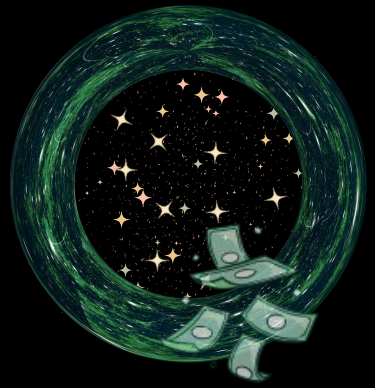

# The Revenue Cycle Black Hole

*What's Standing Between You and a More Valuable Practice*

STRIDE

# Today's speakers

## Craig Brasington

Vice President of Revenue Operations at Stride

## Robert Kowalick

Managing Member and CEO of Revenue Cycle Solutions, LLC

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“

Every once in a while, a new technology, an old problem, and a big idea turn into an innovation.

–Dean Kamen

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THE BIG IDEA

# What business are you actually in?

**How it's usually seen**

A physical therapy practice with a biller, or a billing team, that tries to get it paid.

**More accurately stated**

A revenue cycle management business that performs physical therapy services in exchange for revenue.

Because you're a revenue cycle business, your practice needs to be structured and operated like a revenue cycle business, aligning all your roles and functions around common revenue cycle objectives, using the right revenue cycle data to maximize your revenue cycle outcomes.

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THE STRATEGY

# Build a learning organization with the ideal data, technology and processes to maximize revenue cycle outcomes

All revenue cycle businesses have 3 common objectives to maximize the conversion of provider time into cash:

| 1. Collect it all | 2. Collect it fast | 3. Collect it efficiently |
| --- | --- | --- |
| Convert 100% of provider time into cash. | In as few calendar days as possible. | As cost-effectively as possible. |

**When all three are accomplished all the time, you are an optimized revenue cycle business. #1 and #2 are dependent on #3.**

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## The Problem

# Revenue Cycle Complexity (RCC)

The most significant obstacle to achieving your revenue cycle objectives

## The Solution

**01** **Find every objective risk at its origin** (any RCC-based risk to achieving any of the three revenue cycle objectives).

**02** **Quantify the nature and volume of RCC** in your revenue cycle and understand its impact on time.

**03** **Remove RCC by design.**

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MY ANALOGY: THE REVENUE CYCLE COMPLEXITY BLACK HOLE

# You can't see it, but you can measure it.

A black hole is mysterious. It can't be seen directly, it can only be measured by its impact on the things around it, and that takes explaining what is observed with data and math.

We've been measuring the Revenue Cycle Complexity Black Hole in practices for eight years.That's what we do: we make the RCC Black Hole visible by measuring its impact on the workflows that are done every day in a revenue cycle business.

The billing process is the only function that is directly affected by all RCC.

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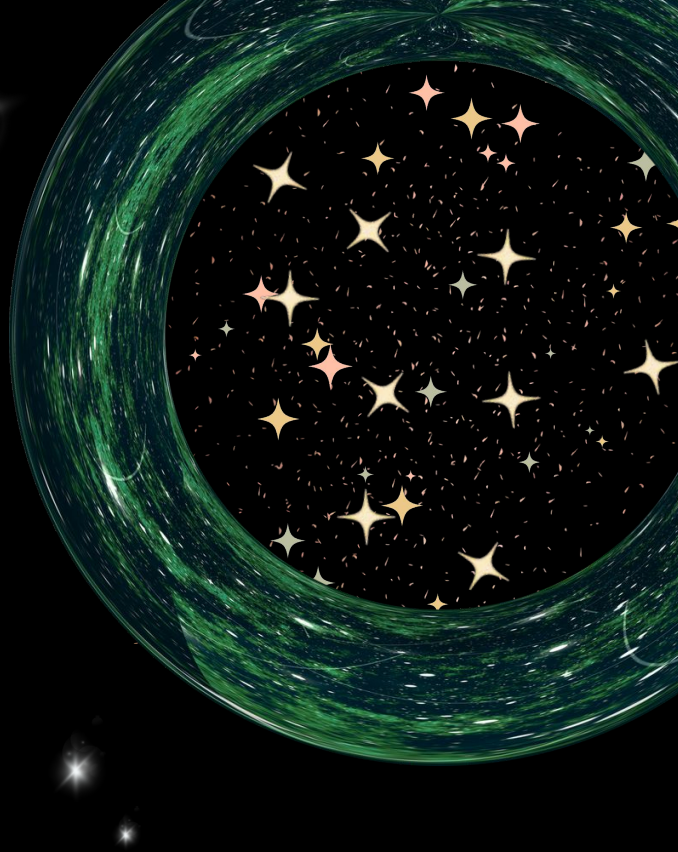
SEGMENT 1

