veradigm® WHITEPAPER

Optimizing medical office operations in the age of artificial intelligence

COMMON CHALLENGES IN MEDICAL PRACTICE MANAGEMENT

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Healthcare practices thrive on providing quality care to patients. However, behind the scenes of every successful medical practice lies a complex web of administrative tasks. Efficient practice management is crucial for delivering excellent patient care while ensuring the financial viability of the organization. Unfortunately, numerous challenges plague medical practices, hindering their ability to function at optimal levels.

THE REVENUE CYCLE MAZE: CHALLENGES AND LOST REVENUE

Revenue cycle management (RCM) encompasses the entire financial flow of a medical practice, from patient scheduling to claim submission and payment collection. While seemingly straightforward, the RCM process is riddled with complexities that can significantly impact a practice's bottom line.

Here are some of the most common RCM struggles:

Coding Errors: Medical coding involves translating diagnoses and procedures into standardized alphanumeric codes for insurance billing. Inaccurate coding can lead to claim denials, delays in reimbursements, and lost revenue. The ever-evolving nature of coding regulations further complicates this aspect of RCM.

Denials and Delays: Even with meticulous coding, claims can be denied by insurance companies due to missing information, coding errors, or contractual disagreements. For instance, 69% of cardiology practices surveyed by Veradigm reported claim denials as a challenge.1 Appealing denied claims is a time- consuming and often-frustrating process, leading to further delays in receiving reimbursement.

Patient Collections: Collecting patient co-pays and deductibles can be a significant hurdle. For example, 83% of urology practices surveyed by Veradigm reported cash-flow issues due to uncollected or denied claims.1 Patients may lack awareness of their financial responsibility or face financial hardship, leading to late or unpaid balances. Chasing down payments strains administrative resources and can negatively impact cash flow.

Staff Training and Efficiency: Effective RCM requires a well-trained staff with a thorough understanding of coding, billing, and insurance regulations. However, staff shortages and high turnover rates can make it difficult to maintain a skilled team, leading to inefficiencies and increased errors.

Lack of Transparency and Data Analytics: Without a clear view of their revenue cycle, practices struggle to identify areas for improvement. This lack of transparency makes it difficult to track key metrics, such as denial rates and collection times, hindering proactive problem-solving and optimization of the RCM process.

BEYOND RCM: BROADER PRACTICE MANAGEMENT CONCERNS

While RCM is a critical component of practice management, other challenges contribute to the overall burden:

- **Administrative Overload:** Medical staff often spend an excessive amount of time on administrative tasks, including scheduling appointments, managing patient records, and handling prior authorizations from insurance companies. This time could be better spent providing direct patient care.

- **Patient Engagement:** Effective communication with patients is essential for a smooth-running practice. However, practices often struggle with patient communication, leading to missed appointments, confusion over billing, and overall dissatisfaction.

- **Technological Hurdles:** Many practices rely on outdated technology systems, hindering efficiency and data security. Integrating various software programs for scheduling, billing, and electronic health records (EHR) can be complex and costly.

By acknowledging these challenges and implementing effective solutions, medical practices can streamline their operations, improve cash flow, and ultimately, focus on what matters most: delivering exceptional patient care.

THE AI ADVANTAGE: HOW ARTIFICIAL INTELLIGENCE CAN REVOLUTIONIZE MEDICAL PRACTICE MANAGEMENT

The health care landscape is ripe for disruption, and Artificial Intelligence (AI) has emerged as a powerful tool with the potential to address the numerous challenges faced by medical practices. By leveraging AI's capabilities for automation, data analysis, and pattern recognition, practices can streamline their workflows, improve efficiency, and ultimately, dedicate more resources to patient care.

AI Can Streamline the Revenue Cycle Maze:

- **Enhanced Coding Accuracy:** AI-powered coding software can automate the process of assigning medical codes to diagnoses and procedures. By analyzing patient data and leveraging natural language processing (NLP), AI can suggest the most accurate codes, minimizing the risk of human error and reducing claim denials.

• **Predictive Analytics for Denials Management:** AI algorithms can analyze historical data to identify patterns associated with claim denials. This allows practices to proactively identify potential issues before claims are submitted, saving time and resources during the appeals process. AI can also predict which claims are more likely to be denied, enabling practices to focus their efforts on collecting upfront payments from patients for these high-risk claims.

• **Automated Patient Collections:** AI-powered chatbots can handle routine patient billing inquiries and facilitate online payments. This not only reduces the administrative burden on staff but also allows patients to conveniently manage their bills anytime, potentially leading to faster collections and improved cash flow.

• **Staff Optimization and Training:** AI-powered training tools can personalize learning experiences for new staff members, ensuring they are proficient in coding, billing, and insurance regulations. AI can also automate repetitive tasks currently handled by staff, freeing up their time to focus on higher-value activities, such as patient interaction and revenue cycle management oversight.

• **Real-time Revenue Cycle Transparency:** AI dashboards can provide real-time insights into key RCM metrics, such as coding accuracy, denial rates, and collection performance.This increased transparency allows practices to identify bottlenecks and inefficiencies, enabling them to take data-driven actions for continuous improvement.

AI Empowers Practices Beyond RCM:

Reduced Administrative Burden: AI-powered virtual assistants can handle tasks like appointment scheduling, appointment reminders, and basic patient inquiries, freeing medical staff to spend more time with patients. Additionally, AI can automate tasks like prior authorization requests and insurance eligibility verification, streamlining workflows and reducing administrative clutter.

Improved Patient Engagement: AI chatbots can provide patients with 24/7 access to appointment scheduling, prescription refills, and answers to frequently asked questions. AI can also personalize patient communication by sending appointment reminders, medication adherence checks, and educational materials relevant to their specific conditions.

