a proven solution

Outsourcing isn’t new, but it’s evolving. It’s moving beyond simple, single-point solutions that silo operations, or widgets that address single process steps, or overreacting to the latest industry buzzword. It’s growing into a more strategic tool to transfer processes from your business to a partner, which is going to result in better quality and speed of delivery, transfer financial risk and reduce expenses. It’s not about temporary relief to meet a month-end or year-end goal — it’s evolved to the point where the right strategic partners can deliver long-term operational excellence and practice optimization.
Physician groups are recognizing that the revenue cycle — managing data capture, completeness and quality to build a claim all the way through final adjudication and payment is really a sort of supply chain. It’s long and complex, with impacts on all other aspects of the business. And it requires more than orchestration from start to finish — it requires real, interwoven integration in the ideal state. More and more organizations are looking to position themselves with a strategic partner that has the expertise, the technology and the rigor to continually innovate and make the process more effective from start to finish.

Taking it one step further, a strategic outsourcing partnership allows organizations to focus on care quality while the partner focuses on technology innovation, cost control and revenue optimization. It allows them to utilize precious, expert resources on advancing care and improving outcomes while delivering predictable financial outcomes through an infusion of technology, innovation and cash.

**A STRATEGIC OUTSOURCING PARTNERSHIP**

1. Reduces costs by eliminating unnecessary and redundant work through technology innovation
2. Streamlines disconnected processes through proven best practices
3. Introduces predictive, data-driven analytics at the core of all decisions
4. Takes control of RCM processes through partnership for best-of-breed solutions and greater value

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Three key strategies for growth

 Invoke technology and automation  |  Engage patients in their care  |  Focus on what you do best
Three key strategies for growth

**Invoke technology and automation**

Clinically aware artificial Intelligence (AI), when applied strategically to the revenue cycle, creates powerful insights and opportunities for meaningful action, but it’s also fair to consider whether investing scarce capital resources in new technology is the best course of action for your organization. Consider a partner that uses proven technology development and implementation methodologies and progressively deploys new capabilities as they come available for the best possible returns.

<table>
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<th>$34 billion</th>
<th>$150 billion</th>
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<td>AI health care solution spend by 2025¹</td>
<td>Use of AI can potentially save the U.S. health care economy by 2026²</td>
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Engage patients in their care

Physician group are aiming to attract, acquire and retain the loyalty of patients by providing a seamless experience in a time of heightened sensitivity around high-deductible plans and out-of-pocket costs. Without a best-in-class patient journey that empowers all parties from the point of recognizing the need for care through final payment, patients can feel frustrated and confused with their provider interaction.

- **70%** of patients are confused by their medical bills\(^1\)
- **60%** of loyalty drivers for primary care physicians are related to experience, rather than cost or clinical quality\(^2\)

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Focus on what you do best

To remain competitive, physician groups must not only constantly improve clinical capabilities, but also become experts in IT, automation and data analytics, and provide a best-in-class consumer experience. With such broad demands, physician groups often find themselves choosing between serving patients or serving administrative needs — and not delivering either to the extent needed to drive growth. Driving growth calls for a strategy in which providers focus on their core mission — improving care quality — and engage a strategic partner that optimizes administrative performance through predictive analytics, technology innovation and operational excellence.

On average, practices submit **37 prior authorizations** per week, requiring more than 16 hours of administrative work.

More than **40%** of physicians are burned-out — contributors include too many bureaucratic tasks, such as charting and paperwork.

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Through a strategic partnership and outsourcing agreement, Optum360 works side by side with physician groups to transform the revenue cycle from end to end, delivering guaranteed outcomes on day one. We allow organizations to focus on mission-critical objectives, like care delivery, while we focus on innovation that radically transforms the revenue cycle, and infuse efficiencies that cut costs and accelerate revenue. Put your trust in a strategic outsourcing partner with the experience to turn your revenue cycle into a predictable, sustainable advantage.

The whole is greater than the sum of the parts
Optum360 Ambulatory Services, a new model and innovative approach for physician group revenue cycle management outsourcing.
Physician groups are feeling a tremendous amount of pressure across the revenue cycle from reimbursement changes, growth in consumerism and increasing regulations. As a result, they are looking carefully at what initiatives should be driven by internal experts compared to those, such as revenue cycle, that are best suited for a strategic partner with the right expertise.

Not all partners are created equal
Not all partners are created equal

Even with the right expertise, it can’t be just any partner.

As a strategic outsourcing partner, Optum360 Ambulatory Services:

- Leverages predictive analytics to uncover impactful performance opportunities
- Applies intelligent automation strategies for a low- to no-touch revenue cycle
- Infuses transformative operations to eliminate waste and inefficiencies
- Delivers patient-centric outreach innovations to drive patient satisfaction
Learn how Optum360 empowers providers to thrive through innovation while advancing their core mission.

Visit optum360.com.