# The origin of complexity

*The black hole you can't see but can feel through lost revenue, delayed revenue, and wasted time.*



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## **THE ORIGIN OF RCC:** 71/10/13/6 (USED TO BE 78/14/4/4)

**71%** of all RCC is generated internal to the practice; patient registration, verification of benefits, authorization management, clinical documentation, credentialing, etc.

**10%** of all RCC comes from payers.

**13%** of all RCC comes from Systems (EMR, PM, Clearinghouse); most of this is improper setup.

**6%** of RCC is generated internal to the billing process.

**94%** of all RCC is external to billing. The number of billing errors is directly related to the amount of RCC external to billing. Like any human-based process, the more complicated the process, the more likely there are to be errors.

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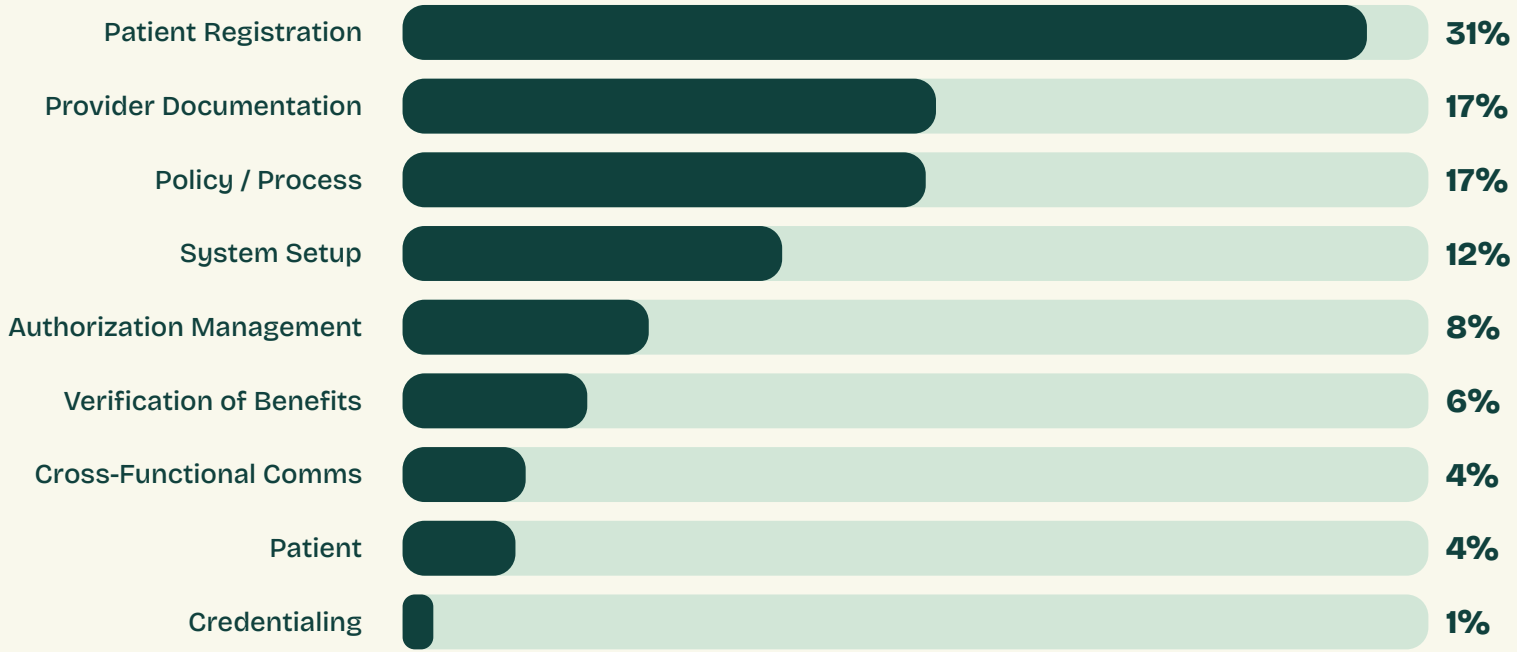
# **THE ORIGIN OF RCC:** INSIDE THE 71%




