



2022 Mid-Year Revenue Cycle Benchmarking Update

Oct. 21, 2022

PRESENTED BY:

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Crowe, Revenue Cycle Intelligence



LEARNING OBJECTIVES

Agenda

1

Understand the current market performance of key revenue cycle performance indicators

2

Compare your organization's performance to overall market performance to determine appropriate action items

3

Identify gaps or surpluses in your organization's performance against market trends to inform decision making on focus areas for the remainder of the year

4

Replicate key performance measurement KPI's to apply to your organization's environment to ensure calculation methodologies are consistent

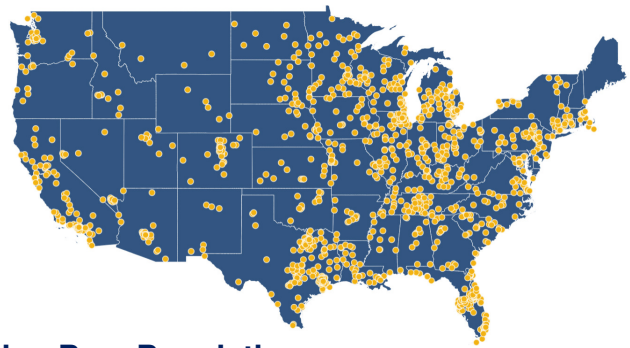


What is Crowe's Benchmarking Database?

What is Crowe's Benchmarking Database?

Crowe's Monthly Benchmarking Monitoring

- Normalized Key Performance Indicators.
- RCA as the source of truth.
- National and regional lens on performance.



Crowe's Benchmarking Peer Population

\$121.1B
Open AR

\$824.9B
Annual Gross
Revenue

47
States
Represented

What is Crowe's Benchmarking Database?

Benchmarking Metrics

VOLUMES

- IP Net Revenue Per Case
- OP Net Revenue Per Case
- IP Admissions (Volume)
- OP Visit (Volume)
- Medicare Net Revenue per IP Day

ACCOUNT RECEIVABLES

- Cash/60 Day Lagged Net Revenue
- Six Months Cash Lag to Net Revenue
- TRUE AR Days
- Net AR Days
- TRUE AR > 90 Days
- % AR > 90 Days Medicare
- % AR > 90 Days Medicaid
- % AR > 90 Days Commercial
- % AR > 90 Days Self-Pay
- % AR > 90 Days Other
- Late Charge % of GPSR
- Credit Days
- Credit Liability % of Credit AR

HIM

- DNFB Days

PAYMENT COMPLIANCE

- Time to Insurance Payment - Overall
- Time to Insurance Payment - Medicare & Managed Medicare
- Time to Insurance Payment - Commercial Managed Care
- Time to Insurance Payment - Medicaid & Managed Medicaid
- Time to Insurance Payment - Other
- Time to Insurance Payment < 120 Days
- Insurance Payments % > 120 Days
- Time to Insurance Payment Gap - Denied vs. Non-Denied
- Insurance Payment Gap - Denied vs. Non-Denied
- Final Denial Write-Offs
- Final Denial & Administrative Adjustments
- Initial Denial Rate
- Initial Denial Rate - Medicare & Managed Medicare
- Initial Denial Rate - Commercial Managed Care
- Initial Denial Rate - Medicaid & Managed Medicaid
- Initial Denial Rate - Other Payor
- Initial Denial Rate - Auth/Precert
- Initial Denial Rate - Billing/Claim Issue
- Initial Denial Rate - Coordination of Benefits
- Initial Denial Rate - Coverage/Eligibility
- Initial Denial Rate - Duplicate
- Initial Denial Rate - Medical Necessity
- Initial Denial Rate - Non-Covered Services
- Initial Denial Rate - Request for Information

REGISTRATION

- Patient Responsibility % of GPSR
- Patient Collection Rate – Managed Care/Commercial
- Patient Responsibility – Managed Care/Commercial (% of allowed amount)
- POS Cash Collections % of Patient Cash
- Inpatient Self-Pay Conversion Rate

UNCOMPENSATED CARE

- Uncompensated Care % of GPSR
- Bad Debt % of GPSR
- Charity % of GPSR
- Charity % of Uncompensated Care
- Self-Pay After Insurance Bad Debt % of Total Bad Debt
- Self-Pay After Insurance Uncompensated Care % of Total Uncompensated Care



5

What is Crowe's Benchmarking Database?

