



25 Must-Ask Questions for Radiology Revenue Cycle Optimization



In the complex and often murky waters of revenue cycle management (RCM), radiology practices face unique challenges. The stakes are high as radiologists—often operating as independent groups—must navigate declining reimbursements, increased workload demands, and compliance risks.

Optimizing RCM processes can mean the difference between financial stability and significant revenue losses.

This guide offers practical insights tailored specifically for radiology practices.

The Unique Financial Risks Radiologists Face

With nearly four decades of experience in revenue cycle management, I've had the privilege of auditing and overseeing countless radiology practices. Over the years, I've seen it all—from best-in-class operations to disorganized, non-compliant systems that jeopardize financial stability. This breadth of experience has taught me radiologists often face a critical choice: invest significant resources into insourced or outsourced RCM or risk leaving money on the table.



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Pat leads the Physician Services Division at Coronis Health, bringing over 30 years of leadership in professional revenue cycle management (RCM). A recognized national expert, Pat has advised both large institutional multi-specialty practices and small independent groups, helping them optimize financial performance and operational efficiency. He holds a bachelor's degree from the University of Michigan and an MBA from the University of Detroit.

The key is knowing how to manage these systems efficiently while maintaining focus on patient care.

For radiology practices the complexities of RCM are amplified by factors such as high imaging volumes, intricate coding requirements, and fluctuating payer reimbursements. Many groups turn to outsourcing to avoid the operational burden, particularly in regions where recruiting competent billing personnel is challenging. Even when outsourcing, however, radiologists and practice leaders must remain vigilant to ensure optimal performance.



Operational Risks and Revenue Impacts

Lessons Learned:

RCM challenges Then and Now

During my early career at a very large integrated employed medical group in the Midwest, I gained firsthand experience with the challenges of professional component billing. Back then, the RCM landscape was fraught with inefficiencies. As a reimbursement analyst, I discovered millions of dollars in missed revenue, a problem caused by the hospital's focus on Part A reimbursements rather than Part B professional fees. These early experiences underscore how vital it is for practices, including radiology groups, to identify and address financial leakage.

Today, radiology practices face a unique set of challenges. **Declining reimbursement rates have pushed radiologists to increase RVU production, often to unsustainable levels.** For instance, a dollar in global reimbursement for imaging in 2003 is worth about 30–35 cents today. This steep decline has left radiology groups at a crossroads, forcing them to either adapt or face reduced income.

Examples of What Can Go Wrong

Consider a radiology practice audited in the West that relied heavily on an early version of a natural language processor for coding. The system's green and yellow queues were poorly managed, which led to significant errors.

One person was tasked with auditing 50% of the practice's 375,000 annual exams, resulting in a 30–50% error rate.

In another instance the red queue for manual coding was sending out inaccurate claims due to

a misconfigured system setup. These oversights created financial distress for the practice, demonstrating the importance of regular audits and robust processing controls in radiology-specific RCM.

As these examples highlight, even seemingly minor issues in RCM systems can cascade into significant financial and operational problems. Radiology practices must regularly evaluate their processes and identify vulnerabilities before they impact the bottom line.

This brings us to the critical questions radiology practice leaders and physicians need to ask to ensure RCM processes are not just functional but optimized. These questions are not only about finding inefficiencies but also about protecting the practice against compliance risks, financial leakage, and lost revenue. By acting proactively, practices can better position themselves for sustainable success.



Critical Questions for Radiology Practice Leaders

Whether in-house or outsourced, a competent RCM system consistently benchmarks its performance against industry standards and poses critical questions to ensure every aspect of the collection process is optimized for efficiency and maximum revenue recovery.

To safeguard your radiology practice and optimize your revenue, consider these questions:

Performance Benchmarks:

1. Are your RCM benchmarks and formulas consistent with industry standards for radiology practices or general accounting principles?
2. Do you know your denial rate and the difference between hard denials and soft denials?
3. Are you tracking soft denials to ensure appropriate process controls and oversight designed to avoid someone burying these denials into contractual allowances?
4. Do you have a communication tracker or software in place with your management team or billing vendor to quickly and efficiently respond and track trends?
5. Do you understand your denial rates, including those related to medical necessity and documentation requirements?
6. Do the collection results and reporting being reported seem consistent with your practice, modality and region or are they seemingly too good to be true?
7. verification, sloppy eligibility checks, or incorrect insurance verification?
11. As a practice owner or shareholder, do you review and approve all non-contractual allowances regularly to ensure against unauthorized adjustments?
12. Are you frequently reviewing your top denial codes and overturn rate to determine how the practice can implement improved processes and if your billing vendor is effectively managing denials?
13. Do you have an effective authorization management program that can quickly address missing or authorization denials with immediate corrective action and follow up?
14. Do you have a mechanism to obtain ABNs for at least your higher end modalities?