**RCC generated inside the practice, by function (share of the 71%). RCS + Ascend client data.*

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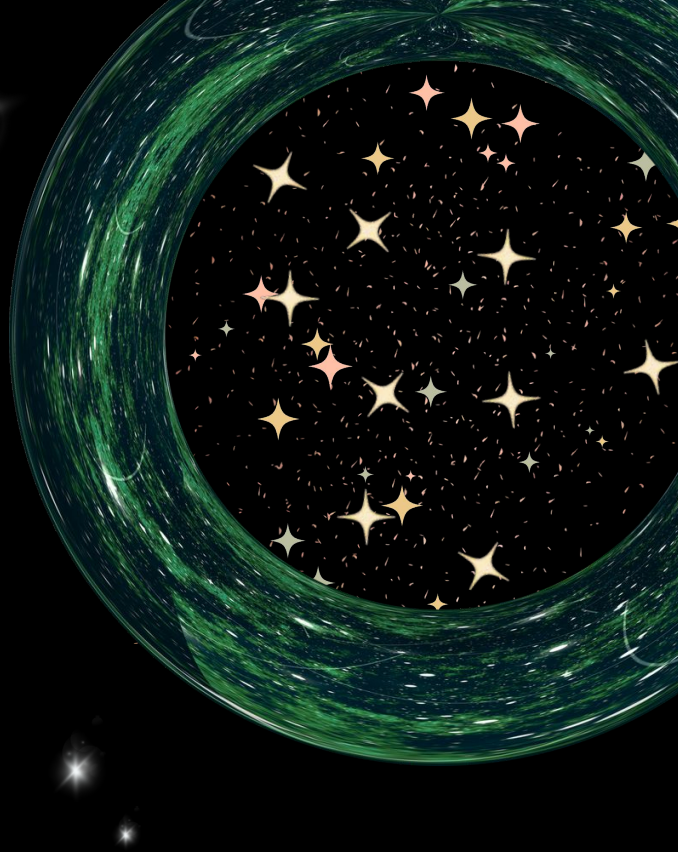
SEGMENT 2

# Quantifying the RCC black hole

*If you can measure it, you can manage it, and you can change it if it's under your control.*



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# Turning every billing task into a data-generating, learning-loop, intellectual-property-creating task

The Market

**Others focus on denial codes.**

Ascend

**We capture and focus on every source of RCC at its Origin.**

We capture 240 different ways revenue is put at risk because all 240 reduce the odds of achieving Objective #3. If Objective 3 fails, Objectives 1 and 2 fail. This detail allows us to optimize and prevent the creation of RCC.

RCC Origin data becomes the KPIs for every administrative function in your practice.

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# “It’s about time”

## Volume

It's not about the volume; it's about the **RCC in the volume.**

## Time

Our proprietary data platform converts the combination of volume and RCC in the volume into **Billing Time Demand** and **Billing Time Supply** models.

## The Gap

The **BTD–BTS gap** is the most meaningful calculation to know the impact of the RCC Black Hole.

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## REDUCING THE RCC BLACK HOLE

# Capture > Quantify > Reduce

1. Convert your administrative workflows into RCC intelligence data generators. Our platform, the Observatory, captures all RCC at its Origin.

2. The Observatory converts volume and RCC—practice, systems, and payer complexities—into Billing Time Demand.

3. Create strategic action plans designed to reduce RCC at its Origin.

Our RCM services are integrated with the Observatory to do this for you. For those with in-house billing, we can support your internal operations by providing the infrastructure to replicate our solutions.

