



News Release

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Richard Stephenson, Founder and CEO of RISARC, Comments that Obamacare is Altering Revenue Cycles for Hospitals

Changes in healthcare influenced by the Affordable Care Act (ACA) will have a profound impact on hospital revenue cycles.

Burbank, California (PRWEB) February 20, 2014 Richard Stephenson, Founder and CEO of RISARC, a leading national high-technology and revenue recovery consulting firm to the health care industry, foresees changes coming to hospitals from the implementation of the Affordable Care Act (ACA) which will have a profound impact on hospital revenue cycles.

Document movement and exchange

Says Stephenson: “The IT and Finance departments at each American hospital will be on the front line as existing revenue cycle management (RCM) systems confront the huge amount of new data pouring in from the newly insured and their insurers: eligibility processing for federal, state, and private insurers; medical treatment and outcome coding; billing, claims and collections.”

Stephenson also cautions that a hospital’s audit contractors will have their hands full in ramping up controls and monitoring for waste and fraud. According to Stephenson, seamless, protected exchanges of confidential documents – from medical records to credit authentication – will be an important part of meeting that challenge.

Reductions coming in Medicare and Medicaid

Stephenson also notes that the ACA is demanding a \$700-billion reduction in projected Medicare expenses – a burden that will first fall on the financial leadership of hospitals large and small that need to scramble with their provider teams to find more cost effective ways of delivering effective care to America’s soaring population of elderly and retired.

Non-profit hospitals alone will see a reduction in Medicare reimbursements of more than \$150 billion in the next decade, according to a recent analysis from Moody’s Investor Services, which also projects a \$14 billion reduction in Medicaid disproportionate share hospital payments.



Incentives for savings

Adds Stephenson: “The pressure on the entire medical coverage and care system to lower costs will be backed up by a federal incentive payments system that rewards hospitals that can match or surpass cost-improvement benchmarks. Hospitals typically operate on a one to three percent bottom-line margin. Medicare cutbacks as have been suggested will impact a majority of medical facilities, particularly in rural areas ill equipped to weather these losses. But the incentive program is encouraging the health care delivery system and insurers to save it-self, in particular to find top-line efficiencies and wellness strategies that maintain subscriber health and eliminate the need for the late-intervention emergencies that are a loss for the patient and the provider alike.”

Payor-provider collaboration

Stephenson is optimistic and confident that hospitals will be able to steer an ultimately profitable course through this changing environment – and these reforms of some of a hospital’s own internal business procedures and care protocols into a more collaborative work model may make the difference.

According to Stephenson, the greatest improvement and cost-savings can be had by payor-provider collaborations that cooperatively improve coding, billing, and claims practices to reduce rejected claims. Better and faster electronic information exchanges for benefit, liability, and update transactions are at the core of that reformation.

A digital, medical commons

Says Stephenson: “In sum, the traditional delivery of American medicine is mostly crisis-driven – a patient has a health emergency, big or small, and only then interacts with health care providers. We live in a transparent digital world now, however, in which ubiquitous, continuous connectivity, with friends and vendors alike, through smart phones, notepad-based computing, and laptops is accepted, a given.”

“That opens up a great opportunity for continuous patient engagement, a digital and mobile medical commons, in which known conditions are continuously monitored and healthy practices are constantly encouraged, advancing the wellbeing of all and reducing the ultimate cost of healthcare in America.”



About RISARC

RISARC is a leading national high-technology and revenue recovery consulting firm to the health care industry. RISARC, founded in 1990, has recovered over \$1 billion for its clients. The company offers the RMSe-bubble™ for secure electronic document exchange and the signature RISARC 360° single-source solution that combines health care revenue cycle expertise with innovative cloud-based, cost-saving technology to help clients optimize existing resources, meet business objectives and reach financial goals. RISARC is a pioneer in health care technology solutions and is a certified Health Information Handler for the Centers for Medicare and Medicaid Services, esMD project. The RMSe-bubble provides the industry's best secure, HIPAA-compliant environment for electronic record and document exchange and has been endorsed and accepted by providers, commercial insurance carriers and government agencies across the United States.

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