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Finance

More providers outsourcing all of their revenue cycle

By Megan Caruso

REVENUE-CYCLE MANAGEMENT FIRMS are increasingly seeing providers fully outsource revenue-cycle services rather than handle the important but tricky practice of patient billing themselves. According to Black Book Market Research, demand for outsourcing of full revenue-cycle management services in healthcare grew 48% from 2015 to 2019.

CEO Chris Klitgaard of MediRevv said that choosing to outsource offers providers a level of expertise akin to a medical professional's specialization in clinical care. Roughly 65% of MediRevv's client base receives fully outsourced end-to-end revenue cycle services. "By partnering with a firm, providers are free to dedicate their focus to clinical demands while also recapturing revenue to invest back into bettering clinical technologies and processes," Klitgaard said.

He added that hospitals and health systems often don't have the capital to continually invest in technology, so outsourcing offers them competitive technologies with an experienced

and talented staff.

Partnering with one vendor offers providers accountability and a better line of sight to an entire performance breakdown, according to Brenda Cline, president of service solutions at nThrive, No. 2 on our Largest Revenue Cycle Management Firms list (p. 38).

Cline said predictive analytics can help inform broader market trends and revenue-cycle firms have easy access to the technology, giving providers who hire the firms an edge.

Huntsville (Ala.) Hospital Health System, which handles most of its revenue-cycle services in-house, has another perspective. Rob Crawford, executive

director of revenue cycle services, said the system ended a partnership in the last two years. "Our patient statement services were brought back in-house to give us more control over customer service," Crawford said. "We actually saw improved collections."

Cline admits that not every provider relationship with outsourcing can achieve results. "Outsourcing success comes only from a true partnership with an established relationship and trust." ●

THE TAKEAWAY

Revenue-cycle management firms are increasingly seeing providers choose to fully outsource revenue-cycle services to specialists rather than handle in-house.





Largest revenue-cycle management firms

Ranked by total number of healthcare revenue-cycle contracts, 2018

RANK	FIRM	LOCATION	REVENUE-CYCLE FTEs*	COMPREHENSIVE CONTRACTS	PARTIAL CONTRACTS	TOTAL CONTRACTS
1	Parallon	Nashville	16,500	1,441	2,485	3,926
2	nThrive	Alpharetta, Ga.	3,048	5	1,560	1,565
3	Experian Health	Franklin, Tenn.	948	—	—	1,557
4	SSI Group	Mobile, Ala.	350	200	800	1,000
5	Conifer Health Solutions	Frisco, Texas	11,600	—	—	800
6	National Recovery Agency	Harrisburg, Pa.	115	—	—	656
7	Nordic	Madison, Wis.	235	—	—	614
8	Navigant	Chicago	3,479	—	—	585
9	PMMC	Charlotte, N.C.	94	—	558	558
10	FirstCredit/RevCare	Fairlawn, Ohio	184	120	257	377
11	Avadyne Health	Moline, Ill.	385	—	—	375
12	Aviacode	Salt Lake City	385	—	—	295
13	Healthcare Resource Group	Spokane Valley, Wash.	395	35	184	219
14	Wipfli	Milwaukee	22	42	73	210
15	Crowe	Chicago	181	18	184	202
16	Xtend Healthcare	Hendersonville, Tenn.	1,064	10	169	179
17	Infinx Healthcare	San Jose, Calif.	1,500	—	—	175
18	AGS Health	Newark, N.J.	5,290	127	0	127
19	GeBBS Healthcare Solutions	Culver City, Calif.	6,851	110	9	119
20	HGS	Lisle, Ill.	6,000	—	—	100

Note: Information is self-reported from companies responding to Modern Healthcare's survey; only those that participated were considered for this ranking. Comprehensive contracts include all patient-access services, healthcare information management and patient financial services. Partial contracts represent limited components such as self-pay collections and claims denial.

R1 RCM (fiscal 2018 net revenue \$868.5 million) did not submit information in time for inclusion.

*Total full-time-equivalent employees who spent at least 50% of their time on revenue-cycle services as of Dec. 31, 2018.

Source: Modern Healthcare's 2019 Revenue-Cycle Management Firms Survey

Information in this chart may be subsequently revised at the discretion of the editor.

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