

How to Ensure your Legacy (System) in a Patient Account System Conversion



Of the many emerging trends in the healthcare industry, one in particular is swiftly becoming the status quo. Hospital merger and acquisition activity jumped 70% from 2010 to 2015¹, and the trend is continuing upward toward a much more consolidated market. M&A is becoming increasingly critical to success as hospitals focus more on providing coordinated and cost-effective care in the face of lower reimbursement and more payer disputes.

With the creation of more integrated health systems also comes growth for revenue cycle management software and services. In fact, investments in this area are expected to increase upwards of 50% over the coming years². Healthcare providers have begun to target inefficiencies in their revenue flows by adopting RCM products. However, during implementation these products can actually lead to a significant decrease in cash flow and aging of accounts receivables.

Patient Account Systems = Reduced Revenue?

For years, Epic was the largest of the patient account systems on the market, and with more than 19 million patients across the globe with records in an Epic system³, it still accounts for EHR use in more than a quarter of the country's

hospitals. More recently Cerner has scooped up the largest market share with licenses in more than 25,000 facilities in 35 countries³. Both of these systems bring more integrated care and a better patient interface to the majority of hospitals and health systems in the United States. However, implementing either of these systems brings the same interruptions to an organization's revenue cycle: incompatible accounts, reduced cash flow, and aging AR in the legacy system.

Both Epic and Cerner, as well as most other major patient account systems on the market, no longer offer the ability to convert accounts from legacy systems. In the past, moving to a new system was a true conversion where all existing accounts were dumped into the new system, but trying to make old files fit into new processes proved to be problematic and many of the major players have decided to no longer make that an option.

As a result the legacy systems are packed with AR that needs to be worked. This may not create such stagnation in the revenue cycle if it did not require all of a team's focus to train and prepare for an entirely new system with new processes. Unless the organization increases its staff during a conversion it is impossible to train and prepare for the new system, work existing accounts, and maintain a process for following up on older accounts.

Solidify Your Legacy

Hospitals must be prepared for possible revenue cycle and cash flow problems following a conversion unless necessary precautions are taken. Nearly 80% of organizations that have gone through this process have looked to partner with someone to help them manage their accounts and maintain a steady cash flow while they convert.

Legacy work down solutions have become instrumental to the conversion process. In these programs the hospital is assigned a dedicated team from management through representatives to work their legacy accounts, freeing their staff to focus on the current active inventory and to assist in preparing for conversion. These solutions allow for the programmatic placement of aged

inventory at a set age (90 days, 120 days, etc.) so that the organization can enjoy a steady and predictable increase in monthly revenue, and a reduction in existing aged AR and overall AR days.

As more health systems come together it is more important than ever to source new partners to make the transitions as simple as possible. A legacy work down partner provides steady cash flow while the hospital team focuses on taking their healthcare organization the next step into the future.

Does your healthcare organization have plans to make a system change within the next 12 months? **Contact us today to learn more about our Legacy AR Work Down program and don't let your receivables take a step back as you try to move forward.**

Sources:

¹"Hospital M&A Activity Jumps 70% in 5 Years," Ayla Ellison for Becker's Hospital Review, January 21, 2016; <http://www.beckershospitalreview.com/hospital-transactions-and-valuation/hospital-m-a-activity-jumps-70-in-5-years-8-findings.html>

²"Epic Systems Tops List of Hospital RCM Technology Users," Kyle Muphy, PhD for RevCycle Intelligence, March 11, 2016; <http://revcycleintelligence.com/news/epic-systems-tops-list-of-hospital-rcm-technology-users>

³"50 Things to Know About athenahealth, Cerner, Epic, McKesson & Meditech," Jessica Kim Cohen and Erin Dietsche for Becker's Hospital Review, February 17, 2017, <http://www.beckershospitalreview.com/healthcare-information-technology/50-things-to-know-about-athenahealth-cerner-epic-mckesson-meditech.html>

Written by Ali Bechtel, Digital Marketing Manager, RMP



1809 N. Broadway, Greensburg, IN 47240
855-831-3426 | ReceiveMoreRMP.com

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