

## Dignity Health touts Optum partnership in helping get its revenue cycle management in order

GREG GOTH

For San Francisco-based Dignity Health, making the decision to upgrade its revenue cycle management technology and processes was no easy feat. According to Tim Panks, senior vice president for finance and revenue cycle management, the company entered fiscal year 2012 with seven or eight variables to immediately address.

Among those: the emphasis placed on implementing electronic health records across the system against the backdrop of continuously evolving patient-touching technologies that needed to be evaluated and brought onboard and, of course, the value-based care model demanding a significant re-evaluation of the organization's entire revenue cycle.

"We knew that over the recent years leading up to 2012 we were seeing increased net revenue leakage coming out of our revenue cycle," Panks said. "We thought we had a very good process, and we continued to update it, but it was

becoming harder to stay up with everything that was happening in the industry, from our commercial contracts and more and more deductibles going to patients, just to name a couple things."

And don't forget, he added, the advent of ICD-10 was bound to require additional documentation processes to ensure future reimbursement would approximate services provided.

Dignity ultimately struggled to decide whether to build a platform, partner with an revenue cycle specialist or buy software. Dignity ended up partnering with health services vendor Optum to create a specialist firm, Optum360<sup>®</sup>, in 2013.

Panks cited the revenue cycle company's technological capabilities such as computer-assisted coding, clinical documentation improvement, and denial management software that is continuously evaluated and upgraded to an extent Panks said no standalone organization, or even a system the size of Dignity Health, could keep up with easily.



He also said Dignity Health transferred more than half of its revenue cycle employees to the partner firm, which brought a robust training and continuing education program to the marriage.

But Panks said there is no cookie-cutter approach to analyzing how best to address "build, partner, or buy." Rather, each organization will have to figure out who they want to be as they move into the new environment of value-based care and where they want to spend capital.

"Everybody understands the individual discernment process they'll go through to make those decisions," Panks said. "There isn't really a single template or set of ratios that will explain that for everybody." ■

