Employing Predictive Analytics to Work Smarter Revenue Cycle Management

Using predictive analytics to more effectively allocate resources and accelerate revenue

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Welcome to the Meduit Podcast. Today we're going to talk about how AI technology, such as Predictive Analytics, can help providers make informed decisions. I'm with Jason Petrasich, our Senior Vice President of Artificial Intelligence, and I'm Jeff Nieman, Meduit CEO. Welcome, everyone. Jason, let's get started. Let's just start at the basic question. What are Predictive Analytics?

JASON   Thanks. It's great to talk to you again. Predictive Analytics are an area of data science that look at your historical activity, and can be taken in multiple forms of data, and looking at patterns and looking at outcomes, and trying to understand, "Can we—can we use the data to tell us the answer to a question?" And that's really kind of what it does at a basic form, is just kind of answer that question, or give you a suggestion in that direction. We'll talk about some examples, but you know, in general, you could look at things like, "Well, will people pay their bills?" or "Will an insurance company deny a claim?" and things like that. And you can use that data that you accumulate over multiple encounters of claims and patient interactions, really to answer any question that you are interested in, and you know, might provide some value into the organization in understanding that answer and how to take action, based on that.

JEFF   So, how can advanced predictive analytics really help providers in their revenue cycle?

JASON   So, the real you know, value here is optimizing resources. Everybody's you know, challenged on resources. Even, you know, before COVID hit us, rev cycle teams were typically you know, understaffed, overworked, more work to do than we had the capacity to do. That's pretty standard in the industry. So, you know, the value here with the predictive analytics is just optimizing those resources. It's not going to get you extra resources, but what it will help you do is take those people that you have, and focus them on the things that are going to add the most value to the organization. You know, we can look at you know, talking to patients with a bill that are most likely to need some help, you know, in order to make a payment or set up a payment plan. We can look at you know, denial activity

with insurances and understand, you know, "What is the probability that we're going to be able to solve that denial and actually get that claim paid?" So, you know, if you order all of that work, you know, in your work queues based on the highest value, has potential value first, you know, if you don't have enough resources to get through your whole work list, then you know, the things that aren't getting worked, are the ones with the least amount of value. You know, it—you know, might work on a denial that you know, very unlikely to ever win, and it's going to end up being a write-off. You know, that can wait, right? There's no urgency necessarily to get that worked. You know, you want to focus on the cash and the resolutions, you know, throughout the revenue cycle.

JEFF   Meduit has developed predictive analytics tools under the MedProve Solutions Set, and those cover Patient, Payer, and Charity components of the revenue cycle. So, let's take each of those in turn. Tell us about how MedProve Patient works to benefit providers, and improve their bottom line.

JASON   Yes, absolutely. And we'll get into some details here. And it's important to note that this—this kind of you know, tool, predictive analytics tools, are pretty common in the industry. And you know, you don't necessarily need to pay a huge amount of money to get access to these. You know, they're pretty straightforward. You know, the real question though is, is "Can you take the action based on it?" And so, you know, you think about something as simple as, "Will a patient pay their bill or not?" You know, if you have you know, a customer service team and they can only make, you know, 100 calls a day, you obviously want to focus those 100 calls on patients that are probably going to pay if you get them on the phone, and start talking to them about their bill. And like I said earlier, you want to deprioritize you know, talking to the patients who probably aren't ever going to pay. You know, and the predictive analytics tools can help you kind of rank order that work, and understand that aspect. So, you know, in terms of customer service, and self-pay collections, it's definitely focusing that outbound collection effort, you know, on the most likely candidate. So again, the values there are you know, you're going to optimize those resources, because you're going to increase the potential amount of cash that you're bringing in, based on those contacts. And you know, overall, get through the population that actually needs to have that contact done.

JEFF   Great. Tell us about MedProve Payer and how that helps create value.

