

Case study

Finance



Financial health management Revenue cycle management procedures in hospitals have earned a lot of importance in current hospital business environment. Many hospitals receives great challenges from stricter regulations and billing requirements, more thorough preauthorization and precertification, underpayments, and greater delays in payments. The article “ Effective Hospital Revenue Cycle Management. Journal of Healthcare Management by Rauscher S. & Wheeler J. (2008) gives in a brief description of today’s hospital income cycle management procedures. Financial benefit measures are also discussed in details in terms of increasing the speed and amount of patient revenue collection. The major considerations is whether there exists a trade off in the amount of revenue that hospital earns and the speed up to which the revenue is collected. According to an empirical test conducted between 2004 and 2006 on the relationship that exists among vital financial effective hospital revenue cycle management measures. The article clearly shows that with increased revenue collection there is an increased amount of net patient income for every adjusted discharge, reduced contractual budgets, as well as reduced bad debts. On the other hand, the charity care provisions are higher in hospitals with that have a higher revenue collection speed. Therefore, the article comes up with a conclusion that there is no evidence trade off that exists between patient revenue amount and the revenue collection speed. However, these financial gains of effectual hospital revenue cycle management in most cases go hand in hand. Thus, it is indicated that early results are a complementary, showing that effectual hospital revenue cycle management attains a multiple of positive results.

Another article “ The State of Health Care Revenue Cycle.” By Solomon P.
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(2011). Suggests that revenue cycle management in all administrative and clinical activities have a relationship to generating and collecting patient revenue. These activities have gained a lot of importance in current business environment whereby hospitals receive challenges in underpayments and delay in payments. Although there is continued practitioners interest, there is no much attention drawn from revenue cycle management in health care financial research. There are studies that have been conducted on current revenue cycle management procedures with an aim of coming up with a financial gains measure in the context of increasing the amount of patient speed in the revenue collection. According to correlation analysis, hospitals that have a fast revenue process records an increased amount of revenue that indicates that there is no trade off, but the financial gains of an operational health care revenue cycle often interrelate. The article also focuses on another study that was conducted on the determinants of revenue cycle performance with a precise focus on hospitals. Fixed effects regression analysis was applied and it was found that hospitals that serves a higher number of Medicare patients accumulate more revenue and at the same time collecting their revenue faster. Therefore, unlike regularly claim by hospital managers, government payers it does not appear to weaken hospitals' facility to collect and generate patient revenue.

Annotated bibliography

Solomon P. (2011), the State of Health Care Revenue Cycle. The journal of health management: In this article the author focus is based on identifying the current situation of health revenue collection procedures.

Rauscher S. & Wheeler J. (2008), Effective Hospital Revenue Cycle Management. Journal of Healthcare Management: In this other article the <https://assignbuster.com/case-study-essay-samples-17/>

author's main concern is on the effectiveness of the revenue collection process. The article is important in identifying the results or gains of an effective revenue collection in hospitals.

References

Rauscher S. & Wheeler J. (2008), Effective Hospital Revenue Cycle Management. Journal of Healthcare Management:

Solomon P. (2011), the State of Health Care Revenue Cycle. The journal of health management:

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