Monitoring Market Trends Monthly

Crowe Revenue Cycle Benchmarking – Metrics That Matter June 2022

Crowe Benchmarking Market Update - June 2022			
Metric	MoM		YoY
	Jun-22	% Change	% Change
True AR Days	52.9	-0.30%	-1.10%
%AR > 90 Days Commercial	34.98%	0.50%	14.20%
%AR > 90 Days Medicaid	33.54%	1.20%	14.60%
%AR > 90 Days Medicare	21.78%	8.40%	26.80%
Time to Insurance Payment < 120 Days - Overall	31.7	1.40%	-1.70%
Initial Denial Rate	10.18%	5.70%	11.20%
Initial Denial Rate - Request for Information	2.87%	7.89%	2.15%
Initial Denial Rate - Auth/Precert	1.56%	-1.30%	17.04%

- 35% of Clients within Crowe's Benchmarking have seen at least a 15% growth in AR>90 when compared to June 2021
- Only 17.5% of organizations have seen AR >90 improve over the last year
- 11.2% growth in initial denial rate is a driver of aged receivable growth especially in the Request for Information and

Actions That Can Be Taken: Triage Auth/Precert denials as quickly as possible as many level of care denials are now being remitted by payors with reason codes associated to Auth/Precert (e.g., 39,197). Try segregating IP Auth/Precert denials as these are more likely to require an appeal letter which requires as much lead time as possible.

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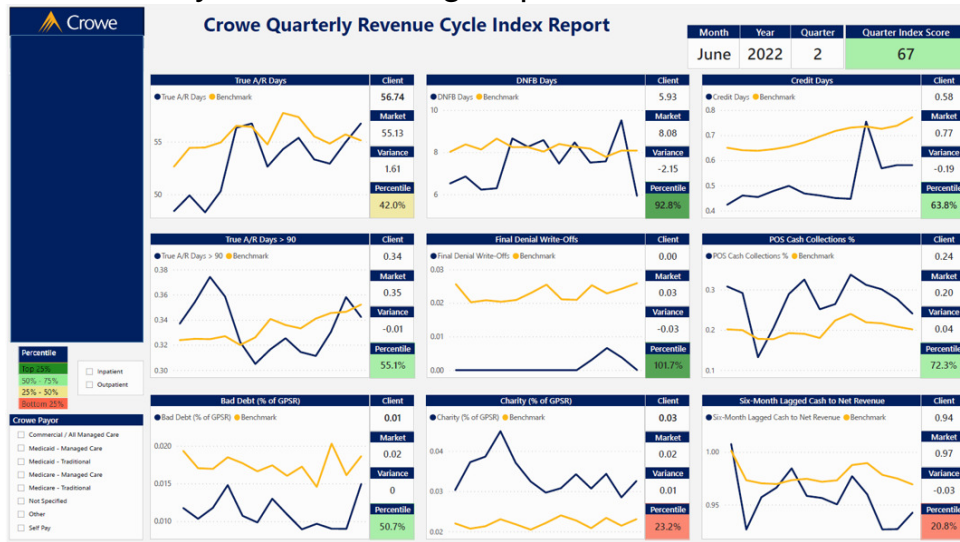
States
Represented



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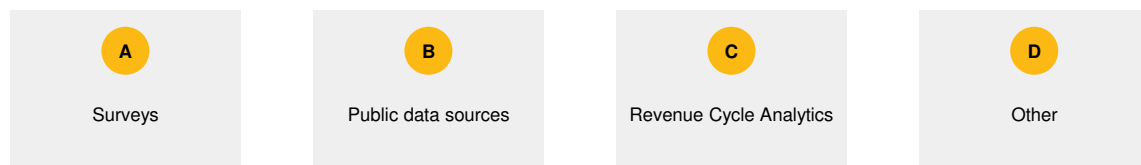
What is Crowe's Benchmarking Database?