JASON   So, it's a similar concept, right? So, we're trying to predict the behavior of something, you know, that's going to happen. And there's a couple ways that you can apply MedProve Payer. You know, one of those would be just looking at the timing of when a claim gets paid. You know, legacy business office kind of processes, you know, you would follow up on a claim every 30 days or every 15 days. You know, high dollar claims might pull up on every 10 days, with the payer. And there's a lot of you know, touchpoints in there where you've got a team member and a work queue, going through and trying to contact that insurance and say, "Hey, do you have our claims?" and then process any issues with that. But what if you could take the data on your payer behavior, and look at when they respond to those claims? And this could be really granular like, you know, ED claims are different than you know, outpatient radiology, different than inpatient, you know, admission claims. All of those can tell you—all that data can tell you, "When are they going to

respond?" And so, here's the value. So, let's say, your business office process says, "I want to follow up on a claim 14 days after it's been submitted to the payer." Well, if you look at your data, and let's say you know, United Healthcare pays those claims on Day 17. Well, if you try to call them at Day 14, all they're going to get is, "Your claim's in process. It's going to be paid in three days." You know, if you adjust your resource timing so that you're looking at when you should have had a response from the payer, then you can actually optimize that work effort, because let's say, you know, 80% of your claims get paid on Day 17. Okay, well then if you do your follow up work on Day 19 or Day 20, they you're really only going to be touching like 20% of the volume, instead of 100% of the volume. So again, it's about the optimization of those resources. So, timing of when an insurance will respond to your claim can help that kind of initial follow up activity in your business office. And another aspect of MedProve Payer can actually look at denial recovery probability. You know, and I mentioned this before, but you know, once a claim has a problem, obviously we have to work on trying to resolve that, you know, whether we're going to send a corrected claim, or whether we have to do an appeal, or reconsideration form, or just fix something in the system, there's some action that has to be taken in order to try to resolve that within your AR. Now, we can

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> **– Jason Petrasich**

apply the MedProve Payer models, and say, "Which ones are going to resolve to cash?" or "Which ones are going to resolve to adjustments?" And if you—again, if you're prioritizing your resources, you know, and you're trying to drive your cash, you know, with fewer resources in the business office, you want to focus those ones on the things that we can fix, right? So, yes, we want to work every claim that's denied in the inventory, but if you have to put them in order, you want to work the ones that are going to generate cash first, and you want to work the ones that are going to generate a write-off last. And again, so as you—if you run out of resources, or if it takes you a couple weeks longer to get through those claims, you know, you're not affecting your cash flow in the organization. So, those are really the two dimensions of MedProve Payer: the timing and then you know, the recoverability of something that has a problem on it.

JEFF   Yes, these first two are all about working smarter to really align your resources that you have in the business office with the things that are going to get you the best impact. And I think, you know, most of us who have been in the business for years, may think from a gut perspective that we know how to do that, right? And we may be directionally right, but taking a data-driven approach certainly provides certainty and precision and the level of effectiveness that you can have with workflow optimization and prioritization of the work to get done.

JASON   Absolutely.

JEFF   So, tell us about the last one, MedProve Charity.

