I have the industry's **most experienced** ASC revenue cycle partner.

WE'RE NOT JUST ANOTHER BILLING COMPANY.
WE ARE THE ASC BILLING EXPERTS.

Surgical Notes has more ASC-specific revenue cycle expertise than other billing companies. Our deep knowledge of ASC specialties, practice management systems, payer types, and compliance speeds reimbursement and optimizes financial performance. Grow your center with the revenue cycle partner trusted by ASCs for 25 years.

Surgical Notes

Contact us today for your complimentary Revenue Cycle Assessment.

(800) 459-5616 | www.surgicalnotes.com

BILLING | TRANSCRIPTION | CODING | DOCUMENT MANAGEMENT

Strengthen 3 key ASC growth strategies with revenue cycle outsourcing

ASCs striving for growth should perform three essential processes — benchmarking, monitoring and auditing — often in conjunction with one another. Internal benchmarking helps an ASC determine whether it's achieving its targeted levels of growth. External benchmarking helps an ASC determine whether its performance is in line with, below or exceeding similar surgery centers. Monitoring performance and growth efforts helps an ASC more quickly identify any undesirable changes that can slow or even reverse growth. Auditing an ASC's performance, including key performance indicators, helps paint a clearer picture of exactly how well the center is performing and growing. A good audit will pinpoint areas for potential improvement.

Best Practices

Crucial to the success of benchmarking, monitoring and auditing is to perform them consistently and then evaluate and act upon any discoveries. It's essential that none of these processes be taken for granted. Benchmarking, monitoring and auditing help validate exactly how well an ASC is performing and whether a center is performing the way it needs to in order to achieve and exceed growth goals. Areas performing optimally should not be as closely scrutinized as areas that have not had their performance validated.

For internal benchmarking, findings may be positive, such as a surgeon or procedure generating greater revenue than what was expected, or negative, like a piece of capital equipment costing more per procedure than projected. For external benchmarking, ASCs should identify high-quality data from comparable centers. Such metrics are available from the Ambulatory Surgery Center Association, state associations, publications like Becker's ASC Review, and other ASCs, the latter of which can often be identified through networking.

To best leverage monitoring as a growth strategy, ASCs should focus on operational metrics most essential to achieving desired growth. These can include case volume, revenue per case, case costs, supply/equipment costs and hours per case.

When conducting auditing, ASCs should ensure the individuals performing the process are not responsible for the areas being audited. The auditor should be unbiased and focus solely on what is reflected in the ASC's data.

Key applications: cost savings and renegotiating managed care contracts

Two ways that effective benchmarking, monitoring and auditing can make a significant difference for an ASC is by identifying cost-savings opportunities and helping with renegotiating managed care contracts.

Cost savings. While there are numerous expenses ASCs cannot eliminate, they can find ways to reduce expenses. When an ASC can reduce costs without negatively affecting quality, safety andstaff performance, the savings can be used in a variety of ways, including purchasing capital equipment that can help a center add new procedures and surgeons, providing salary increases that improve staff loyalty and help with recruitment, and increasing ownership distributions.

ASCs should continually allocate time for administrative staff to assess and benchmark costs and determine where savings may be achieved. While it's worthwhile to focus primarily on high-cost areas, centers should not overlook the potential value that can come from achieving savings in lower-cost areas.

An example of a higher-cost area that may be ripe for cost savings is procedure packs — the combination of products used for a specific procedure. Procedure packs should be reviewed regularly to ensure what's included in the pack is exactly what's required for the procedure, with unnecessary items removed. If a pack is used frequently, such optimization efforts can deliver significant, long-term savings.

Managed care contract renegotiations. A successful renegotiation can provide an immediate and potentially significant bump to the bottom line. Renegotiations are also often essential to receiving coverage — and adequate coverage at that — for new procedures and specialties.

Contract renegotiations must be a routine process for an ASC. A best practice is to establish a renewal schedule for each contract so they are spread out across the year rather than all at once. A bad renegotiation can greatly diminish the value of a contract. An ASC can find itself in an uphill renegotiation battle with a payer if it comes to the table without KPI metrics and data. The right financial data, gathered through processes including benchmarking, monitoring and auditing, can support an ASC's arguments for reimbursement increases, carve-outs and expanded coverage.

Quality data can also help with managed care negotiations. If an ASC can present data demonstrating its physicians are safely performing or can safely perform procedures and deliver high-quality outcomes for existing procedures and those not presently covered by the contract, a center will be in a better position to secure payment increases and coverage.

