

Show Me the Money: Improving Accounts Receivable Management

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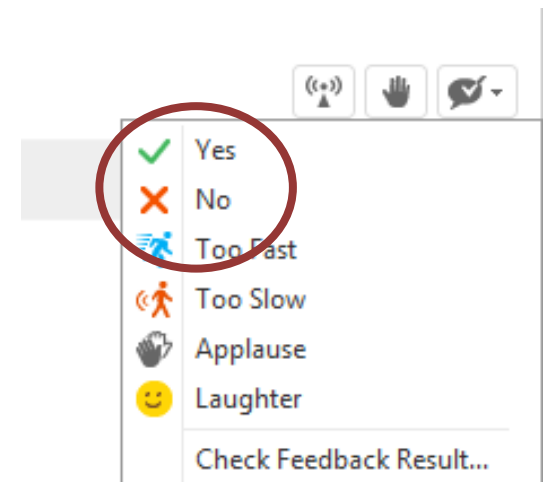
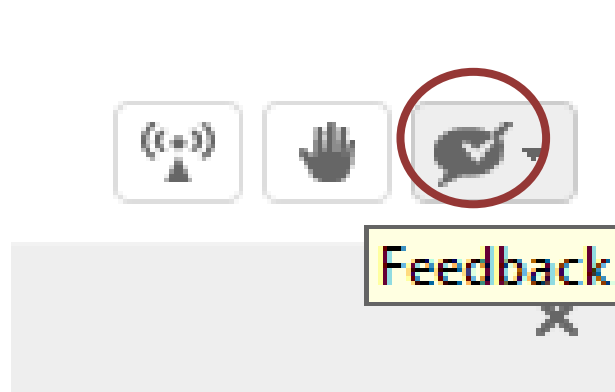




Do you know how much money your clinic is owed from patients and third-party payers (TPP) for services you have provided in the past year?

☐ Yes

☐ No



Overview

- Revenue Cycle Management
- Selecting and using key performance indicators (KPI's)
- Improving front end processes
- Monitoring accounts receivable
- Selecting and reading key reports
- Case Study

Learning Objectives



Participants will be able to:

- Recognize the three phases of revenue cycle management
- Understand how to use key performance indicators (KPIs) to improve revenue cycle management (RCM)
- Be familiar with ways to monitor accounts receivable



What is Revenue Cycle Management?

"All administrative and clinical functions that contribute to the capture, management, and collection of patient service revenue."

- The Healthcare Financial Management Association (HFMA)

Revenue Cycle Management

Back-End Phase

Front-End Phase

Intermediate Phase

Appointment Scheduling

Collect Insurance Information

Collect Demographic Information

Insurance Verification

Collect Co-pays or Other Fees

Documentation and Coding

Charge Entry and Claims Submission

Payment Posting

A/R Follow-up and Denials Management

Patient Statements

Collections

Data Analysis and A/R Monitoring



Revenue Cycle Management

A/R Management

Appointment Scheduling

Collect Insurance Information

Collect Demographic Information

Insurance Verification

Collect Co-pays or Other Fees

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Front-End Phase

Back-End Phase

Intermediate Phase



Key Performance Indicators

What gets measured gets managed...and improves!

- Help identify problem areas
- Show historical trends – enables informed decisions



Key Performance Indicators

- Selecting KPIs:
 - Easy to gather data and calculate
 - No more than 5-7
 - Have largest impact



Examples of KPIs

- Charges
- Payer mix (TPP's, fee payer)
- Utilization
- Collection rate
- A/R aging
- Claims Denial Rate

*see resources

Key Performance Indicators

- Set benchmarks
 - Industry standards
 - Drawn from experience/internal best practices
 - Legal requirements
- Monitor monthly



Using Key Performance Indicators

1

Select KPIs

2

Set benchmarks

3

Review monthly

Revenue Cycle Management

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Front-End Phase

Intermediate Phase

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Documentation and Coding

Charge Entry and Claims Submission

Payment Posting

A/R Follow-up and Denials Management

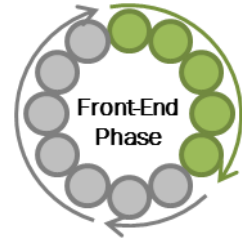
Patient Statements

Collections

Data Analysis and A/R Monitoring



Revenue Cycle: Front-End



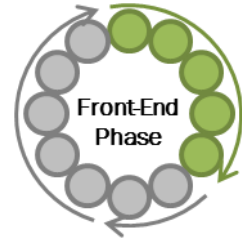
Before service rendered-

Gather *accurate* patient information:

