# Why 'next-generation analytics' are essential for today's ASCs

**By Nathan Hess, Chief Technology Officer, Surgical Notes**

The growing number of ASCs that choose to outsource their billing have options. ASC billing companies usually offer similar services and promise similar results like end-to-end revenue cycle management, strengthened bottom-line performance and increased efficiency. These are all important deliverables for an ASC billing company and should be on the list of what a surgery center expects as the bare minimum when choosing a billing partner.

But for surgery center owners and managers who want more than the minimum — those who want the best for their center — what should they look for in an ASC billing company? Over the past few years, one of the characteristics that has emerged as a key differentiator between companies is described as "next-generation analytics."

Access to and the use of analytics in general have gone from a "could have" to a "must have" for ASCs that want to better identify new growth avenues, find opportunities for improvement and ultimately boost their bottom line. For surgery centers looking to optimize these efforts, they should look for an ASC billing partner that leverages more powerful analytics.

Enter next-generation analytics, which take an even deeper dive into an ASC's revenue cycle performance, unearthing insights that would otherwise be much more time consuming or impossible to reveal through legacy reporting platforms. The use of next-generation analytics has become even more of a necessity given the increased competition and challenges facing surgery centers today.

When selecting an analytics platform, ASCs should seek these qualities and capabilities.

## Built for ASCs

The best ASC analytics platforms are those designed specifically for surgery centers. Such an approach better ensures the solution will meet and likely exceed a surgery center's needs. It also eliminates a need for workarounds or significant customization that may be required of an analytics platform designed for another industry or to support multiple industries.

## Monitors key performance indicators

An ASC billing company's next-generation analytics platform should have built-in monitoring for the most important surgery center revenue cycle management KPIs — those metrics that are essential for growth and maintaining profitability. These include days to bill, days to pay, days in accounts receivable, AR greater than 90 days and denial rate, among many others. The platform should make it easy for surgery centers to evaluate performance of these metrics against different time periods, payers, specialties and surgeons.

## Robust reporting capability

An analytics platform is only as good as the data it generates through tables, charts and reports. An ASC billing company's business intelligence analytics platform should have the capability to produce reports that can be easily reviewed and quickly acted upon through a combination of visualizations and tables. ASCs, working with their billing partner, should be able to use the next-generation analytics platform to detect bottlenecks and negative billing trends before they become more significant problems and determine corrective action before issues ever arise. Reports should empower ASCs and their billing company partner to expedite root-cause analyses and pinpoint where actions are needed.

A good ASC billing company partner doesn't just send reports to its clients and leave them to evaluate the data. The partner should share observations and ask questions that can help clients with performance improvement. In addition, the partner should be available to discuss reports, help perform root-cause analyses and assist with executing internal revenue cycle process changes.

## Automated

Maintaining and accessing current revenue cycle performance data should not require much work for an ASC. A next-generation analytics platform integrates various activities and systems — including transcription, coding, charge entry and billing — and then leverages automation to streamline the capturing of an ASC's financial data and creating actionable reports.

The next-generation platform should also have the capability to automate the sharing of data and reports to help keep surgery center leadership abreast of its center's performance in a timely manner.

## Scalability

As ASCs evolve, the next-generation analytics platform should be able to easily evolve and scale with them. When ASCs add or subtract specialties, surgeons, payers and procedures, getting the platform and its reports to reflect the latest information should be a simple process. This will enable ASCs to quickly receive data that shows how changes are affecting revenue cycle performance.

## Better benchmarking

A next-generation analytics platform should strengthen an ASC's ability to perform one of its most important revenue cycle-related tasks: benchmarking, both internally and externally. The platform should provide more data for benchmarking, help an ASC ensure the data it is benchmarking is current, and help a center more easily assess benchmarking results and find where its performance may need improvement.

But the benchmarking benefits of a next-generation analytics platform don't stop there. A good ASC billing company will confidentially benchmark its ASC clients' performance against similar clients to reveal additional insights and opportunities.

