Smarter strategies for revenue cycle management

Simpler® Consulting Services

Like other critical hospital functions, revenue cycle management (RCM) is undergoing an unprecedented shift. In a complex healthcare economy, continuous process improvement for the flow of money from payers to providers is critically important.

The Simpler Business System®: A smarter approach for delivering smarter health

The pace of change in the industry requires organizations to be nimble and quick to adapt. Project-focused process improvement methods will no longer suffice. A more integrated and continuous approach is needed for modern healthcare organizations.

Simpler, an IBM® company, based the Simpler Business System on the lean principles (also known as lean thinking) that were first implemented at Toyota in the 1930s. The Simpler Business System system has been used to produce far-reaching and lasting improvements for revenue cycle processes in hospitals, clinics and physician practices for more than a decade.

At its core, the Simpler Business System is built around five basic principles:

Respect
The system encourages mutual commitment to continuous improvement and the success of the whole team.

Sustained value
Goals are designed to be solutions for long-term success, not just short-term gains.

Eliminating waste
Process improvement should be focused on eliminating waste and delivering value-added services.

Knowledge transfer
More than just improving processes, the Simpler Business System teaches your organization the skills needed to sustain improvements.

Employee Engagement
True improvement happens when it is embraced at all levels.

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Simple strategies can improve complex issues

RCM can involve hundreds of tasks and touchpoints just to send a correct bill off to a patient or payer. RCM is definitely not simple but improving it can be. The main concept of lean thinking is basic: Eliminate non-value-added activities. Done right, lean strategies can change organizations and deliver real results that spur even more transformations.

Once organizations learn a lean approach, they can easily identify non-value-added activities. The process reveals opportunities and people are empowered to create meaningful improvement that ultimately add up to big change. That approach is what can lead to long-term, sustainable results.

How RCM can lead to ROI

One mid-sized health system that participated in process flow analysis and prioritization discovered that 2,700 medical records were incomplete beyond 30 days. By engaging everyone in the lean process improvement cycle — from the chief medical officer to the floor staff to IT management to the medical records team — the health system was able to improve their net revenue cash flow by USD 5.8 million in less than 24 months.

Their other achievements using the system include:

- Improvement in coding cash flow by USD 5 million
- Improvement in billing cash flow by USD 4.9 million
- A reduction in bad debt write-off of USD 2.3 million per month

75%
reduction in denial write-offs

15%
reduction in accounts receivable days

30%
decrease in the number of days from a patient's discharge- to-bill date

55%
reduction in net revenue awaiting capture after 30 days

The Simpler® three-phase RCM transformation process

Assessment

Visioning, analysis and prioritization

Execution of improvement activity across:

- Patient access
- Patient encounter
- Patient billing
- Strategy gaps and other opportunities

The Simpler specialized practice areas

Advisory

Revenue cycle

Operational excellence

Lean transformation

Learn More

https://www.ibm.com/watson-health/services/rev-cycle-management

IBM Watson Health is a data, analytics, and technology partner for the health industry. Supported by the innovation of IBM and intelligence of Watson, we are committed to helping build smarter health ecosystems. Through the combination of our deep industry expertise in health, data and analytics, actionable insights, and reputation for security and trust, Watson Health is working together with its clients and partners to help them achieve simpler processes, better care insights, faster breakthroughs, and improved experiences for people around the world. Learn more at ibm.com/watson/health.

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