Managing Oncology Practice Revenue in the Face of Rising Healthcare Costs and Regulatory Burden

As healthcare costs continue to rise and the regulatory burden increases, oncology practices are facing significant challenges in managing their revenue cycle while delivering high-quality cancer care. In this discussion, VMG Health experts explore the typical reimbursement concerns for oncology practices, including managing the revenue cycle, proper Electronic Health Record (EHR) management, and policy concerns related to value-based care trends. We will also examine the unique concerns of clinical oncology and radiation oncology, including documentation integrity and quality improvement initiatives. By understanding these concerns and taking proactive steps to address them, oncology practices can navigate the complex healthcare landscape while providing the best possible care for their patients.

The cost to deliver high-quality cancer care is rising due to inflation, increasing regulatory burden, and increasing overhead costs—not the least of which is the need for additional personnel to meet payers' administrative demands. An accumulating body of data suggests that patients are deferring treatment because of high out-of-pocket costs. Public and private payers are attempting to decrease these costs by reducing their reimbursements which leaves oncology practices trapped in the middle of looming overhead expenses and creeping payment decreases [1].

Monitoring and understanding reimbursement revenue and keeping track of patient outcomes can open the door to value-based care with a renewed focus on patients. Oncology practices need to take steps to mitigate revenue losses for services that are already being performed while also staying on top of an ever-changing landscape of policy, litigation, and guidelines. The little things add up and cutting corners can lead to problems down the line. Therefore, investing in staff and practice resources now helps limit the risk of audits and paybacks in the future.

Typical Reimbursement Concerns for Practices

Revenue Cycle

Optimizing the revenue cycle for an oncology practice can feel like troubleshooting countless small components to keep a larger, more complex system running smoothly. With significant investments in specialized equipment, treatment protocols, and drugs, as well as the challenge of decreasing reimbursement trends, managing revenue can be daunting. Unfortunately, audits and denials are a common reality that practices must prepare for since the most severe cases can result in significant losses.

To ensure revenue cycle optimization, oncology practices should ask themselves the following questions:

- Is your staff collecting patient insurance, copays, and financial waivers at time of service and verifying carrier requirements such as completing any prior authorizations required?
- How is your revenue integrity system? Are there performance indicators protecting you from costly errors such as auditing claims for under-coded encounters or other missed opportunities for billing, charge capture, and charge lag?
- Do you have the operational workflows in place to assign responsibility to staff such as following up on any aging A/R? Is there a clear point person with expertise in the requirements for denial resolution within time limitations?
- Are there practice resources available to help staff maximize revenue, efficiency, and accuracy of claims and charge capture? Are your providers up to date on the latest regulatory changes?
- Do you have established relationships with your payers and vendors (who often have carrier process insights) to ensure maximum reimbursement rates and the lowest costs for drugs, supplies, and equipment?

- Are you up to date on changes and extensions for telehealth given the PHE which ended on May 11, 2023, and the Consolidated Appropriations Act (CAA) that was passed? (Note: The CAA extended many telehealth flexibilities authorized during the COVID-19 emergency and act in effect until December 31, 2024.)

The list of concerns may seem inexhaustive, but establishing clear, consistent policies and procedures for all staff members forms a concrete foundation for proper accountability, increased opportunities for education, and more effective feedback. And in the end, you could see better reimbursement by focusing on **revenue integrity**.

Electronic Health Record (EHR)

Proper management of electronic health records (EHRs) is crucial in today's healthcare landscape since a high volume of information is recorded and demanded. If your practice happens to still use paper charts, transitioning to an electronic system is essential for optimizing workflow, integrating clinical support tools, and streamlining processes. With that said, it is essential to ensure that EHR templates and documentation are compliantly used to avoid increased audit risk and to avoid decreased chances of winning appeals. Additionally, the more time that is invested in setting up a good foundation increases the opportunities for employee efficiency which can result in increased revenue. Funding is also available for optimizing current healthcare systems using data gathered during encounters. This can lead to care-based contracts that improve both financial and patient outcomes.

Policy Concerns

Value-Based Care Trends

There has been a movement in recent years to try out value-based care alternative payment models and to move away from fee-for-service schedules. Eventually, the goal is to shift from incentivizing the performance of as many procedures/diagnostics as possible, and instead to incentivizing the promotion of overall wellness through screening, prevention, and care management. Successful programs will not be tied to how many services are provided, but concordant screening and testing for increased prevention.