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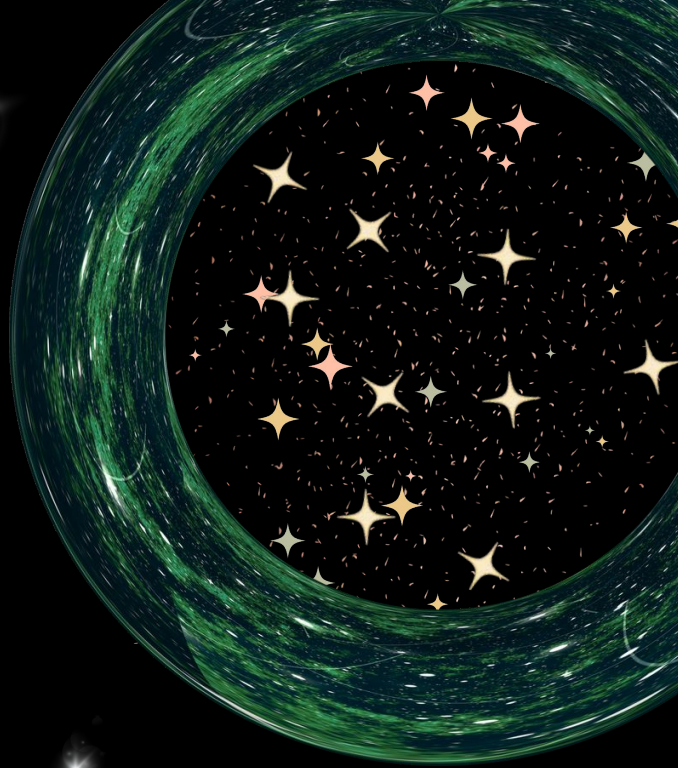
SEGMENT 3

# Understanding the BTD / BTS gap problem

*The math of time demand and time supply.*



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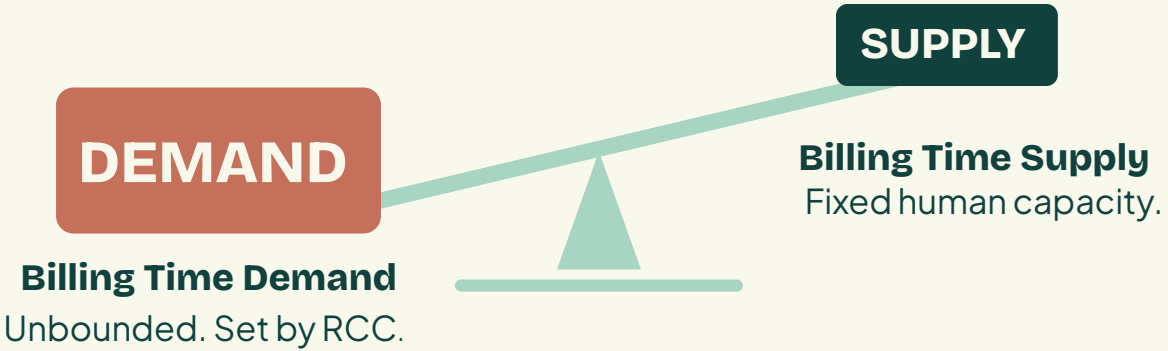
# Billing Time Demand vs. Billing Time Supply




- **Billing Time Demand is always variable.** Billing Time Supply has to be variable too, and when it doesn't match BTD, outcomes suffer.
- The industry is built on **human-based fixed time supply models.** Human labor doesn't scale easily.
- We are in the process of applying our **RCC Origin capture** and **time-balance modeling** capabilities to every other front-office administrative function.

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# It's the RCC in the volume, not the volume

We have 500-visit-per-month clients whose billing takes more time to complete than 5,000-visit-per-month clients.

**Highest-RCC clients (>60 Objective Risks/100 visits) vs. lowest-RCC (<3/100 visits)—relative time spent per visit:**

**665%**
Total time per visit

**1,997%**
Total AR time per visit

**4,060%**
Denial management time per visit

*RCS + Ascend client data, 2022-2025 — highest-RCC practices vs. lowest-RCC practice's billing time per visit.*

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TRANSFORMING ROLES AS WE INTEGRATE TECHNOLOGY

# AI agents and automations are coming to your practice sooner than you think

**On the billing side**

AI agents and automations remove the limiting factor of human time capacity, allowing Billing Time Supply to scale and meet Billing Time Demand at any level.

**On the front office side**

AI agents and automations reduce the creation of RCC at its Origin, reducing Billing Time Demand.

Our biggest obstacle used to be understanding and quantifying the RCC problem. Today, our biggest obstacles are improving human-based execution on Origin-level tasks and scaling BTS to match BTD needs. Dan Sullivan, in his book *The Greater Game*, makes the point that tomorrow's solutions will include new architectures, new platforms and new ecosystems that multiply intellectual property creation.

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ONE SIZE FITS ALL WILL NOT WORK

# Our build roadmap is driven by our/your data

Eight years of RCC data, across millions of claims and millions of documented Objective Risks, drives how we prioritize and sequence every automation and AI-agent build.

**Practice side**

Automate at the Origin of RCC creation.

**Billing side**

Automate heavily into AR management.