- Demographic information
- Insurance coverage
 - Obtain required authorizations
 - Tip: use electronic verification system (EVS)
- Family size and income



Revenue Cycle: Front-End

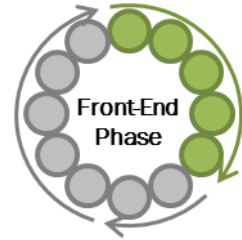


Time of service:

- Collect fees
 - Cash, credit/debit cards, checks
- Communicate with the patient
 - Charges
 - Collection policies
 - Fees



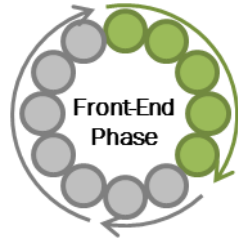
Revenue Cycle: Front-End



- Implement a contractual obligation tracking chart *
- Ensure “clean” claims are submitted in timely fashion
- Implement electronic verification system (EVS)
- Clinician TPP credentialing *

*see resources

Revenue Cycle: Front-End Reports



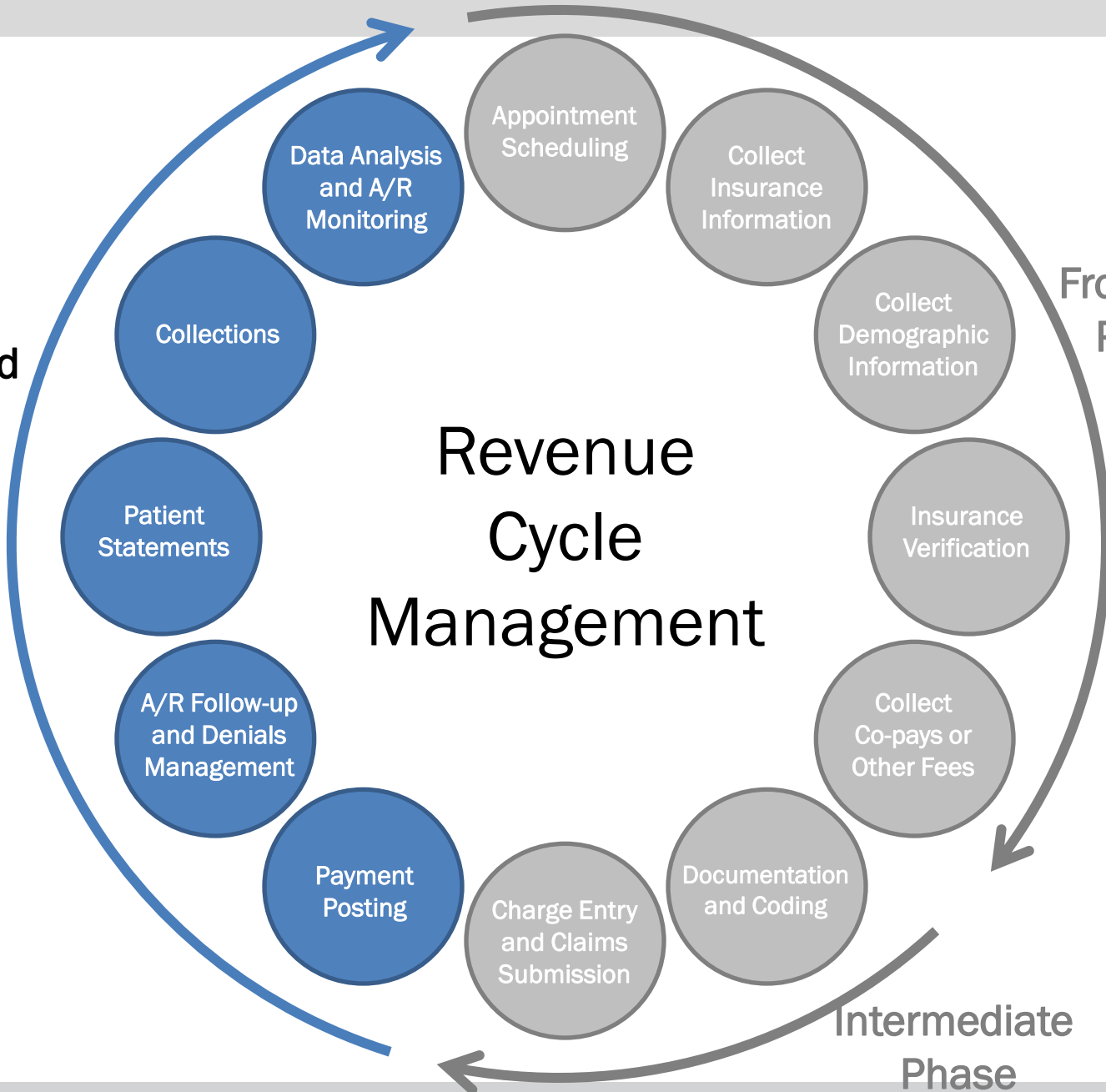
- Reports from Practice Management System (PMS) and/or Electronic Health Record (EHR):
 - **Not Eligible on Date of Service**
 - **Kept Appointments with No Charge**
 - **Incomplete Claims File/Client Visit**
- May manually track

