Revenue Recognition and Analytics for Mid-Market Healthcare Entities

Increasing Accuracy, Transparency and Efficiency of Revenue Valuation for Healthcare Finance Executives

Healthcare organizations look to FTI Consulting's experts to power critical revenue recognition processes with leading practice, cloud-based solutions. Whether you are looking to design and deploy a new process for recognizing revenue or for a quick point of comparison from industry experts, FTI Consulting has you covered. Our experienced professionals evaluate, build, implement, and improve revenue recognition workflows and models.

What FTI Consulting Offers

Efficiency

Our tools are 80% pre-built, keeping costs down and focusing on tailoring models to clients' specific data inputs and analytical needs.

We help take processes out of Excel spreadsheets and into a cloud-based platform.

Accuracy

FTI Consulting's approach harnesses client data to find the right balance between granularity and scalability to track collection trends.

We focus on gathering information from the right place at the right time, preventing "garbage in, garbage out".

Transparency

Our model shines light on collectability trends that all-too-often go unnoticed. We make sense of complex data and streamline collectability analysis from hours to minutes.

Customization

Every organization's transaction data is unique. Our models are quickly adaptable to reporting by payer, location, modality, business line, or any other meaningful aggregation useful to the client.
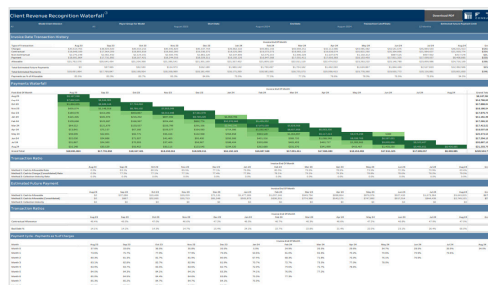
Access to Experts

Clients have access to a "one-stop shop" of industry experts to face almost any challenge experienced by healthcare CFOs and their finance and accounting teams.
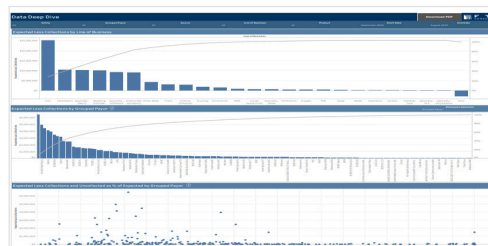
Reserve Rate Sandbox
Evaluate the Impact of Rate Changes
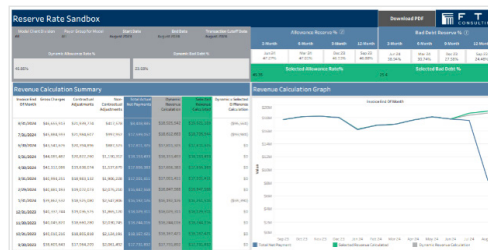
Customized Waterfall Analysis
Comparison to Recorded Net Revenue

Revenue Cycle Analytics
Uncollected Revenue Deep Dive

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About the Models

Key Features of FTI Consulting's Two Revenue Models

— FTI Consulting's models are systematic, replicable, and scalable, with minimal input touchpoints.

— FTI Consulting works with the client to determine the correct dataset to extract from their billing system that will feed monthly into the model via a HIPAA-compliant secure FTP site.

— Models are driven by detailed and adaptable cash collection "waterfall" analyses that convey timing trends according to historical collections performance.

— Users can toggle between different methods of estimating future payments for past dates of service periods to fine-tune their forecast.

— New acquisitions are seamlessly integrated regardless of whether historical collection data is available.

— FTI Consulting's model implementation is always accompanied by detailed process and functionality documentation outlining the key personnel, processes and steps involved in generating and interpreting insights.

Revenue Recognition Model

Streamline and centralize your month-end process for recognizing revenue and setting reserves for contractual allowances and bad debt via a SaaS-based model.

— Offers intuitive insight into contractual allowance and bad debt provisions booked against revenue.

— Includes a "sandbox" where users can toggle between different historical periods and see how setting different reserve rates can impact overall revenue valuation estimates.

— Provides the option to select different reserve rates when you know future changes to the business, such as a new payer agreement or a new acquisition, will depart from historical collection rates.

— Aligns cash collection analysis by healthcare industry best practice of payer classification and service line, bringing the model in line with ASC 606 requirements and generating insights into payer mix dynamics and performance.

Quality of Revenue Model

Access a recurring, low-touch, quick view of how recorded net revenue is tracking against industry-standard estimations of expected future payments.

— Quickly fine-tune and monitor Quality of Revenue (QoR) estimated total payments against recorded net revenue to spot and research into deviations.

— Easily filter by payer, service line, and location to dive deeper into unexpected collection trends.

— Move away from one-time year-end lookback analyses in Excel and move towards a simplified monthly process and output that can be shared with C-suite executives and other owners of the business.

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CASE STUDY: QUALITY OF REVENUE MODEL

SITUATION

FTI Consulting's client, a private equity-backed in-home respiratory and infusion center, had recently experienced significant growth. Their leadership was looking for a low cost, recurring model and process to quickly run a quality of revenue analysis vs. historical recorded revenue. The organization was interested in comparing their booked net revenue to an industry standard approach to estimating future payments.

OUR ROLE

— FTI Consulting implemented a rapid rollout of its pre-built Quality of Revenue (QoR) model after completing claims-based data validation with the organization.

— Each month, FTI Consulting's client provides FTI Consulting with a standard data extract to load to the model. Within a day, the organization can review their updated QoR estimates compared to their net recorded revenue by line of business.

OUR IMPACT

— Within weeks, FTI Consulting rolled out a go-forward comparison of monthly booked revenue to historical cash collection trends.
— Created detailed analytics that provided the client with insight into uncollected cash at the payer, service line, and drug levels.
— Increased transparency between the private equity owners and client to monitor recorded net revenue to estimated payments.

CASE STUDY: REVENUE RECOGNITION MODEL

SITUATION

FTI Consulting's client, a publicly traded provider of in-home respiratory, sleep, and behavioral therapies across the US, historically determined their bad debt reserves and revenue calculations through a process in Excel. Their finance leadership team was looking for a cloud-based model that was scalable for the business, consistent with industry standards, and easy to implement with minimal time and cost.

OUR ROLE

— FTI Consulting implemented a rapid rollout of its pre-built revenue recognition model after completing claim-based data validation with the client.
— FTI Consulting provided advisory on industry best practices to integrate the model into month end processes and ensure scalability as the organization continues to grow.

OUR IMPACT

— FTI Consulting implemented a new model within a matter of weeks, keeping costs and development time down with pre-built model visualizations and calculation logic.
— Provided third-party validation of booked revenue totals compared to true historical collection ratios.
— Increased insight into historical collection rates by payer, identifying previously hidden differences in reimbursement rates.
— Partnered with executive leadership on best practices for model integration into month-end processes.

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