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## New Report Projects Robust Investment in Healthcare Revenue Cycle and Finance Solutions



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More than one-third of health system executives participating in a recent survey are planning to automate two or more revenue cycle management (RCM) or finance functions in 2024, according to a report published by the [Healthcare Financial Management Association](#) (HFMA) and [Eliciting Insights](#), a healthcare strategy and market research company. Nearly half of survey respondents with RCM purchase plans intend to buy five or more RCM solutions. Automation, denials management, prior authorizations, clinical documentation improvement, artificial intelligence-based coding and patient self-service are among the top areas of interest.

"High inflation and interest rates have had a profound impact on health system operating margins," said HFMA Chief Partnership Executive Todd Nelson FHFMA, MBA. "This study shows that health systems haven't stopped investing in tools; they are just focused on using them to solve different problems. Automation, outsourcing and tools that improve accounts receivable are the top areas of focus among health system executives. This report will help vendors prioritize their portfolio and marketing strategies to align with buyers' interests."

Additionally, *Health System Purchasing Plans 2023: Finance and Revenue Cycle*, reveals that 95% of health systems planning to purchase RCM or finance technology and services are open to considering "bolt-on" vendors outside of their electronic medical records system.

Eliciting Insights CEO Trish Rivard views the study findings as good news for RCM technology companies.

"Given the tight economic conditions and the fact that companies like Cerner and Epic now offer a broad portfolio of RCM tools, there have been questions about the appetite for stand-alone RCM solutions," said Rivard. "Our research shows that health systems are still very much interested in bolt-on tools, both those that offer single functionality as well as end-to-end RCM players that can meet the needs of health systems shopping for multiple RCM tools."

Automation, RCM and purchasing plan priorities during the coming 12- to 18-month period are also identified in the report.

- Back-end RCM is the highest automation priority with 40% of respondents planning to invest, followed by patient access (37%) and mid-revenue cycle (32%).
- Top *RCM priorities* cited by survey respondents include prior authorization (39%), denials/appeals management (37%) and patient self-service/digital front door (37%).
- Respondents' top three *outsourcing priorities* are bad debt (17%), aged accounts receivable (17%) and patient collections/early out (16%).

The report, which provides actionable insights into the market dynamics shaping health system purchasing priorities, as well as detailed RCM purchasing plans, is based on survey responses of 321 health system executives and qualitative interviews with CFOs conducted in the second quarter of 2023. It addresses the full range of RCM, finance and outsourcing solutions with data cuts by health system electronic medical record vendor, bed size and geographic region. Additional insights include ROI expectations and a discussion of the impact of health system mergers on purchasing decisions.

The 57-page report is available for purchase online from [Eliciting Insights](#) or [HFMA](#). It will be provided to HFMA [Peer Review](#) customers as an added member benefit.

Source: [HFMA](#)

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