Revenue Cycle Management

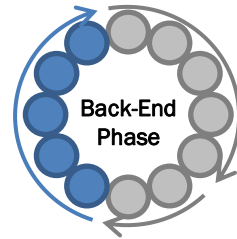
Back-End Phase

Front-End Phase

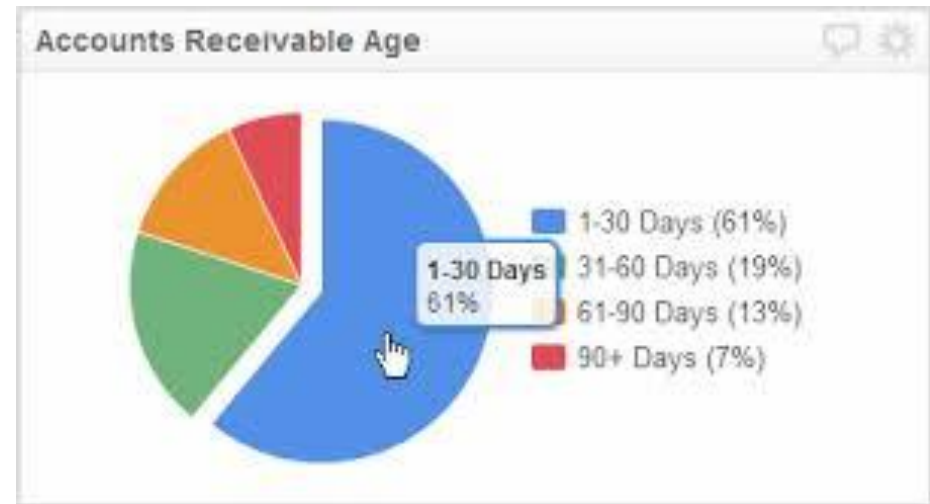
Intermediate Phase



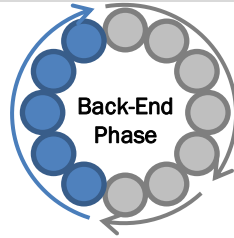
What is Accounts Receivable (A/R)?



- Money owed to your practice for services that you have provided and invoiced



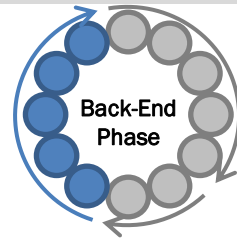
Monitoring A/R



- Monitoring A/R is essential
 - Ensures that **expected** payments are received in a timely manner
 - Identify trends that slow down the reimbursement process



Monitoring A/R

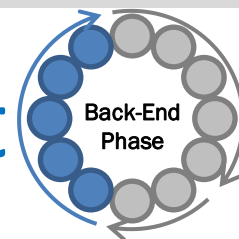


Compile data:

- Manually track data if no PMS/EHR
- PMS/EHR reports to manage A/R
 - Work with your software vendor to produce/design reports

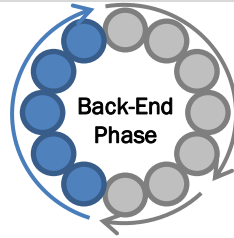


Example Reports for A/R Management



- Detailed reports from PMS/EHR (or manually compile):
 - A/R Aging
 - Claims Receivable
 - Charges
 - Insurance Payment Trends
 - Denied Claims

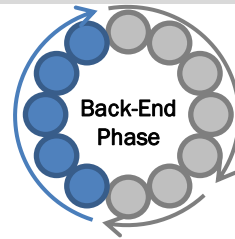
Monthly A/R Aging Report



Is important because....

