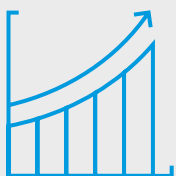


The advantages (and myths) of outsourced RCM

As Medicare Advantage plans, VBID and EVV continue to increase in the market, they're also bringing new billing requirements for payor setup. And while Medicaid Advantage plans are skyrocketing in patient utilization, many home health and hospice agencies lack the in-depth know-how to accurately bill for them.

This knowledge gap in billing requirements can stall growth, but outsourcing revenue cycle management (RCM) can change that through:

- > Increased cash flow
- > Responsibility for staff training
- > Business continuity
- > Ability to scale quickly
- > Advanced training
- > Payor familiarity
- > Compliance management
- > Assistance with identifying and resolving EHR set-up issues
- > Industry knowledge
- > No direct management responsibility



Compared to those with in-house RCM, **the outsourced segment held the largest revenue share of 56.45% in 2022** and is expected to register the **fastest growth**.

(Source: Grand View Research)

3 common myths of outsourcing RCM

Leaving your RCM to the experts can bring greater visibility, efficiency and accuracy to your billing process, but many home health and hospice agencies are hesitant to outsource. Here are three myths about outsourced billing, coding and RCM:

1 Outsourcing RCM only complicates things

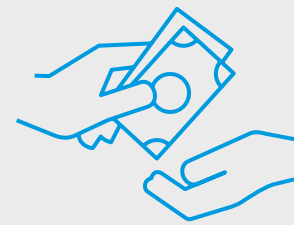
If you're convinced that expert RCM services will complicate your internal processes, it may be time to rethink your revenue management strategy. Expert billing and coding services can simplify your RCM, identifying issues that could be the reasons behind unpaid claims, claim denials, or sluggish cash flow. A dedicated team of RCM experts can also keep your finance and clinical teams connected, resolving issues quickly and effectively.

2 Outsourcing makes RCM more time consuming

If you're like many home health and hospice agencies, you may not be aware of the time your staff spends managing billing processes and collections. It's likely taking more time than you can afford — robbing your team of precious time that could be spent caring for patients.

3 Outsourcing RCM offers no immediate ROI

The primary driver for return on investment (ROI) is often labor costs. But outsourcing can also improve your cash flow and will cost less than managing your RCM in house. Another factor to consider is today's regulatory climate. OASIS-E and the home-health value-based purchasing model can mean less money for agencies. Those who choose to lean on external resources to manage compliance are making a smart investment for the future of their organization.



Practices that outsource their billing had **higher rates of claims paid on the first submission (80%) and within 30 days (88%)** compared to practices that handle their own billing (68% and 72%, respectively).

(Source: Journal of Medical Practice Management study)

A growing market for outsourcing RCM

According to Grand View Research, the US medical billing outsourcing market size was \$5.2B in 2022 and is expected to grow at a compound annual growth rate of 11.56% from 2023 to 2030.

The market for outsourced RCM is clearly on the rise, but who benefits? Home health and hospice agencies that are experiencing:

- > Staffing turnover in skilled, certified positions
- > Many small to mid-sized agencies do not typically have back-up staff with the necessary training and knowledge.
- > Payor audits and regulatory compliance concerns
- > New leadership mindset from those with previous positive outsourcing experiences
- > Cash flow issues
- > A new EHR or lack of system knowledge

The result of these relationships can lead to improved HHCAHPS scores and ultimately better total performance scores.



Nearly 75% of the health systems in the U.S. **have deployed RCM solutions during the pandemic.**

(Source: AKASA survey)

Still on the fence about outsourcing your RCM?

Consider what it's costing you to keep it in house. In addition to staff wages and time spent on billing, coding and collections, factor in rejections and denials that could be impacting your cash flow, your bottom line, and your patient retention. Chances are the advantages of outsourcing your RCM far outweigh the financial risks and costs of managing it on your own.

Request a consultation to learn how we can help you accelerate reimbursement, maximize cash flow and reduce risk of denials.

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