



10 Questions to Ask When Choosing an RCM Vendor

- 1 How does the vendor improve your process?**
- 2 Does the software maximize collections?**
- 3 What is the right pricing model for your company?**
- 4 How is ROI measured?**
- 5 How does your vendor define implementation?**
- 6 Do you have real-time access to your data?**
- 7 Does your vendor go beyond security standards?**
- 8 Is the software scalable for business growth?**
- 9 How does customer input drive software development?**
- 10 Is the vendor a partner you can trust?**

Simplified Selection

With the changing landscape of reimbursement and compliance, it is important to look for ways to maximize your profitability. Now, software solutions exists to help organizations reengineer the back-office with the same Lean Six Sigma methods applied to the laboratory, allowing you to receive the maximum payment allowed for services performed and streamline your processes. By using powerful revenue cycle management (RCM) software, you will improve your organizations profitability and effectively manage ever changing reimbursement challenges while providing workflow efficiency and increasing data visibility.

Evaluating revenue cycle management vendors requires due diligence to effectively determine the best solution for your organization. The following article addresses ten categories to question through the selection process. Don't be quick to decide. Take the time to explore all areas to understand each vendor's solution. The ultimate goal is to find a vendor whose strengths align with your business needs and provide you maximum benefit over the near and long term.



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PROCESS IMPROVEMENT

Your selection of a revenue cycle management solution must positively impact your laboratory's bottom line. Improving your current processes through workflow automation provides you cost control measures to keep staffing at a minimum. Using a flexible solution with customized rules drives business outcomes resulting in clean, compliant bills, denial rate reductions and decreased time to first payment. Lastly, you must have the tools to effectively monitor and manage your accounts receivable and have tangible analytics that help drive your business decisions.



ENABLES IMPROVED COLLECTIONS

The solution implemented should have the metrics and key performance indicators that enable you to efficiently collect more of the money you are owed for the services performed. Visibility and rules can allow you to easily determine when you are getting paid less than the amounts contracted, or receiving no response at all. Efficient functionality will help you appeal and collect on previously denied claims or provide easy ways for patients to pay online to ensure you maximize your collections.

"Before TELCOR, we basically were using a hammer where we needed a screwdriver and so by using the wrong tool we had zero automation. TELCOR was able to automate our process and give us tools to measure performance. We now have the power of analyzing data to help make decisions in our business and it's been a great transition."

*Isaac Mixon, IT Director,
Skin Pathology Associates*

THE RIGHT PRICING MODEL: TWO TYPES

1

The net revenue collected model charges based upon your net collections. With this model, when your laboratory's revenue grows, so does your monthly payment to your RCM vendor.

2

The scalable model is based upon components and users. You pay for what your business will use and the number of users that will access the revenue cycle solution.

The scalable model is not based on the net revenue collected, but on the growth of your business defined by which components you may choose to add as your business grows.

When your collection process becomes more efficient, you may see a reduction of full-time employees managing the billing process while increasing the revenue collected and reducing days sales outstanding. The pricing model based on net revenue collected would increase, while the pricing model based on users could decrease.

RETURN ON INVESTMENT

As with any expenditure, you will want to know when you will see the return on your investment. Many vendors provide estimates based on industry data or their cumulative data. However, every organization has different metrics and challenges. An effective experience between you and the vendor will include an exchange of information allowing the vendor to create

an accurate understanding of your business and how their specific solution will impact your profitability.

Part of the vendor evaluation process should include checking references. Verifying a current user's ROI will help validate if the vendor uses a proven process to determine ROI.



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"We've chosen TELCOR as our revenue cycle solution due to the fact that other competitors had a different model that didn't fit for us. I was looking for a partnership that would understand the needs specific to a laboratory operation and TELCOR did that."

— Efrain Garcia, Director, Laboratory Billing, Doctors Hospital Renaissance

IMPLEMENTATION

How a vendor starts and ends the implementation process varies greatly and is critical to explore. An effective implementation should start with a gap analysis defining your current processes and what your future processes should be to meet your goals. A project plan on how to reengineer operations to those business objectives should then be created, approved and supported by management, so an adaptive implementation can be performed.



Defining when the implementation ends and transitions to a service team is also important. Find a vendor that provides ongoing evaluation of your workflow and processes, and monitors metrics after you are using the solution. It's not just about user training, but how to use the system efficiently and effectively to achieve your organization's goals. Look to your vendor for strong project management, communication and consultation.

BUSINESS METRICS AND ANALYTICS

Having access to your data is equally important to make good business decisions and, if needed, make them quickly. Look for a vendor that encourages data accuracy and immediacy. Is your software pulling data as it exists at that time or is the data already old? Real-time data allows management to make timely process changes that benefit their organization. Other vendors take control of the data. So, instead of seeing the metrics you need within seconds, you might wait for customer service to respond to the request. This could be days or weeks.

"The things that have improved is the visibility. We were coming from a system with limited visibility to data and information that helped us make decisions and TELCOR has all the data you need to be informed to manage the revenue cycle."

*Jeff Nally, Executive Director RCM,
Dominion Diagnostics*

SECURITY

Ensuring the security of protected health information (PHI) in your IT health system requires you to take measures that guard against unauthorized use or disclosure. HIPAA requires providers to encrypt PHI and an invested vendor will take encryption to the next level, ensuring all data at rest is encrypted, as well as encrypting documents emailed between you and your clients or data that may be exported for reporting and analytics.



Security requirements continue to advance and can be quite technical. Be sure to include IT in these discussions. It is imperative vendors invest in the security and compliance of your data and follow extensive corporate security practices such as HIPAA, HITECH, PCI, ONC Stage 2 Meaningful Use and more.

SCALABILITY FOR GROWTH

The goal is to invest in a solution that meets your needs now and evolves as you grow. Select a software solution that adapts to industry changes as well as your growth. You want to be able to respond to changing requirements while optimizing reasonable staffing levels.

Also ask about their plans for the future. You want to work with a company that shows a history of growth, reinvestment in its solutions and a vision of where it wants to be in the next 2, 5 or 10 years. Your company is making a large investment in time and resources, it's important to make a selection that will serve you well for many years.



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"TELCOR is the best-in-class software available for laboratory billing. One thing that sets it apart is that it's driven from users. Every RCM vendor will fix issues, but with TELCOR the users have some control over enhancements. We are the ones using the product day in and day out, know the pain-points of the process, and are best situated to make suggestions to improve the product."

**Chris Yoder, CFO and CIO
Simple Laboratories**

CUSTOMER DRIVEN

Do you want your suggestions to be heard? A company's product roadmap should be developed with vision from the vendor while considering the wants and needs of the users. A good software solution is user friendly and ever-evolving to meet the needs of customers. A pro-active vendor builds excellent relationships with the current users to help define the roadmap.

CUSTOMER SERVICE

Selecting a laboratory RCM software solution is more than just comparing prices and vendors. Your RCM vendor should help your company move forward as efficiently as possible for the long-term and contribute to your organization's success. In this respect, finding a vendor you can work with closely is imperative.

Identify how your vendor triages and responds to requests for service. Can you speak to a person and is your issue responded to in a timely manner? Can you easily obtain a status of any open issues? Are important items such as access to a test environment and software updates provided as part of your service agreement?



SUMMARY

Selecting a new RCM vendor can take several months and is a large investment in time and resources. It's vital to the success of the experience to conduct due diligence when evaluating chosen vendors. These can help you conduct a comparison and select the vendor that will best fit your needs for years to come. • • • •

Interested in a demo? Give us a call at 855-489-1207 or email telcor@telcor.com.