QUICK TIPS

Top considerations when outsourcing payer accounts receivable recovery

Hospital margins are down to 3.2 percent nationwide.¹ As a result, most provider organizations are looking to partner with third-party vendors to quickly retrieve payer receivables to ensure full and proper reimbursement.

However, 75 percent of community hospitals and 56 percent of large hospitals and academic medical centers (more than 200 beds) expressed difficulty in finding skilled revenue cycle staff for new revenue cycle management software and reimbursement challenges.² Below are key considerations when looking for the best outsourcing option for your payer-related accounts receivable (AR) recovery.

How qualified is the AR recovery firm’s staff?

Government and commercial payer reimbursement guidelines can be complex and difficult to navigate. Many AR recovery vendors use staff members who are not well-versed in the rules of reimbursement, leading to less than full reimbursement for provider organizations. For best results, find vendors with tenured staff who have a revenue cycle skills certification from an accredited institution or industry association (for example, Healthcare Financial Management Association).

How advanced is the vendor’s supporting technology?

When dealing with payer receivable recovery, workflow-driven technology and electronic data interchange (EDI) transaction capabilities are essential. Vendors using X12 EDI transactions can more quickly identify payer issues preventing payment and regularly check status to better understand and influence payment outcomes. When using workflow-driven technology, vendors can better manage the collections process to more quickly and accurately stratify claims into categories and assign them to revenue cycle experts who specialize in specific types of claims or payers.
Does the vendor’s AR recovery staff specialize in certain payers or claim types?
The payer landscape is a myriad of ever-changing, complex and payer-specific mandates and regulations. To be more effective, the top-performing AR collections firms organize their staff by payer or claim type. For example, complex clinical claims require clinical expertise to overcome payer issues, therefore vendor staff assigned to these types of claims should have a different skill set than a team member working on simpler patient demographic claim issues.

Does the vendor use a mix of onshore and offshore full-time equivalents to make a service more effective and affordable?
Using both onshore and offshore revenue recovery staff allows vendors to price their services more competitively. However, having offshore resources allows AR recovery work to be done in off-hours so the recovery follow-up pipeline is more continuous, making the collection progress more efficient.

If a vendor is using offshore resources, ask how they are protecting patient record information under HIPAA guidelines. Make sure your data is safe by checking the vendor’s security protocols and verifying that the secure rooms where offshore staff work prohibits recording devices, including cell phones.

Outsourced Complex Denial Appeals — A Rising Trend
The number of complex claims outsourced to a specialized service provider climbed from 20.4 percent in 2013 to 39.8 percent during the third quarter in 2016.\(^3\)

Optum AR Recovery Service and Denial Recovery Service
Optum\(^\circledR\) AR Recovery Service provides short- and long-term supplemental, dedicated staff to manage third-party insurance billing and follow-up to speed cash recovery and reduce outstanding AR. Optum Denial Recovery Service offers a complete solution for increasing denied claims recovery and preventing future denials while improving efficiency and productivity.

Sources: