

Opportunities for HIM in Revenue Cycle Management

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by Thea Campbell, RHIA

The pressure on all healthcare organizations for improved financial performance continued to grow in 2003. Many healthcare organizations experienced a financial loss in the first quarter of 2003, and disproportionate reimbursement-to-expenditure ratios in healthcare are straining all organizations.

In early 2003, health information managers were focused on HIPAA implementation. In addition, many of us are working on installing some form of an electronic health record. Unfortunately, the financial pressures on the healthcare industry are placing another hot topic on our plates—the revenue cycle.

Industry consultants are moving into this arena with a core group of offerings to accelerate cash flow, reduce accounts receivables, improve bond ratings, and more. There is also a surge in new positions linked to the revenue cycle, such as revenue cycle director and formalized charge master positions. This article will explain HIM professionals' role in the revenue cycle and how your organization can make the most of these skills.

Invaluable Knowledge

HIM professionals are important players in the revenue cycle. Our knowledge in the overall scope of the revenue cycle is invaluable. As we all know, coding is one of our areas of expertise. Although some chief financial officers would like to believe coding is simple, we all know that the nuances of coding are many and the skill set sometimes difficult to find.

There are also many functions in the revenue cycle beyond coding in which HIM professionals should be involved:

Analysis and Management of Unbilled Accounts

The field of HIM contains useful information that is key to the analysis of unbilled accounts and goes beyond code assignment. Only through a detailed analysis and understanding of why an encounter is held up by an edit are we able to develop solutions. Revenue codes and the chargemaster often play significant roles in the edit analysis.

Case Mix Management

While some consider this an activity of the past, hospital administrative staff still use this data to benchmark performance and make decisions about new services. The ability to explain the data to your administrators—whether because of changes in coding or practice patterns—is key to helping administrators make good decisions, all the while allowing the HIM department to shine.

Denial Management

If your organization is not currently reviewing information about claims denials and looking for collaborative ways to prevent them, it should be doing so. Commonly, denials are tied to the ongoing battle of obtaining appropriate documentation. Only through looking at why the codes assigned based on reviewing the documentation didn't receive the expected reimbursement can we target areas for improvement. Improvement can range from physician education to charge capture review to charge master analysis and beyond. There should be a collaborative, multidisciplinary process of looking at denials to resolve issues that can cost your organization money.

Where to Begin

So now that you are convinced you need to be in the revenue cycle arena as an expert, where can you begin? Start with the following:

Educate yourself. Your educational resources include consulting groups invited into your organization, an array of publications, and peers inside your organization such as the business office director. Also, with revenue cycle being a hot topic for speakers, meetings are a great place to pick up new information.

Become an active part of the revenue cycle team—or start one. Where to start is often the most difficult part of this endeavor. Creating a flow chart of the life cycle of receiving a payment in your organization will be enlightening. In addition, this will spawn more “opportunities for improvement” than one team can handle.

Determine what you and your organization know about the revenue cycle. Once you discover what is and isn’t known about the revenue cycle and document the knowledge gaps, you can develop a revenue cycle manual to educate everyone on staff. Training is key to improving the revenue cycle.

Network with your peers. Learn what it is like to walk a mile in the shoes of a business office director. You may be amazed at the similarities to life in the HIM department. We know we are interconnected and inseparable from the revenue cycle. A clear understanding of each department’s processes in the revenue cycle will help everyone meet common goals and objectives.

While revenue cycle activity may be perceived as adding more work to your already full plate, more work on the front end can lead to less work on the back end. It can also be extremely rewarding for both you and your organization. Get educated and involved—your organization will appreciate it.

Thea Campbell (thea.campbell@THCFG.com) is vice president of HIM services for Pyramid HIM & Coding Services, a division of The HealthCare Financial Group.

Article citation:

Campbell, Thea. "Opportunities for HIM in Revenue Cycle Management." *Journal of AHIMA* 74, no.10 (November 2003): 62-63.

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