Revenue Recognition and Analytics for Mid-Market Healthcare Entities

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

Healthcare organizations rely on experienced advisors to power revenue recognition processes with leading-practice, cloud-based solutions. Whether you're deploying a new process or seeking a quick point of comparison from industry experts, our professionals can evaluate, build, implement and improve your revenue recognition workflows and models.

What FTI Consulting Offers

Efficiency

Our tools are 80% pre-built and typically implemented in about 6 weeks, keeping costs down while we focus on tailoring models to clients' specific data inputs and analytical needs.

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.

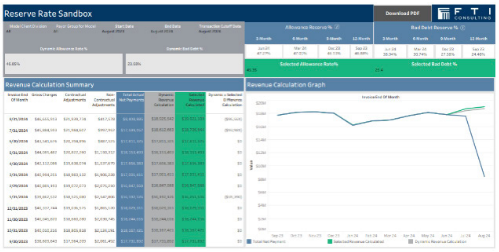
Customization

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

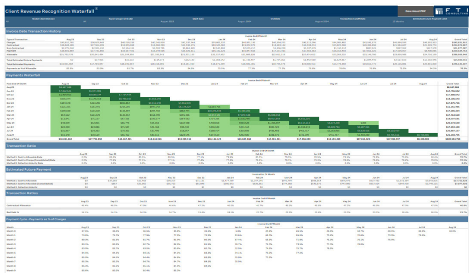
Access to Experts

Clients have access to a one-stop shop of industry experts who can address almost any challenge facing healthcare CFOs and their finance and accounting teams.

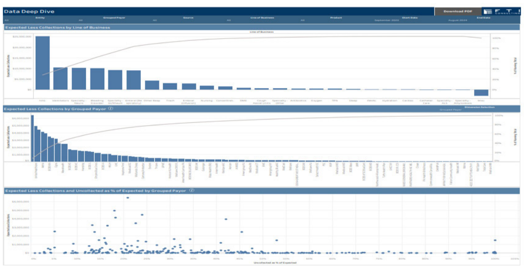
Reserve Rate Sandbox Evaluate the Impact of Rate Changes



Customized Waterfall Analysis Comparison to Recorded Net Revenue



Revenue Cycle Analytics Uncollected Revenue Deep Dive



About the 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.

Key Features

— FTI Consulting’s model is 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.

— Model is 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 prior 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.

Case Study: Revenue Recognition Model

Situation

FTI Consulting’s client, a publicly traded provider of in home respiratory, sleep, and behavioral therapies across the U.S., 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 practice for model integration into month-end processes.

Brian Flynn
Senior Managing Director
+1 617 747 1743
brian.flynn@fticonsulting.com

Tom Kelly
Managing Director
+1 339 206 8733
tom.kelly@ffticonsulting.com

Eric Klaber
Senior Director
+1 914 714 8084
eric.klaber@ fticonsulting.com