Enhanced Data Security and Integration: AI can be integrated with existing health care IT systems, facilitating data exchange between various platforms like scheduling software, EHRs, and billing systems. This not only improves data security but also streamlines workflows and eliminates the need for manual data entry, reducing errors and improving data accuracy.

THE ROAD AHEAD: EMBRACING AI FOR A HEALTHIER FUTURE

While AI offers a wealth of potential benefits, it's important to acknowledge that successful implementation requires careful planning and consideration. Concerns around data privacy, cybersecurity, and potential job displacement for administrative staff need to be addressed. For example, 53% of orthopedic practices surveyed, by Veradigm, say they are open to exploring the potential benefits of AI in optimizing operations but have some reservations. However, by adopting AI responsibly and integrating it thoughtfully into existing workflows, medical practices can unlock a new era of efficiency, improved financial health, and ultimately, a renewed focus on delivering exceptional patient care.

AN EXAMPLE OF THE AI ADVANTAGE: HOW VERADIGM'S PREDICTIVE SCHEDULER REVOLUTIONIZES MEDICAL PRACTICES

Healthcare practices thrive on delivering quality care, but often grapple with complex administrative tasks. Inefficient scheduling can negatively impact patient care and practice finances. Fortunately, AI offers innovative solutions like predictive scheduling, which can transform how practices manage appointments.

THE SCHEDULING STRUGGLE: MISSED OPPORTUNITIES AND LOST REVENUE

Traditional scheduling methods often rely on a reactive approach, leaving practices vulnerable to:

Missed Appointments: Unforeseen circumstances can lead to cancellations, creating gaps in the schedule and lost revenue opportunities. In fact, "high schedule churn" due to no-shows was listed as one of the top scheduling challenges for orthopedic practices surveyed by Veradigm.

Patient Wait Times: Overbooked schedules or inaccurate appointment durations can result in frustrating wait times for patients, potentially leading to dissatisfaction and missed follow-up appointments.

Inefficient Use of Resources: Difficulty predicting patient demand can lead to underused time slots or staff shortages during peak periods.

Inaccessibility for Urgent Care Needs: Without a system to prioritize urgent cases, patients requiring immediate attention might face delays in receiving care.

These scheduling challenges create a ripple effect, impacting patient satisfaction, staff morale, and practice revenue. Predictive scheduling, powered by AI, offers a powerful solution to overcome these hurdles. The interest in this type of tool is high among medical practices, and according to a Veradigm survey:

48% OF RESPONDENTS WERE INTERESTED OR EXTREMELY INTERESTED IN USING TECHNOLOGY TO OUTSOURCE APPOINTMENT SCHEDULING.

29% USE SOME FORM OF AUTOMATED APPOINTMENT SCHEDULING TECHNOLOGY ALREADY.

68% REPORT THAT STAFF TURNOVER IMPACTS APPOINTMENT SCHEDULING TO SOME EXTENT.

AI-POWERED SCHEDULING: A GLIMPSE INTO THE FUTURE

Veradigm's Predictive Scheduler leverages AI's capabilities for data analysis and pattern recognition to create a more proactive and intelligent approach to appointment management. Here's how it works:

- **Data-driven Insights:** The system analyzes historical data on patient appointments, including appointment types, cancellation rates, and visit durations.

- **Predictive Modeling:** Using these insights, AI algorithms can predict future patient demand and identify potential scheduling gaps.

- **Prioritization and Automation:** The system can automatically prioritize appointments for urgent care needs, ensuring timely access for high-acuity patients. It can also optimize appointment slots based on predicted demand, minimizing scheduling conflicts.

THE BENEFITS OF PREDICTIVE SCHEDULING FOR MEDICAL PRACTICES

By implementing the Predictive Scheduler, medical practices can reap a multitude of benefits:

Improved Patient Care: High-need patients receive timely access to care, potentially leading to better health outcomes. Reduced wait times also enhance the patient experience.

Increased Efficiency: Automated scheduling tasks and optimized appointment slots free up valuable staff time for other essential duties.

Reduced No-Shows: Predictive Scheduling helps identify and minimize scheduling gaps, leading to fewer no-shows and a more efficient use of practice resources. Improved Revenue Cycle Management: Fewer cancellations and optimized appointment slots can lead to increased revenue opportunities.

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Enhanced Physician Satisfaction: Predictable schedules and reduced administrative burden allow physicians to focus on delivering high-quality care to their patients.

THE AI-POWERED MODERNIZATION OF THE FRONT AND BACK OFFICE

In the era of artificial intelligence, medical practices confront numerous hurdles in managing both front and back-office

operations. From revenue cycle complexities to administrative burdens, these challenges impede exceptional patient care. Yet, AI presents a transformative opportunity.

By leveraging AI, practices can streamline revenue cycle management, improving coding accuracy, predicting and mitigating claim denials, and automating patient collections. Additionally, AI-powered predictive scheduling revolutionizes appointment management, optimizing scheduling, prioritizing urgent care needs, and reducing no-shows.

Successful AI integration demands ethical and workforce considerations. Nevertheless, embracing AI empowers practices to unlock efficiencies, enhance financial health, and refocus on patient care. Veradigm's Predictive Scheduler exemplifies AI's potential, driving tangible benefits for practices.

As practices navigate health care complexities, AI adoption isn't just strategic but essential for a healthier future. By harnessing AI to overcome challenges and enhance workflows, practices can thrive in the age of artificial intelligence, ensuring excellence in patient care and operational efficiency.

References:
1. Veradigm. (2024) Internal data on file.

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