

Artificial Intelligence Will Save the Revenue Cycle

Leveraging AI solutions to overcome today's healthcare financial challenges



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W elcome to the Meduit Podcast. Today we'll be talking about how artificial intelligence will save the revenue cycle in the era of COVID-19, with Jason Petrasich, the Senior Vice President of Artificial Intelligence for Meduit. I'm Jeff Nieman, Meduit CEO. Welcome, everyone. Jason, let's get started. Why has COVID-19 created the perfect entry point for artificial intelligence to transform the revenue cycle?

JASON Thanks, Jeff. Well, I think COVID is really just the latest example of many unpredictable external factors that have affected the revenue cycle industry over the years. Most of those in the past have been local, whether we're talking about you know, a fire or a tornado or something, and a local disaster. This is really affecting everybody at the same time, across the company. I think the implications are really going to be far-reaching. You know, certain businesses are not going back to business as usual. Things are definitely going to change for revenue cycle management. Healthcare providers need a new way of doing business and you know, keeping their revenue protected and making sure the cash keeps coming in the door. You know, the pandemic's really set the table for AI to transform the revenue cycle. You know, solutions have been kind of brought to the market, and are just really starting to take root and driving efficiencies in the processes of the back office, reducing human touches, lowering cost, and creating capacity for work that really has kind of been taken away with people being out of the office or having to work from home with COVID. Now, every health system is different. Everybody has their own mix of technology, contracts, payors, payor behavior. And when you look at artificial intelligence and how that can complement the complexity of revenue cycle, I really think that this is a prime entry point for us.

JEFF So, obviously the revenue cycle has a lot of various and complex processes, when you look at it from front to back. What specific areas in the revenue cycle are AI solutions targeting that are making the most difference?

JASON That's a great question, and you know, I really wanted to focus on where things are actually happening today. So, there's been a lot of marketing buzz around AI over the last year, or two years, in the industry. And I think that you know, it's important to focus on, "What can you get today?" Obviously COVID is hitting everybody at the moment. We need



short-term solutions. So, there's really four kind of key areas that I would point out on that. The first is, Autonomous Clinical Coding. So, many of you may be familiar with ACC and you know, advances in processing coding of claims that were created over the last decade or so. But we've really moved forward with artificial intelligence into a—kind of a new generation where an autonomous clinical coding engine can pick up a chart, pull out all of the relevant pieces of medical information, create a complete audit trail of mapping of clinical information to specific codes, and actually code that chart and complete it, within a few seconds of time. Now, this is really intended for ED or high volume, low complexity services, but when you look at in terms of capacity for staff, you know, if you're down on staff because people are working from home, this would definitely help relieve some of that burden of that. So, autonomous clinical coding is something that's available today, that can provide a really short-term gate.

The other two—the next two are really kind of business office processes. One is Preauthorization Management, and the other is Automating Claims Follow-up. So, our Preauthorization, there's a lot of labor that goes into both in requesting a new authorization, if we're talking on a—a referring provider's side, or verifying that an authorization that was created is appropriate on the service provider's side. So, both sides of that equation have pretty heavy manual intervention, just to validate that information. And of course, the ultimate goal is to ensure that the claim gets paid without a denial for an off or off mismatch or some complication of that. So, that is something that is available today, and that is definitely a way to relieve resources within an organization. And then the other back office piece is Automated Claims Follow-up. And this is really taking web statuses to the next generation, which is actually understanding what is the issue or the pending request from the payor, that's causing that claim to not be paid. And actually completing the action needed in order to satisfy that claim. Whether we're talking about uploading a medical record to the payor portal, whether we're talking about sending a claim back to the coding for some sort of correction on coding, whatever that action is that historically has been done by a business office employee in order to fix that claim and move it forward, a lot of those functions can now be automated through artificial intelligence, and help again, accelerate the revenue cycle.

And then the fourth area is a little bit more broad, but I'll mention it, and that's in the Predictive Algorithm Tools. So, one of the key takeaways from you know, the current pandemic is constraint on resources, whether that's due to people being unavailable to do the work, or volumes in the hospital going down, necessitating furloughs and reductions in labor. There's still a lot of work that needs to be done. So, the prediction tools that are out there, have the ability to help you optimize and prioritize your work effort. So, if you have a limited number of resources to work claims, and you can rank the order of those claims in the order most likely to be paid, to the least likely to be paid, absolutely you want to sort them that way and get that short-term value out of that. So, those are really kind of four areas that I think where you can—where AI is making a difference today in revenue cycle.

JEFF Alright, thanks. So, you know, a lot of the revenue cycle leaders, CFO's that I talk to, to gauge the success of their revenue cycle, you know, focus on a variety of metrics, but some of the most common ones that I hear certainly are, you know, cash as percent of net revenue, AR days, and cost to collect. So, tell us a little bit about how AI can impact the revenue cycle to accelerate cash and improve those metrics.