JASON   So, MedProve Charity is a little bit different. This is really aimed at organizations that have you know, a community benefit need, a 501(r) need. You know, we all know that patients that go through the emergency departments, are you know, usually lower income, sometimes indigent, and also not really very cooperative with our processes to contact them and talk to them. All hospitals have a proactive financial assistance program where if somebody says, "Hey, I need help with my bill," you have an application, you fill it out, you meet the criteria, you qualify for it. But that really only works if the patient's actively engaged. What we've seen is that you know, a large portion of that population, that uninsured population that comes through, they're apathetic. They really don't care. They don't want to spend any time talking to you about filling out an application form. And they really don't want to necessarily participate in that process. But you know, from a community benefit perspective, you know, if we can use data analytics to understand whether that patient is indigent, you know, that can still be qualified for presumptive charity under your financial assistance policy. And then that can be counted as a community benefit for 501(r). So, what we can do here is look at you know, census, block level, data, some demographics data, just to understand kind of—get a picture of, "Where does— where's that person live? You know, what's the average household income in that area?" And we can actually calculate an estimated federal poverty limit level for that patient. You know, if your hospital says, "Patients under 200% of the FPL can have 100% charity write-off," then we can actually use this presumptive score. We can say, you know, "We never talked to this patient directly, but using all of our data analytics, we were able to determine that this person is likely below that 200% threshold. And so, we're going to qualify them as Presumptive Charity." So, again, you know, this is really aimed at you know, kind of streamlining that business process. You know, we would recommend that you know, you do this kind of after your pre-collection process, your early out process, where you send statements to the patient, you try to generate that contact. Because if somebody wants to pay, or set up a payment plan, you want to give them that opportunity. And we would suggest that you apply MedProve Charity really at the point of kind of pre-bad debt. Right when you're ready to transfer to bad debt. You know, presumptive charity and bad debt are both uncompensated care, so there's no real P and L difference to classify something as presumptive charity versus bad debt. You know, so it's really back to that community benefit. You know, you're not going to send somebody to collections who's never going to pay, in bad debt. You're going to route them into that charity program and you're going to capture that benefit for your organization. So, from a timing perspective, we would do this right before an account goes to bad debt, and you're diverting those accounts. Instead of going to the collection agency, they'll go into the presumptive charity write-off bucket for your organization.

JEFF   Thanks for those explanations, Jason. I know Meduit just conducted a case study to test the efficacy of the MedProve set of solutions. So, tell us a little bit about that case study.

JASON   Yes, absolutely. This is really exciting. And you know, we love to be able to show you know, real world use cases where we've applied MedProve solutions in order to optimize the value. And this particular one was around patient propensity to pay and

optimizing the resources for those contacts that I talked about earlier. You know, we were able to generate an 18% in—you know, increase in recovery rates over you know, several months' period of refocusing that work effort. You know, and we changed the way the dialer campaigns were working for these clients. We were pulling these calls and prioritizing them. You know, and then also you know, managing the contact process throughout that with you know, ensuring that we're not calling them too many times, and we're also not neglecting the rest of the population, right? So, we're just optimizing those calls of patients and trying to drive that—that higher collection. Then what we found in that result is a pretty material increase in generating cash. And again, that's through taking that limited amount of resources that you have to create contacts, and focusing on the best opportunities.

JEFF   For more information about the MedProve Suite of Predictive Analytics, how would a provider contact Meduit AI?

JASON   The best way to reach us is to hit up our website at **meduitrcm.com**. Just click on the Contact Us link on there. Give us a little bit of contact information for you, and we'll have somebody reach out to you. And we'll be more than happy to talk to you about predictive analytics and how those can help you know, optimize the resources in your organization.

JEFF   Alright. Thanks, Jason. And thanks listeners for joining us today. Hope you found our podcast series informative and helpful in accelerating your revenue cycle.

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Mr. Nieman leads Meduit's top-notch team of healthcare revenue cycle professionals to maximize performance and accelerate growth for hospitals, health systems and provider groups. Prior to joining the Meduit team, he was the chief operating officer for Navigant Cymetrix, a revenue cycle management company serving over 200 hospitals. He has also held leadership positions at Conifer Health Solutions, Humana and HCA (Hospital Corporation of America) and has a BA in economics from Bellarmine University in Louisville, Kentucky where he graduated Magna Cum Laude.

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Mr. Petrasich drives revenue cycle solutions powered by artificial intelligence (AI) that support healthcare providers' operational, clinical and financial health. Petrasich brings over 25 years of RCM experience in revenue cycle process design, efficiency and resource optimization. Prior to joining Meduit, he served as national vice president of revenue cycle for Prospect Medical Holdings, Inc., vice president of operations for Navigant Cymetrix, and senior director of operations planning for Conifer Health Solutions. He earned his Master of Business Administration from Pepperdine University.