ASCs can also benefit from a deep understanding of their data because this will help them model proposed contract rates. Every ASC has a different case mix, so it is important to model all changes against a static population (such as the prior 12 months' actual data for a specific payer) and determine if a small change in a rate for a specific procedure can have an outsized impact on overall revenue.

How outsourcing revenue cycle management helps

Through outsourcing their revenue cycle management, ASCs can further benefit from the value associated with ongoing benchmarking, monitoring and auditing.

- An ASC billing company can help its clients establish effective processes. The company can provide guidance thanks to its experience performing these processes for clients and its own internal operations, and from what it has seen work well with ASC clients.
- An RCM partner will use technology such as business intelligence analytics to dive into an ASC's revenue cycle performance, focusing on RCM KPIs crucial to growth. These include days to bill, days to pay, days in accounts receivable, AR greater than 90 days and denial rate. A billing company will benchmark these figures against an individual ASC's performance and externally against similar clients.
- Since RCM companies perform ongoing monitoring of clients' revenue cycle performance, ASCs can feel confident that any unexpected changes in their performance will be identified and acted upon quickly.
- Ongoing auditing of clients' revenue cycle performance is an essential reason why RCM companies provide optimized services. Proper audits will look at an ASC's billing process from start to finish, covering all aspects of the revenue cycle.
- An ASC billing company can help its clients determine contract renegotiation goals, including where payment increases would contribute most to growth and what reimbursement figures should be targeted for coverage of new procedures. The company can provide clients with the billing data to help determine these goals.
- The company will also help identify and produce the data – KPIs and financial information – that can strengthen an ASC's renegotiating position and hold a payer accountable to the terms of a modified managed care contract.
- An RCM partner also has data on reimbursement rates of other ASCs in a similar geographical location, which can help with contract negotiations and renegotiations.
- The billing company helps hold payers accountable to new contracts by performing ongoing monitoring of contracts and outreach with payers when actions, such as slow payment and improper denials, violate the contract and spirit of a good ASC-payer partnership. The ASC billing company will also take the lead on handling issues of payments coming in below contracted rates (i.e., underpayments) when such issues are identified through monitoring and auditing.
- Through ongoing work and collaboration between an ASC and its billing partner, a surgery center can improve its long-term payer relationships. Payers will know the center is being supported by a team of ASC coding, billing and managed care experts who are working to make the billing process as consistent and accurate as possible – a benefit for the center and payer. When it's once again time for contract renegotiations, the payer knows the ASC will come to the table with the data and information needed to hash out a new contract that's fair for both parties.
- A billing company will perform benchmarking on its own performance to assess the success of improvement measures, establish goals for team members and identify underperforming areas and staff.
- A billing company also conducts regular audits of the performance of its team members. Audit results are shared with team members and tracked to determine improvements or ongoing deficiencies.
- Such audits will pinpoint areas for potential improvement. Examples include ways to strengthen collaboration with ASC clients and between company team members, further streamline processes and deliver training and education.
- An audit may also identify metrics and KPIs to be scrutinized, technology to be leveraged more effectively and the need to add team members to an account.

Outsourcing RCM as a benchmarking, monitoring and auditing differencemaker

Benchmarking, monitoring and auditing are critical processes for ASCs striving for growth. While seemingly simple in concept, achieving effective, ongoing execution of these processes is not. They require time and diligence, as well as the knowledge and expertise to identify what information outputs are worth acting upon. By outsourcing RCM, surgery centers gain a partner that can help maximize the value of these processes and allow an ASC to achieve the financial performance needed to be successful for the short and long term.

Outsourcing Billing Powers Growth Opportunities

Facility Profile:
A large, multi-specialty surgery center was handling its revenue cycle management internally and struggling financially. Hoping to turn around its performance, the ASC partnered with Surgical Notes. The Surgical Notes SNBilling team discovered significantly overinflated accounts receivable (AR) and many unbilled accounts. Within just six months, the SNBilling team collected roughly $16 million in legacy receivables. Their work also eliminated more than $500,000 in denial-related revenue loss.

Revenue Per Case

Before Surgical Notes: $2,383

After 6 Months with Surgical Notes: $2,564

8% INCREASE

Days to Bill

Before Surgical Notes: 7 DAYS

After 6 Months with Surgical Notes: 3 DAYS

43% DECREASE

Days to Pay

Before Surgical Notes: 19 DAYS

After 6 Months with Surgical Notes: 13 DAYS

32% DECREASE

Legacy AR Collected

After 6 Months with Surgical Notes: $15,860,789