

SEE YOUR REV CYCLE DIFFERENTLY

# REVENUE INTEGRITY

Taking an integrated, data-driven  
approach **to charge capture**

## EXECUTIVE SUMMARY

**Charge capture leakage costs hospitals millions each year—as much as 1% of potential revenue.<sup>1</sup>** It's a problem that's plagued our health system for decades and one that's only magnified by decreased reimbursement, slim margins and a changing regulatory landscape.

As we shift toward value-based care, accurate charge capture—in inpatient and outpatient settings—is more important than ever. In value-based models, capturing all relevant charges is critical to ensuring an accurate target price on which future reimbursement is based.

By moving away from manual workflows and toward comprehensive, data-driven charge capture, revenue cycle teams can prevent charge leakage and compliance issues. In fact, hospitals and health systems who have done so have increased net collections by 68% and reduced compliance risks by 61%.<sup>2</sup>

**In this white paper, we'll explore common causes of missed charges and how technology can improve revenue capture across all care settings.**



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<sup>1</sup> HFMA blog, 2016

<sup>2</sup> HFMA and Navigant survey, 2017

# Common causes of charge capture leakage

From EHR pitfalls and a problematic payer/provider structure to overreliance on outdated processes, there are many obstacles to accurate revenue capture that take a heavy financial toll on providers.

**Roughly .75-1.25% of net revenue is lost each year due to incorrect or incomplete coding.<sup>3</sup>**

## 1. Human error

One of the primary causes of revenue leakage is incorrect charge entry by staff members. In a single claim, there are many opportunities for errors and omissions that can translate to thousands of dollars in unrealized revenue. Manual processes also require ongoing training to keep team members attuned to coding and compliance changes.

## 2. Outdated processes

Paper-based charge capture methods, such as charge tickets or superbills, are another source of lost revenue. Take a medical procedure involving the use of an implant for example. Even in highly sophisticated health systems, the coding process for the implant may look something like this: someone in the operating room removes a product sticker from the device's sterile packaging and sticks it on a paper log, which is then sent to a charge clerk who must determine which type of implant was used by the surgeon. As you can see, there are many opportunities for mistakes in this manual, multi-step process.

## 3. EHR inaccuracies

While many systems claim to facilitate automated charge capture, they can miss charges, or generate inaccurate or incomplete codes because:

- Clinical documentation is incomplete
- System upgrades or manual updates are required
- Charges don't always flow correctly between systems due to interface or keystroke errors

## RECOVERY AUDIT CONTRACTOR AUDITS FOR US HOSPITALS<sup>4</sup>

**3% of hospitals  
received an underpayment  
determination**

**40% of hospitals  
received an overpayment  
determination**

## 4. Payer unaccountability

Because payers don't alert organizations when charges are omitted, missed charges can go undetected for months or even years. Auditors rarely report underpayments and are incentivized to find overpayments.



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## Moving forward: Minimize revenue loss with better tech

In the mid-2000s, healthcare organizations began using data mining, machine learning and predictive analytics to address charge capture leakage. Being able to pull huge amounts of data in real time has allowed providers to:

- Pinpoint operational inefficiencies and implement process improvements
- Predict charge anomalies
- Perform root cause analyses to mitigate future risk

These powerful technologies provide a level of adaptability and precision that manual processes just can't match. The market's best revenue integrity solutions can analyze hundreds of claims per minute, looking at thousands of different data points within each claim simultaneously. They can also:

- Pull information from charge masters as well as commercial and governmental reimbursement terms to assign a net revenue impact to all charging anomalies
- Use machine learning to continuously adapt to changing charge data, clinical practices, payer contracts and EHR configurations
- Identify over-charging risk, DRG anomalies and other coding variances with predictive modeling

## Look beyond inpatient care

For health systems with outpatient facilities and physician practices, implementing scalable charge capture solutions that are suited for professional billing is critical. After all, when a satellite practice loses revenue, it's felt by the whole network.

Better revenue capture tech can give leadership a network-wide view of professional and institutional charge data that can be used to elevate the patient billing experience and guide business strategy.

**Many providers are moving away from inefficient, manual methods of charge capture and the results speak for themselves. Groundbreaking technologies are empowering organizations to drastically reduce revenue leakage, accelerate cash flow and free up staff.**



## EXPLORE OUR ALL-IN-ONE PLATFORM



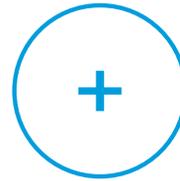
### Patient Financial Clearance

Verify insurance coverage to reduce claim rejections and denials



### Revenue Integrity

Find missing charges and capture revenue you're due



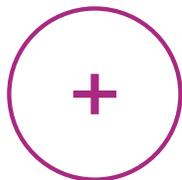
### Claim Management

Automatically submit and track claims, and reduce AR days with intelligence-driven workflows



### Denial Management

Prevent denials and automate appeals



### Contract Management

Gain control over payer negotiations, manage your contracts and recover owed revenue



### Patient Financial Experience

Collect patient payments, determine propensity to pay and improve the patient experience



### Agency Management

Get insights into outsourced agency effectiveness



### Social Determinants of Health

Use data on broad factors that influence health to improve clinical outcomes

Get in touch today at  
**844-6WAYSTAR** | [waystar.com](http://waystar.com)



#### ABOUT WAYSTAR

Waystar simplifies and unifies the healthcare revenue cycle with innovative, cloud-based technology. Together, our technology, data and client support streamline workflows and improve financials for our clients, so they can focus on their patients.