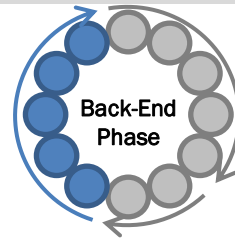
- It illustrates how much money is owed
- Categorizes money owed by payment request date
- Allows high level view

Reading A/R Aging Report



- Overall decrease is **good**
- Exceptions:
 - Due to a decrease in the 0-30 days age range
 - Write offs done for denials reasons you are unable to overturn

Reading A/R Aging Report



- Uncover reasons for variances between months
 - Develop strategies to avoid repeat mistakes
- Write off old accounts

A snippet of an A/R Aging Report table. A red stamp with the words 'PAST DUE' in bold, capital letters is placed over the table. The table has columns for aging periods and dollar amounts. The rows shown are '61 - 90 DAYS', 'OVER 90 DAYS', 'ESTIMATED INSURANCE', and 'TOTAL DUE'. The values in the dollar column are 148.50, 377.50, and 377.50 respectively.

	148.50	MINIMUM PAYMENT
61 - 90 DAYS		
OVER 90 DAYS		
ESTIMATED INSURANCE	377.50	
TOTAL DUE	377.50	

Monthly A/R Aging

A/R by Payer Nov 14	<=30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Total	>365 Days	Grand Total
Medicaid 1	\$167,564	\$83,782	\$111,430	\$13,908	\$387	\$377,071	\$0	\$377,071
Commercial 1	\$82,740	\$91,370	\$37,773	\$16,814	\$467	\$222,802	\$12,434	\$235,236
Patient Fees	\$12,969	\$8,968	\$5,866	\$7,101	\$2,782	\$37,686	\$0	\$37,686
Total	\$263,273	\$184,120	\$155,069	\$37,823	\$3,636	\$637,560	\$12,434	\$649,994
A/R by Payer Oct14	<=30 Days	31-60 Days	61-90 Days	91-180 Days	181-365 Days	Total	>365 Days	Grand Total
Medicaid 1	\$175,942	\$87,971	\$43,986	\$13,746	\$687	\$322,332	\$0	\$322,332
Commercial 1	\$137,089	\$18,630	\$22,174	\$7,392	\$250	\$185,534	\$12,434	\$197,968
Patient Fees	\$12,784	\$8,230	\$5,510	\$6,926	\$2,568	\$36,018	\$0	\$36,018
Total	\$325,815	\$114,831	\$71,670	\$28,064	\$3,505	\$543,884	\$12,434	\$556,318
A/R Sept 14 (22 days)	\$248,996	\$140,345	\$69,788	\$31,966	\$14,555	\$505,650	\$0	\$505,650
A/R Aug 14 (21 days)	\$275,789	\$142,685	\$79,998	\$43,334	\$14,876	\$556,682	\$0	\$556,682

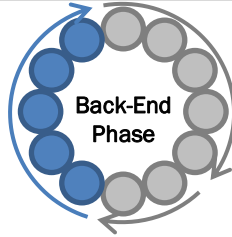
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Monthly A/R Aging

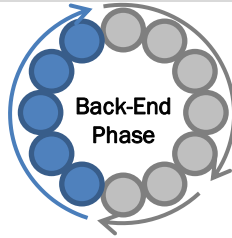
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Resolving Unpaid or Rejected Claims



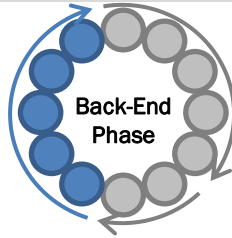
- Prioritize claims with no payment
- If a claim not paid or rejected within 45 days, investigate
- Prioritize repeat issues and large \$ unpaid claims
 - Focus older than 90 days first