Crowe's Quarterly Benchmarking Report



7

What is the data source of Crowe's Benchmarking Data?



Insights Into Current Market Performance

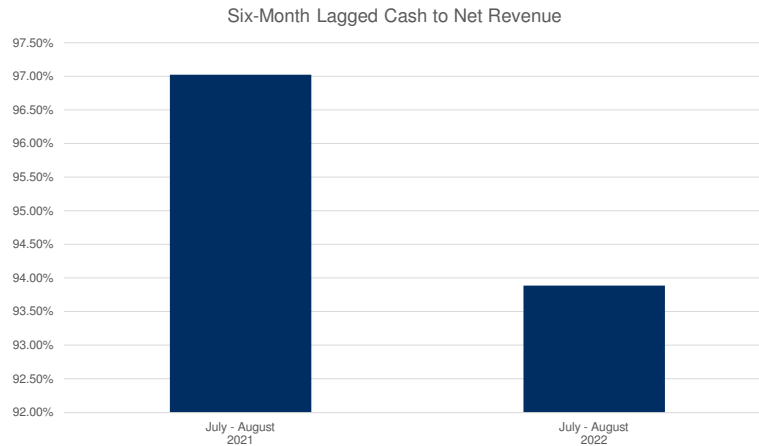
Insights Into Current Market Performance

How Have Key KPI's Moved Over the Last 12 Months?

Metric	Jul-21	Jul-22	YoY Change
Final Denial Write-Offs	1.91%	2.02%	0.11%
Initial Denial Rate	10.07%	12.36%	2.29%
Initial Denial Rate - Auth/Precert	1.55%	1.84%	0.29%
Initial Denial Rate - Medical Necessity	0.93%	1.02%	0.09%
Initial Denial Rate - Request for Information	2.89%	3.38%	0.49%
Late Charges (% of GPSR)	5.71%	5.88%	0.17%
POS Cash Collections (% of Patient Payments)	19.66%	19.29%	-0.37%
Six-Month Lagged Cash to Net Revenue	96.48%	93.02%	-3.46%
SPAI Patient Collection Rate	36.82%	34.32%	-2.51%
Takeback % of Debit AR	1.45%	1.82%	0.37%
True AR > 90 Days	33.24%	36.42%	3.18%
True AR Days	55.21	53.91	(1.31)
Uncompensated Care % of GPSR	3.79%	3.82%	0.02%

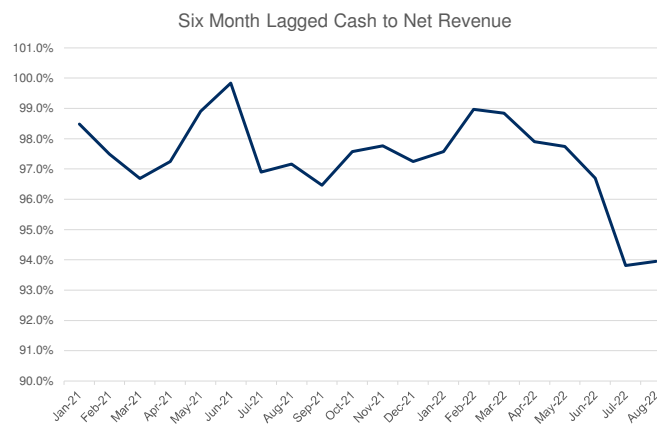
Insights Into Current Market Performance

