



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?

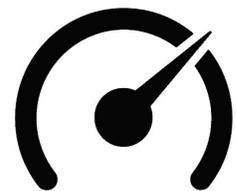
Simplified Selection

With the changing landscape of reimbursement and compliance, it is important to look for ways to maximize your lab's profitability. Software solutions for labs to use in-house exist to help organizations reengineer the back-office with the same lean sigma methods applied to the laboratory. You will receive the maximum payment allowed for services performed and streamline your process. By using powerful revenue cycle management (RCM) software, you will improve your organization's profitability and effectively manage ever-changing reimbursement challenges while providing workflow efficiency and increasing data visibility.

Evaluating revenue cycle management software vendors requires due diligence to effectively determine the best solution for your organization. The following article addresses 10 categories to question through the initial process. 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 maximum benefit over the near and long term.

PROCESS IMPROVEMENT

Selection of a revenue cycle management software solution must positively impact your laboratory's bottom line. Improving your current processes through workflow automation provides 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 (AR) and have tangible analytics to help drive your business decisions.



ENABLES IMPROVED COLLECTIONS

The solution implemented should have the metrics and key performance indicators (KPIs) enabling you to efficiently collect more of the money 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 responses at all. Efficient functionality help you appeal and collect on previously denied claims, or provide easy ways for patients to pay online. It is important to have the functionality to ensure you maximize your collections.

“With TELCOR’s help, we were able to go in and reengineer our processes so we got paid more quickly, got payments posted more efficiently, and just made everything much more automated than what is was previously.”

*—Nadra Conner, Revenue Cycle Director
Pathology Laboratory 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 accessing 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 investment (ROI). Many vendors provide estimates or averages 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.

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.

“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*

Defining when the implementation ends and transitions to a service team is also important. Implementation should not be defined by a pre-defined length of time, but when the KPIs are met. Find a vendor who provides ongoing evaluation of your workflow and processes, and monitors metrics pre- and post-implementation. It's not just about operator training, but how to use the system efficiently and effectively. 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. Look for a vendor who encourages data accuracy and immediacy. Is your software pulling data as it exists at that moment in time or is the data already old? Real-time data allows labs to plan fee schedules and compile reports quickly, significantly increasing turnaround time for payments to be processed. Other vendors take control of the data. Instead of seeing a report within seconds, you might wait for customer service to respond to the ticket. This could be days or weeks.

SECURITY



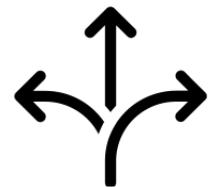
Ensuring the security of protected health information (PHI) in your IT health system requires you to take measures to guard against unauthorized use or disclosure. HIPAA requires providers to encrypt PHI. An invested vendor will take encryption to the next level ensuring all data at rest is encrypted. In addition, encrypting documents emailed between you and your clients as well as data 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, the HITECH Act, PCI Security Standards and SSAE 18 System and Organization Controls (SOC).

SCALABILITY FOR GROWTH

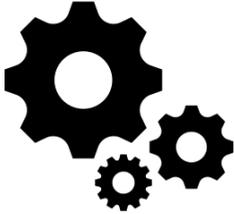
The goal is to invest in a solution to meet your needs now and evolve as you grow. Select a software solution that adapts to industry changes as well as your growth. You will want to respond to changing requirements while optimizing reasonable staffing levels.

Ask about their plans for the future. You want to work with a company with a history of growth, reinvesting in its solutions and a vision of where it wants to be in the next 5, 10 or 20 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.



CUSTOMER DRIVEN

Do you want your suggestions to be heard? A company's product road-map 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 road-map.



CUSTOMER SERVICE

Selecting a laboratory billing software solution is more than just comparing prices and vendors. Your RCM provider 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 provider 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

Evaluating 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 questions can help you conduct a comparison of vendors and select the vendor 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.



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