Today's Billing Time Supply models—human-based fixed time supply, and offshoring to inexpensive human labor—are the ideal targets for re-architecting.

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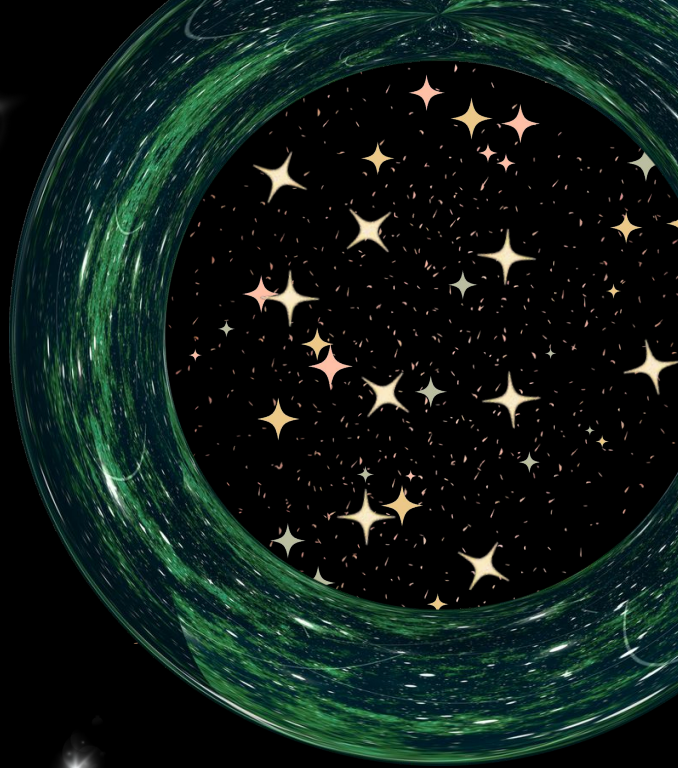
# How technology can help

*Using AI and automation to reduce Revenue Cycle Complexity.*



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# Not all technology is created equal

## What good tech does

01 Offloads the busy work people hate most

02 Keeps human judgment where it actually matters

03 The "brain of the biller" and the "brain of the therapist" still make the calls

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# Choosing the right partner

"Would I pay a podiatrist to operate on my brain?" Probably not.

Every technology, and every partner, has a wheelhouse.

Know yours.
Know theirs.

Good partnerships come from aligned focus, not aligned pricing.

Questions to ask:

1. What's the focus or mission?
2. What is their origin story?
3. What is your “Policy of Innovation?”

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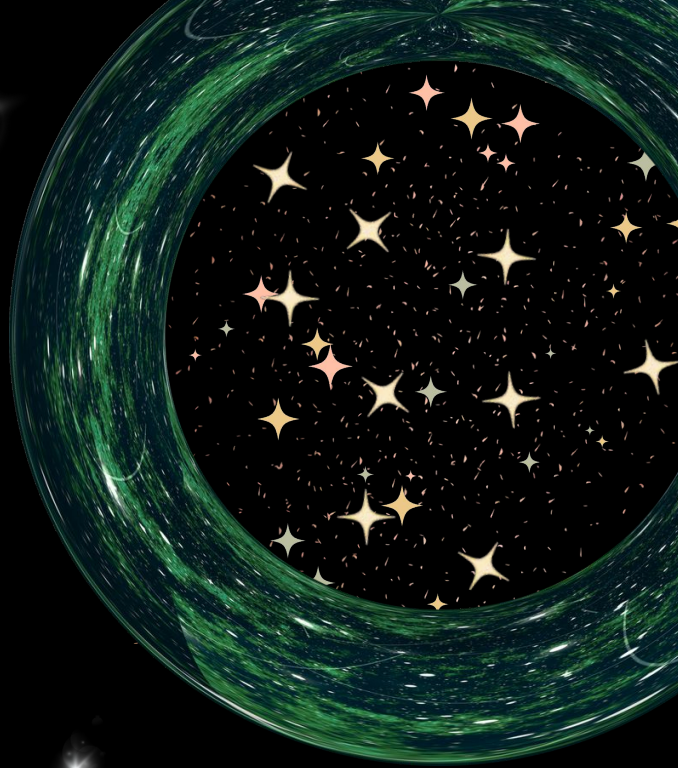
# Q&A

*Submit your questions.*



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# Let's connect

Reach out and learn more about today's hosts.

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# Thank you for joining

You'll receive a follow-up email with today's slides and recording.

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