Decrease in Six-Month Lagged Cash to Net Revenue



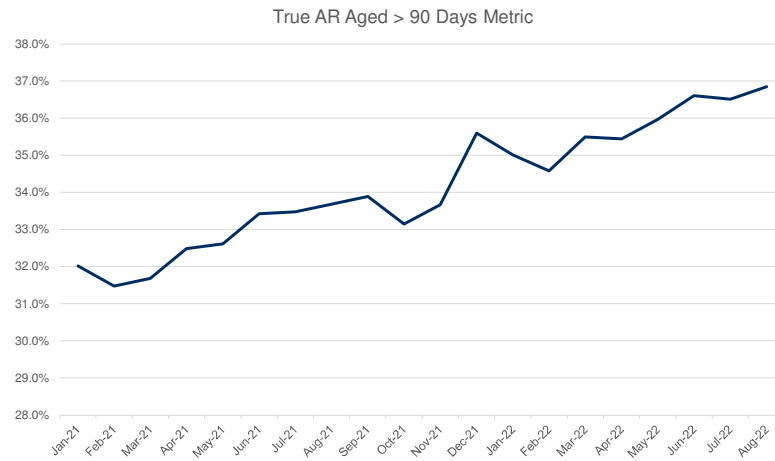
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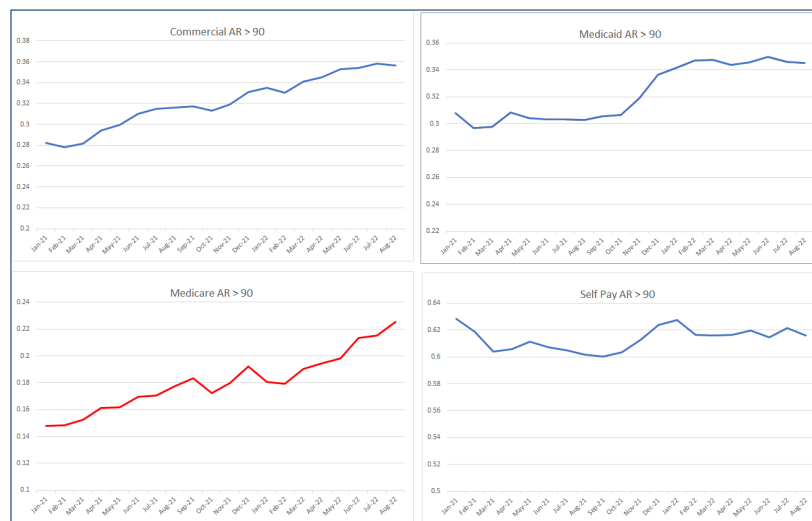
Insights Into Current Market Performance

Growth in Aged AR



Insights Into Current Market Performance

Growth in Aged AR



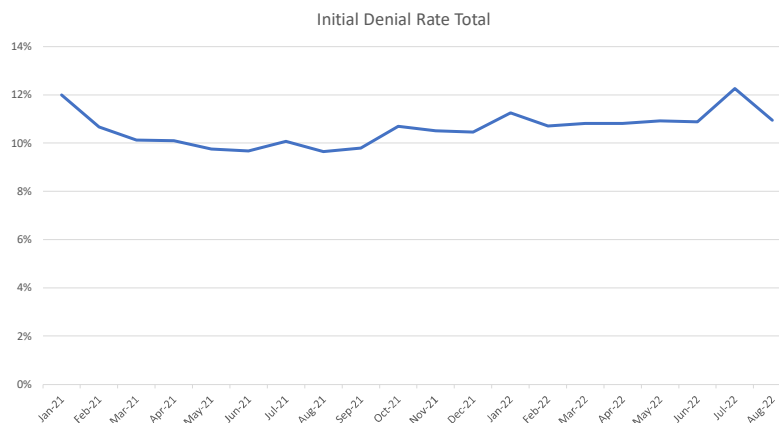
Insights Into Current Market Performance

What is Driving AR Growth? Time to Insurance Payment?

