

The Revenue Cycle

The Critical Steps in Revenue Cycle Management

Explanation of the Revenue Cycle process

- ▶ Capturing accurate data is the first step to successful data management
- ▶ revenue cycle in healthcare entails the capture, collection, and management of patient data.
- ▶ revenue cycle is the entire process of the patient billing process from registration until the last step of bill payment
- ▶ the process of the revenue cycle contains specific list of responsibilities that contribute to effective management of revenues

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Steps Involved in the Revenue Cycle:

1. Pre-registration

- ▶ This step begins even before a patient is enrolled in a system
- ▶ One of the key functions performed at this stage is eligibility determination
- ▶ hospital evaluates a patient/customer for their ability to pay for services offered.
- ▶ At this stage, healthcare facilities capture critical information such as eligibility, and insurance information to determine the next course of action
- ▶ The information collected goes to the patient's insurance company as well as the provider's management system

2. Patient Registration/Authorization

- ▶ patient information collected at the pre-registration stage is formally recorded into a provider's patient record system.
- ▶ Important details such as demographic data and other relevant data are captured
- ▶ healthcare providers collect Co-payment information to ensure they get paid for services delivered
- ▶ healthcare providers get critical information from patients/customers that can help them to get the payment processed and authorized by payers

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3. Benefits Verification/charge capture

- ▶ Here, providers determine the payment method that the customer/payment will use to pay for services delivered
- ▶ the billing method used depends on the customer's payment information provided at the registration stage.
- ▶ This is where all charges are individually captured and the bills forwarded to insurance firms/payers
- ▶ All verifications are done to eliminate mistakes

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. Utilization Review and Coding

- ▶ health organizations confirm that the plan adopted can cover the medical services
- ▶ minimize costs by making a determination of appropriate treatment.
- ▶ coding helps hospitals identify written descriptions of items, services, procedures, and other billable services
- ▶ codes that hospitals use to claim payment from payers.
- ▶ Additional helpful information are vetted at this stage

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Claim Submission

- ▶ a healthcare provider sends information to insurance companies for payment.
- ▶ revenue are analyzed as well as the diagnosis code related to the charge before sending the information to payers
- ▶ All services offered are separated by a code so that the payment information is clear.
- ▶ the next step is for hospitals to submit the claims to insurance companies for payment to be released in accordance with the terms and conditions agreed upon.

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Remittance Processing and Insurance follow-up

- ▶ after all, remittance claims have been sent out to the payers, the payers will send back the remittances
- ▶ The remittances will include a detailed history of the services provided and their costs.
- ▶ At this stage, payers perform a determination of allowables which are what healthcare providers have in contract with insurance firms (Naus, Faint & Dwyer, 2018)
- ▶ It is at this stage where hospitals collect payment payers where bills were sent to.

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Patient Collections

- ▶ In this step, healthcare facilities analyze the status of their accounts by monitoring all outstanding and unpaid balances
- ▶ hospitals decide to collect all pending payments or balances from patients
- ▶ hospitals avoid incurring huge debts from unpaid balances that could cripple their administrative and clinical operations.

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The Key Responsibilities of People Who Work In the Revenue Cycle Process

- ▶ Administrative staff are responsible for capturing patient information and data during the registration process.
- ▶ Billing department is responsible for liaising with other departments to ensure that they have proper customer information before presenting them to the payers
- ▶ Receiving department is responsible for collecting the appropriate customer information critical for the billing process

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Conclusion

- ▶ A revenue cycle is a critical tool in healthcare that healthcare providers use for the collection and management of revenues obtained from patient bills.
- ▶ There are several steps involved in a revenue cycle that are critical for hospitals to effectively collect and manage revenues from patients
- ▶ A revenue cycle helps healthcare hospitals efficiently collect and manage revenues collected from patients/customers
- ▶ important departments that deal with the revenue cycle include administrative staff, accounts receivables office, the billing office, and other departments

References

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