JASON Absolutely. There's a lot of dimensions to this. Really, it all relates back to the ability to create additional capacity, or additional work within your organization, without requiring additional bodies. So, you know, legacy rev cycle, you look at a bulk of backlog of AR and you look at you know, if somebody has a large AR over 90, they want to resolve it. They hire more people. They hire temps. They hire outsource agency. I think that's really—really changing. So, obviously, you know, with the ability to automate some of the high-volume processes, you're able to reallocate those resources and do more with less. That's what everybody wants to do. So, you know, I mentioned multiple dimensions. I think obviously creating those touches with automation, is kind of the core value of creating productivity. But there's some additional you know, components to that. One is the increasing accuracy. So, if you are creating an automation that does the same process, the same way every time, it's never going to make a mistake. So, we know that sometimes humans make errors, unintentionally, but that also creates a rework process, or potentially a QA process where we have QA—mainly with QA processes, what people are doing, and make sure they're doing it correctly. But with automation and AI, you're really eliminating the errors in the process. It's going to do exactly what you want it to do.

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Another interesting dimension I think is creating some stability, or resilience in your organization. So, you know, if there were a short-term spike in COVID cases and people had to go home, and you were able to—unable to do as much work today as you did yesterday, having automation in place gives you some resiliency. It's kind of immune to the fluctuations of that. And you know, even in a post-COVID world, you know, a couple years from now, you know, we talk about the weather, if you have a snow day. Most people you know, office is closed, stay home, not a lot of work gets done on a snow day. But if you're using automation, you know, you can get a good portion of that work to continue. So, I think you know, outside of just the pure cost benefit of using automation, and there's some stability in your organization, keeping things moving forward, obviously keep that cash flow up, that are additional kind of dimensions of that value.

JEFF So, I think, you know, as we look at the number of companies out there, and some of the marketing and things, the AI has become, or artificial intelligence become a buzzword certainly, with a lot of organizations, and not just within healthcare, but even outside of the healthcare over the last year or so. So, if I'm a provider today, kind of just starting to think about this, starting to look for solutions and trying to wade through everything that's out there, really understand you know, what would be compelling and where I should go, what kinds of products or companies, what kinds of things or solutions specifically would stand out to you, Jason, as something that a provider should look into?



JASON Yes, absolutely. And I think it's you know, important to realize that there's no, you know, magic silver bullet here. There's no quick win that's going to fix everything for every revenue cycle organization or every hospital system. And everybody has unique processes and unique quirks, and there are special contracts and special things going on. And I think what you really need to look for is a company that has revenue cycle experience. So, it's one thing to take a bunch of smart people and throw them in a room and let them try to automate something. You know, there's a lot of smart technology companies out—you know, in the space today, but if they don't understand revenue cycle at the core, if they have never worked a claim, if they've never appealed a denial, if they've sat on hold with a payor for half an hour, waiting to get a claim fixed, it's going to be difficult for them to kind of grasp the actual you know, flow of how do things move through our industry, and how do problems crop up, and how do payors and providers kind of play this constant battle of trying to get claims paid cleanly, with the least amount of effort. I think it's really important to focus on that revenue cycle experience and somebody who understands actually how the revenue cycle works.

You know, I think secondary to that, you know, it's also important to go into any engagement with any provider, with the sense that, you know, you need some value like that. Especially, right now in terms of COVID, that even in general. You should be looking for a company that can offer up the value, before you ever have to pay anything. So, you know, avoiding kind of just a blanket subscription fee where you have to kind of trust that they're going to create something you know, for you at some point down the road. You want to actually get into a relationship with a vendor that is able to generate that value, and then charge you when you're actually receiving that value to the organization. So, I think that's a secondary piece. You know, understand the revenue cycle, but also that the approach of, make sure they're actually going to deliver value before you're paying that vendor anything.

JEFF Thanks. When people I think, start to hear about artificial intelligence, there's sort of this innate natural fear that you know, automation is coming and it's going to replace what people do. It's going to eliminate jobs, and just radically change the workforce. The reality of that might be a little different. So, tell us, kind of based on what you've seen in your experience, what's your vision at least initially over the next couple years about how AI solutions would impact the workforce within the revenue cycle?

JASON Yes, absolutely. The—AI is not going to replace people. We still need people who understand the business. You still need those subject matter experts in the organization. So, what's really going to happen is, it's going to change what people do, and how they do it. So, rather than an AR collector coming and sitting down and we're working their work queue every day, and touching every, single account, they may be taking the opportunity to create a rules, or teach or supervise—machine learning engine how to work a particular claim. So, they're still the experts. They know how to solve the problem, do the critical thinking, and move that forward, but rather than just doing that over and over again, on the same claims, they're actually going to be you know, teaching artificial intelligence how to do that work for them. And there will always be new scenarios, there will always be new denial reasons that pop up, different contract changes, payor manual changes that will always necessitate somebody who understands the business, to look at and react to something new. And so,



this change in what people do, really needs to be thought about as upscaling. This is a term that really applies you know, broadly, not just in healthcare. But the idea is, take your good people, invest in them. You're going to need their critical thinking. You're going to need their participation, and you're actually going to make them more sophisticated and give them, you know, more ability to challenge themselves and learn and grow as a person. So, actually I think it will end up uplifting people quite a bit in the industry. You're taking away the repetitive, boring, mundane stuff that people have been doing every day for their careers, and you're letting them focus on the interesting problems and solutions and moving that forward. So, I think that is, you know, really the key. You're going to upscale the workforce, and change their behavior.

