

Greenberg Advisors

M&A ADVISORY IN HEALTHCARE IT & RCM

How have providers' needs changed in RCM over the past few years?



David Berman
Managing Principal
SimiTree

"Now more than ever, post-acute and behavioral health providers are under pressure to deliver high-quality care at a lower cost, manage the care of a large number of patients, and use the latest technology to improve their RCM processes. We have seen a shift to value-based care and an increased use of technology. These changes have presented new challenges and opportunities for providers, and teams should be constantly looking into the future, adapting, and innovating in order to meet the needs of patients and the demands of the changing healthcare system.

My advice to adapt with these extreme times? Constantly innovate, be open to new tech, and listen to your patients' needs."

"What I've seen over the last few years with providers' needs has been more help from the RCM team with regard to scheduling appointments, pre-authorization, referral requests, eligibility, and patient estimation. I think post-COVID, the workforce really took a big hit. People want to work from home and the practice doesn't have the capability to manage the staff. They are outsourcing it for the first time and I think they are able to set expectations and demand performance more easily than hiring their own staff. I also think the workforce diminished during COVID and we're not seeing people looking for jobs like we did prior to COVID. That has really affected the practice. With more cuts on the horizon, the need for the practice to outsource more jobs will increase."



Kristeen Coronado
COO, ERS Division
Infinx Healthcare



Rob DiMurro
Portfolio Leader
Harris Computer

"Healthcare providers today encounter various challenges that complicate RCM compared to prior years. Prominent obstacles include staffing shortages and increased employment costs, as well as the implementation of the No Surprises Act. The scarcity of skilled RCM staff and the need for higher wages have strained financial resources and, in some cases, made it difficult to keep up with the RCM work. Meanwhile, the No Surprises Act introduces complexities such as administrative burdens, reduced reimbursements, difficult contract negotiations, and lengthy dispute resolution procedures.

Additionally, providers face the intricacies of compliance with evolving regulations, frequent changes in payor rules, and the complexities of implementing and managing RCM technology systems. Complying with regulations requires ongoing staff training and meticulous attention to detail. Payor rule changes require constant adaptation to coding guidelines, billing requirements, and documentation needs."

"Unfortunately, hospital finances have only gotten worse. This is due to a number of factors, including increasing demands on clinicians, staff shortages, rising denial rates, and more mandates put on hospitals. As a result, clinical burnout is at an all-time high and less time is being spent with patients. Leaders in the revenue cycle used to be able to get by with inefficient processes, IT systems, data analysis, etc., but now there is way more focus on getting cash in the door and having good data. I see the best RCM teams shifting to more efficient processes using IT and automation, with a focus on data accuracy and timeliness.

There are a lot of good advancements in the revenue cycle space, but at EvidenceCare, we've chosen to focus on addressing these challenges at the root by supporting providers (i.e. clinicians in the acute-care hospital settings) with technology and automation. This helps streamline the revenue cycle process, improve outcomes, ensure proper documentation, and reduce costs. By making it easier for clinicians to do their jobs, we can free up their time so they can spend more time with patients."



Jim Jamieson
Co-Founder and CRO
EvidenceCare



Andrew Lockhart
Co-Founder and CEO
Fathom

"Over the past few years, the pandemic and its aftermath have exacerbated long-term operational trends for healthcare providers: persistent workforce shortages, physician burn-out from administrative duties, and rising underlying cost pressures, among other headwinds. As a result, we have seen a pronounced shift in provider attitudes towards RCM automation. It has gone from an optimization to an absolute necessity. With the maturation of technology and the subsequent proliferation of proof points in market, C-level pressure to find technology solutions to what may have been traditionally handled by hiring or professional services firms has become intense."

"The primary objective of Revenue Cycle Management (RCM) is to improve revenue and optimize financial performance, a task that has become increasingly challenging as the healthcare industry evolves. Various factors, such as talent scarcity, regulatory changes, shifting service delivery models, reimbursement fluctuations, payer scrutiny, and the growing role of patients as major payers, contribute to margin contraction. External pressures from industries like retail, including Amazon, Walmart, and grocery stores, further impact the tight talent market and drive-up acquisition and retention costs.

To effectively address these evolving priorities, several critical needs have emerged in RCM. It is imperative to leverage advanced analytics, data-driven insights, automation, and technology adoption. The transition away from fee-for-service models and heightened scrutiny from third-party payers, involving prior authorizations, coding guidelines, and ever-changing rules and requirements, underscores the significance of revenue integrity. Ensuring that RCM processes align with quality standards and cost-effectiveness is crucial to maximize reimbursement. Additionally, there is a growing emphasis on optimizing the patient financial journey, considering factors such as pricing transparency, the increasing financial responsibility of patients, and the consumer-driven push for care in home or ambulatory settings. As a result, concerted efforts are being made to enhance the patient experience in their financial interactions within the healthcare system."



Peter Miessner
Senior VP
Amplify RCM



Jeff Nieman
CEO
Meduit

"Over the past few years, the needs and priorities of healthcare providers have changed quite dramatically due to the impact of the pandemic. At Meduit, with the key issues we see hospitals, health systems, and physician groups struggling today include (1) staffing shortages; (2) severe financial margin compression; and (3) how to improve the patient financial experience. This is playing out through a growing demand for outsourced staffing, particularly in insurance follow-up and denials management. Providers are also looking to artificial intelligence and automation to accelerate cash flow by efficiently driving account resolution. These tools work 24/7 and complete repetitive tasks, freeing humans to focus on more complex RCM issues. Solutions that address Medicare bad debt, Medicaid eligibility, and zero balance review can help providers collect revenues that they may not even know they have coming to them and move more patients into charity programs that increase reimbursements. When it comes to improving the patient financial experience, we are seeing an increased interest in automation such as texting, chat, interactive websites, and web applications that makes it easier for the provider to connect with the patient and for the patient to access their account detail at their convenience."

"1. Increased Emphasis on Technology, Automation, and Data Analytics: Providers are increasingly looking for technology-driven solutions to streamline their RCM processes. Automation of tasks like coding, billing, and claims processing became a priority to reduce errors, speed up reimbursement, and improve overall efficiency.

2. Compliance and Regulatory Changes: Staying compliant with evolving healthcare regulations and reimbursement policies has been a significant concern for providers. Keeping up to date with these changes has become burdensome so the provider community has begun to look for RCM solutions that could adapt to changing rules and ensure compliance to avoid penalties and revenue losses.

3. Outsourcing, Revenue Cycle Partnerships, and Managing the Complexities of Value-Based Reimbursement Models: Many providers have started exploring the option of outsourcing their RCM and VBC functions to third-party vendors or entering revenue cycle partnerships. This allowed them to focus on patient care while leveraging the expertise of specialized service providers."



Andrea Sorensen
VP of Product Consulting
MedeAnalytics

About Greenberg Advisors

Greenberg Advisors, LLC (GA) is one of the most active M&A advisors specializing in Revenue Cycle Management (RCM) and Healthcare IT (HCIT) transactions.

GA's perspective provides clients with unique value that comes from a comprehensive understanding of the healthcare ecosystem, having worked with buyers and sellers in a variety of transactions across the RCM and HCIT sectors. GA's unmatched depth and its proprietary data assets prove invaluable to clients in determining the optimal path forward and maximizing their exit or investment.

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