Furthermore, the ASC billing company should leverage its next-generation analytics platform to support its own internal benchmarking and improvement, using client data to identify areas and staff that would benefit from more resources and support, assess the success of improvement measures and set goals for team members.

## Raising your expectations

It's critically important that ASCs perform due diligence before choosing a revenue cycle management partner. Companies vary greatly in the types and quality of services provided. The partner selected should be well equipped with the ASC knowledge and experience required to provide significant, sustainable revenue cycle improvements.

It should also leverage solutions like next-generation analytics that can help a surgery center take its revenue cycle from good to great. Elevating performance will give you the ability to reward employees more significantly and frequently, helping improve retention and performance; make ongoing capital investments that improve quality of care and drive growth; and deliver increasing distributions to owners. Elevated performance also helps ASCs reduce avoidable problems, which can create challenges for patients and require additional work for staff.

Revenue cycle greatness should be the goal for all ASCs. The right people, processes, knowledge and technology can make it achievable.

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## Importance of revenue cycle KPIs: Q&A with Surgical Notes' Angela Mattioda

Angela Mattioda is Sr. Vice President of RCM Solutions & Client Experience for Surgical Notes

**Q: One of the advantages for ASCs that have access to next-generation analytics is the capability to better monitor revenue cycle key performance indicators (KPIs). Why is this so valuable?**

**Angela Mattioda (AM):** When ASCs can improve how they monitor and benchmark KPIs, they gain better control over their revenue cycle performance. This helps with identifying problems that drag down revenue and profits and then implementing solutions to resolve such issues. Such efforts are strengthened greatly when supported by next-generation analytics. When you can more effectively assess KPI trends, you will put your ASC in a position to achieve meaningful, lasting improvements that can greatly impact your short- and long-term financial stability and profitability.

**Q: What KPIs should ASCs monitor using their system?**

**AM**: With next-generation analytics, you gain the ability to streamline the monitoring and assessment of KPIs. This enables you to monitor and assess more KPIs in the same amount of or less time than you would need for monitoring and assessing KPIs using a legacy system or no system at all. You also gain access to predictive analytics that can help you anticipate trends and make decisions based on those predictions.

Among the KPIs ASCs should monitor using their next-generation analytics system: days to bill/charge lag, days to pay, specialty trending, payer volume trending, accounts receivable (AR) greater than 90 days, days in AR, days to dictate, denial rate, denial reason trending, clean claim percentage, percentage of collections for cases greater than 90 days, revenue per case, net to cash percentage, cash goal percentage, percent of contractual adjustment, cases in AR and patient balances.

**Q: What else can ASCs do to gain a stronger understanding of their KPI performance?**

**AM:** Ongoing monitoring and benchmarking of KPIs should be supplemented by a revenue cycle assessment and coding audit. An examination of KPIs is only valuable if you know what your optimal KPI benchmarks should be. An effective revenue cycle assessment — conducted by an experienced third party with ASC expertise — will include a comparison of your KPIs to industry standards, taking into consideration your surgery center's specific qualities (e.g., specialties, payor mix) when applicable.

The assessment — completed through the review of a random selection of patient cases — takes a deep dive into an ASC's revenue cycle metrics and processes to discover issues negatively affecting cash flow. Following completion of the assessment, an ASC should receive a detailed report that provides a findings summary, an analysis of its revenue cycle metrics and how they measure up with industry standards, and a breakdown of each assessed account's findings and other details.

A revenue cycle assessment is important whether an ASC performs billing in-house, contracts with an ASC billing company or has its billing completed by a management company partner. External services are not devoid of problems. Even if the assessment demonstrates that the service used is functioning well, it's beneficial to receive this confirmation.

Undergoing the assessment in conjunction with a coding audit will provide an ASC with an even more detailed picture of revenue cycle performance and areas for improvement. Coding is vital to ensuring correct payment for services rendered. While a revenue cycle assessment can point to potential coding problems hurting cash flow, a coding audit will identify those issues with greater specificity.