"We're able to understand how many days it will take a payor to respond to a claim, how likely they are to pay it or deny it, what's—if it is denied, how likely are you able to overturn that denial and is it worth your time in order to do an appeal or a reconsideration?"

— Jason Petrasich

The other interesting offshoot of this is whereas you're looking at, like actual employee productivity, I believe that productivity will go down. And that's not a bad thing, because if you look at what people are doing today, they may have a handful of easy claims. It takes them two minutes to touch, move forward, and fix, and then they have a handful of complex claims, what makes them you know, 20 or 30 minutes, writing an appeal or work to researching a denial and to do that. And so, if you're taking all those easy two-minute claims off of their desk, or two-minute work efforts off their desk, you're going to be left with the more complex ones. So, the individual employees, their productivity will probably go down because they're working the harder claims, but in aggregate, when you add the artificial intelligence productivity and the employee productivity, you're going to have a pretty significant net increase in overall productivity. So, when you look at it from a people/person, —people perspective, it's definitely going to change how they do the work, but I think it's—can be perceived as a positive growth, for everybody who's working the rev cycle.

JEFF That's exciting. So, I want to dial in now specific to, you know, you Jason, the work that your team has been doing over the last few months. So, tell us what specific solutions does Meduit provide that are available in the AI space today?

JASON Absolutely. So, we have a product that we call MedAutoCode which will process the emergency department claims in terms of coding, and relieve that work effort off of the HIM team. Whether you're insourced or outsourced, you can automate this. It's a really fantastic solution and it comes with the full audit trail on every claim in a PDF form, in case you ever need to go back and audit that. There's a ton of analytics that go around this. And it, you know, at the core of the way that these AI processes work, and this will count for the other ones as well, if there's every any exceptions, if there's ever anything that it doesn't now have to do, it drops to the work queue. So, you already have a work queue for your



coding. All this would do essentially was kind of shrink that work queue, because some of those pieces of work would be automated. You know, some of them might be too complex for the automation to pick up, but those will fall through and the team that you have in place will pick those up and work through those. So, it's a really great solution. It's relatively easy to deploy, as long as you have an electronic medical record system. It can connect in, gather all the information, and process that and you can integrate with multiple different patient accounting systems.

We also have artificial intelligence driven preauthorization workflows, where we're able to automate the steps of logging into the payor portal, and most importantly, understanding and answering clinical questions related to requesting authorization. And get that submitted and then take the submitted information and then post that back into any particular patient accounting system. So, this is done through a robotic process automation, so it does not require any IT interfaces. It's done as if it were a user sitting in front of your systems and logging in and performing those actions. The other business process that's similar to that that we have is the automated claims follow-up workflow. And this is where we are using our machine learning engine to absorb the skills of all the subject matter experts that are working AR and denials every day. And capturing that information and building a robust business rules set of solutions around that. So, when we see a particular denial from a specific payor, we know exactly what actions we take in order to move that forward, whether that's a reconsideration request, or a corrected claim, or sending it back to coding, or whether it's an adjustment because it's something that's not fixable or not billable. All of those outcomes can be taught to the automated claims follow-up engine. And over time, as it iterates through, it will start to pick up and automate many of those repetitive common claim denial or claim issues that pop up in everybody's AR.

And then the last area that we have is MedProve Prediction Solutions. We actually have three different aspects of this. We have a Patient Propensity Pay Prediction. We have a Presumptive Charity Prediction. And we also have some Payer Behavior Predictions. And that one is the one that I think is the most interesting. We're able to understand how many days it will take a payer to respond to a claim, how likely they are to pay it or deny it, what's—if it is denied, how likely are you able to overturn that denial and is it worth your time in order to do an appeal or a reconsideration? And those tools, all of those tools, really kind of come together to help you optimize your workforce, and make sure that you know, if you have limited number of people available, that they are working on the most valuable things to your organization. So, those are really the four main products that we have today in the AI space.

JEFF Very interesting. So, if someone wants to get more information on these solutions or talk to you about artificial intelligence further, Jason, what's the best way to reach out and contact you or the Meduit AI team?

JASON Absolutely. So, folks can go to our website, [Meditrcm.com](https://www.Meditrcm.com) and get more information from the website there. If you want to give us a phone call, you can find our contact number on the website, and somebody will be able to help you.

JEFF Alright. Alright. Thanks for joining us today. In our next podcast, we'll be talking with Jason about how web bots are solving specific revenue cycle problems and tasks to drive revenue and lower cost. We'll see you then.

JASON Thank you.



Jeff Nieman, Meduit CEO

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.



Jason Petrasich, Senior Vice President AI, Meduit

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.