Crowe Payor	Time to Insurance Payment		
	Aug-21	Aug-22	% Change
Commercial / All Managed Care	31.07	30.87	-0.7%
Medicaid - Managed Care	30.29	27.12	-10.5%
Medicaid - Traditional	30.67	30.01	-2.2%
Medicare - Managed Care	31.88	31.53	-1.1%
Medicare - Traditional	32.80	33.22	1.3%

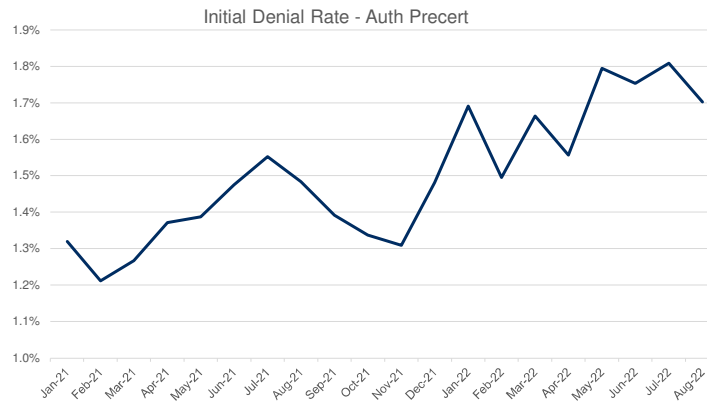
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What is Driving AR Growth? Growth in Denials?



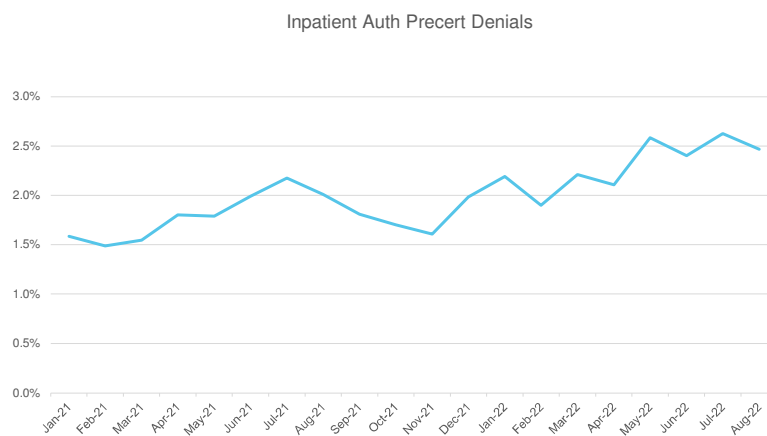
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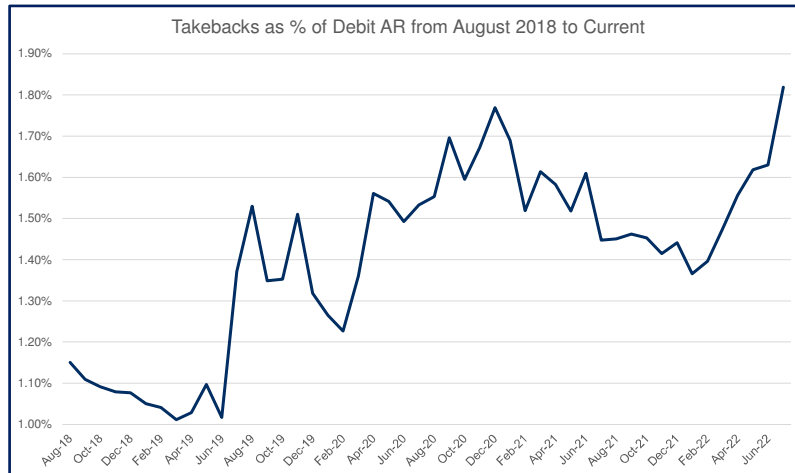
Insights Into Current Market Performance

Growth in Aged AR Cause: Inpatient Auth Pre-cert Denials



Insights Into Current Market Performance

Growth in AR Cause: Takebacks



Have your organizations experienced AR Growth?

A

Yes

B

No

C

I'm not sure

Insights Into Current Market Performance

How is the Market Reacting to Growing AR?

- More Proactive Triage of Clinical Denials
- Targeting Automations on “Non-Value” Accounts
- Right Resource, Right Account, Right Time



21



Thank you

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