In-House vs. Outsourced Solutions:

7. If you're using an in-house billing solution, are you able to measure the quality of your management team and the accuracy of their reporting?
8. If you're using an RCM vendor, does your vendor undergo regular audits to ensure their performance and reporting align with what they've promised?

Financial Leakage:

9. Are you aware of the typical sources of financial leakage in radiology, such as incomplete accession reconciliation or over/under-coding?
10. Is your hospital partner contributing to leakage through poor demographic



Contract Compliance:

15. Do your managed care contracts clearly specify reimbursement terms for radiology services?
16. Are you independently validating payments against contract terms, including modifiers and multiple procedure reductions?
17. If your practice operates out of network, are you achieving the expected reimbursement levels required to justify your overhead, staffing, and other costs?

18. Is your current strategy yielding the financial outcomes you anticipated, or is it time to reevaluate your strategy?
19. Are you evaluating your denial overturn rate against payer performance to determine if the payer is costing you money?
20. Is someone in your practice calculating the net realized rate of your managed care contracts and does that equate to your nominal agreed upon rate?

Risk Management:

21. Are overpayments refunded within the required 60-day window to avoid false claims penalties?
22. Is your documentation training adequate to ensure accurate coding and reimbursement for radiology-specific procedures?
23. Does your practice collect self-pay consistently across payer classes and avoid adjusting prematurely or in violation of your payer contracts?
24. Is your practice receiving best-in-class documentation training and feedback?
25. Are you monitoring compliance guidelines for your top complex procedures? Do you have a compliance program in place where your billing vendor participates and provides feedback and insights?

Securing Your Practice's Future: Strategies for RCM Optimization

There is a significant amount of risk inherent in the radiology field. As they say, accurate documentation is more likely to lead to accurate coding, which in turn improves your odds at receiving the correct reimbursement and ultimately optimizing your income as well as operational stability. Despite advances in technology, there remains an insatiable need for better documentation training and accession reconciliation. Accession reconcili-

ation is a critical process in radiology, involving the matching of multiple ordered exams and accession numbers to ensure no studies are missed. A missed exam can lead to abnormal findings being overlooked, potentially resulting in malpractice claims.

Radiologists must contend with evolving auto-coding solutions. While these systems have improved over time, they must be managed effectively. For instance, auto-coders may fail to differentiate between ordered and completed procedures, such as interpreting an abdominal ultrasound as limited versus complete. These nuances underscore the need for vigilant oversight to avoid errors that can negatively affect revenue.



Furthermore, staffing and scheduling remain significant considerations. Clinician salaries are among the highest expenses for a radiology group, second only to billing. Groups must strategically evaluate staffing needs based on demand and modality-specific requirements to optimize both income and resource allocation. From compliance challenges to financial vulnerabilities, radiologists face complex pressures that demand a proactive approach to revenue cycle management.

The future of radiology RCM demands a balance between high-quality patient care and financial oversight. Radiologists must be proactive in understanding their revenue cycles, asking hard questions, and implementing robust controls. Whether it's ensuring compliance with the No Surprises Act or addressing risks associated with auto coding, staying sharp is essential.

Closing Remarks

In radiology the stakes for revenue cycle management go beyond financial performance—they extend into the core of operational and clinical excellence. I've encountered countless small groups that celebrate when collections rise without first questioning why. Is the increase driven by higher volume? Is it sustainable? Conversely, when collections dip, can the cause be readily identified? **Practices that consistently evaluate the root causes of these fluctuations are better equipped to navigate challenges and mitigate risks.**

A attentive approach to RCM allows radiology practices to optimize collections, improve operational stability, and maintain compliance. By addressing the critical questions outlined in this guide, radiologists can safeguard their income and prepare for the complexities of an ever-evolving healthcare landscape. The key lies in proactive oversight, consistent evaluation, and a commitment to aligning your revenue cycle processes with your practice's long-term goals.



If you have more questions about RCM optimization, contact us today for answers.