One of the most current models in use is the Enhancing Oncology Model (EOM), which comes right on the heels of the Oncology Care Model (OCM) and builds upon its principles. Moving toward more care management services and advanced care planning brings unique documentation requirements in-and-of themselves. Is your staff ready for any of these changes? To succeed with this kind of model, you would need more services that may not have been in place before such as:

- Evidence-based screening tools
- Electronic patient-reported outcomes
- 24/7 patient access to a clinician;
- Patient navigation services
- Formalization of care plans and others

To achieve the goal of spending more time with patients, providers need to be properly compensated for their efforts. Proper alignment of compensation incentives can encourage providers to change routines and take advantage of discounts and payments available through federal programs. Therefore, designing **progressive compensation models** is an important step. It is also important for practices to stay up to date with these programs and requirements, and to implement them as soon as possible to maximize their benefits. Additionally, payor agreements should be carefully reviewed to ensure that all available opportunities are being taken advantage of. Failing to do so could lead to outdated workflows and potential reimbursement issues in the future. It may not be the most exciting task, but reading the fine print can save practices from costly mistakes down the line. Lastly, it is important to pay attention to how you design compensation models to ensure they are consistent with **fair market value**.

Clinical Oncology & Radiation Oncology Concerns

Documentation Integrity

Every oncology specialty has unique needs and concerns due to its patient population and the demands inherent to pathology. The complexity level of these cases is particularly high since the median age of cancer diagnoses is 662 and cancer is the second leading cause of death in the U.S.3. Capturing this complexity can later pay dividends in the form of Hierarchical Conditions Categories (HCC) and Merit-based Incentive Payment Systems (MIPS). An example of this would be such as documenting comorbidities properly in the HER. These coding systems use chronic conditions and social determinants of health (SDH) to project costs of patient care and to provide financial incentives when opted in. It would make sense that a lung cancer patient with uncontrolled chronic kidney disease and obesity would require more services than a lung cancer patient who only has hypertension. However, if not documented, it is hard to make that case to payers. As a result, proper **coding and documentation** are incredibly strategic from a compliance and revenue perspective.

As mentioned previously, trends toward consolidation require rigorous practice evaluation and capacity planning. Evaluations can be great opportunities for auditing current standards along with new providers joining the system which ensures consistency. If there are any hiccups during this process, outsourcing the production coding in the interim can be utilized to keep revenue consistent. Growth is a great thing but without the proper due diligence in all areas, it can become a greater hassle than it is worth and can eventually lead to a worse outcome than if the consolidation never happened to begin with.

Prior Authorizations

Ensuring maximal coverage for chemotherapy along with other cancer therapies is of the utmost importance with recent surveys reporting prior authorization as a significant concern that can lead to life-altering delays for critically ill patients [4]. What was once a tool for proper resource utilization has become a barrier to care that needs to be taken seriously to increase approvals. Prior authorization requirements tend to increase over time which can become a hurdle for patients due to the increase of experimental treatments used to combat cancer on average and the ever-moving goalposts.

Prior-authorization programs and denial resolution should be a priority investment for any oncology practice. Proper staff workflows and documentation are critical given that most times initiation of the prior authorization is not done by the oncologist but by office staff relying on the medical records available. Some ways to mitigate delays include ensuring the accurate and timely completion of charts, having education regarding guidelines, and the availability of peer-to-peer support. In many cases, practices lack **education** in this regard. Additionally, with movements toward "gold carding" providers that have a good history of prior authorization approval, there are possibilities for offices with a good track record to bypass the need for prior authorizations entirely in the future.

There are many ways to mitigate loss of reimbursement and ensure you receive the maximum possible even in an ever-changing healthcare landscape. Fortunately, you do not have to navigate this complex terrain alone. Whether it is an issue with coding, documentation, denials, reporting, operational workflows, payer contracts, staff, or Fair Market Value analysis and physician compensation model review, consultation services can be customized to address your current needs. Your work is too important not to receive optimal reimbursement for the services you provide, and if you're unsure do not hesitate to seek assistance.

Conclusion

In conclusion, ensuring optimal reimbursement revenue and patient outcomes is crucial for the success of oncology practices in a rapidly evolving healthcare landscape. By monitoring and understanding

reimbursement policies and patient outcomes, practices can transition toward value-based care and can prioritize the needs of their patients. This will require taking proactive steps to mitigate revenue losses, staying current with policy changes, and investing in staff and practice resources. To aid in this process, our experts at VMG Health encourage you to seek consultation services and resources that can help you navigate the complexities of reimbursement and regulatory compliance. With the right support and guidance, you can optimize your practice's financial performance and deliver the highest quality of care to your patients.

For an overview of the services VMG Health provides in this sector, please visit VMG Health's **Oncology Services** page.

Sources

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