Resolving Unpaid or Rejected Claims



- Partial payments, investigate:
 - Write-off?
 - Rebill remaining amount?
 - To the insurance company
 - To the client
- Claims may have more than one denial reason

Resolving Unpaid or Rejected Claims



- Call the TPP claims representative
 - Ask questions
 - Foster a good relationship!
- Eliminate future denials of those investigated
 - Document findings
 - Provide feedback



Claim Receivable Listing for all Clinics/all Plans

From 7/01/2015 to 7/31/2015

<i>Client #</i>	<i>Beginning Amount</i>	<i>Date of Service</i>	<i>Charges</i>		<i>Credits</i>		<i>Payments</i>	<i>Ending Amount</i>
			<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>		
1	0.00	6/17/15	7/7/15	282.00				282.00
2	235.00	5/28/15			7/7/15	150.00	150.00	
					7/7/15	85.00		
3	0.00	6/5/15	7/7/15	251.00				251.00
4	72.00	5/26/15			7/7/15	72.00	72.00	0.00
5	0.00	6/2/15	7/7/15	275.00				275.00
6	0.00	6/2/15	7/7/15	72.00				72.00
7	250.00	1/14/15						250.00
8	72.00	6/11/15			7/7/15	47.00	47.00	0.00
9	72.00	6/10/15			7/7/15	72.00	72.00	0.00
10	72.00	3/11/15						72.00



Case Study

- State Family Planning Grantee
- Focus on 3 health department sites
- Challenges:
 - Identifying metrics
 - PMS problems:
 - generating/interpreting reports
 - system capabilities/limitations

Case Study

- Identified key PMS reports to run and frequency
- Selected indicators, developed KPIs
 - Interpret/analyze data (questions)
 - Identify what stands out (issues)
 - Compare months (trends, progress)

	JULY		AUGUST		SEPT		Benchmark
	Clinic A		Clinic A		Clinic A		
Total Charges	\$14,607		\$15,882		\$16,958		over \$18,000
Total Client Charge	\$6,878		\$8,533		\$7,930		
donation	\$627		\$834		\$1,023		over \$1000
Fees Receivable							
Prev Bal	\$3,554		\$3,599		\$4,023		
Charge	\$2,296		\$2,825		\$2,904		
Fee Payment/Refund	\$2,406		\$2,995		\$2,694		over \$3000
End Bal	\$3,599		\$4,023		\$4,250		
Ins Billing Receivables							
Beginning Receivables	\$9,042		\$9,788		\$14,518		
Charges	\$4,785		\$14,747		\$6,298		
Credit	\$4,039		\$10,017		\$10,797		
Payment	\$2,799		\$5,050		\$6,827		over \$7,000
Ending Receivables	\$9,788		\$14,518		\$6,019		
Cred/Beg Rec+Chrg	29%		41%		52%		over 55%

	JULY		AUGUST		SEPT		Benchmark
	Clinic A		Clinic A		Clinic A		
Utilization (JUL)	NEW	TOT	NEW	TOT	NEW	TOT	
Ins 1	4	58	29	106	8	59	
Ins 2	3	54	15	76	9	22	
Ins 3	0	9	4	14	3	17	
XIXSD	3	10	16	35	8	25	
New and TOT TPP	10	131	64	231	28	123	
New/Tot TPP	8%		28%		23%		35-45%
100%slide	89	48%	101	50%	83	46%	45-65%
75% slide	22	12%	36	18%	40	22%	12-25%
50% slide	23	12%	32	16%	29	16%	5-20%
25% slide	19	10%	17	8%	13	7%	3-10%
Full fee	12	6%	16	8%	14	8%	3-10%
Unknown	22	12%	0	0%	0	0%	0
TOT PATIENTS	187		202		179		
Fee Payer %	95%		68%		84%		50-70%
Incomplete CVR	4		1		0		0

Case Study

- Identified and resolved:
 - Insurance Company #1 contract
 - Insurance Company #2 issue
 - Denials management
 - Incomplete Client Visit Report (CVR)
 - Donations

Case Study

- Implemented best practices - front desk and exit area
 - Accurate Family Size and Income
 - Missing information for TPPs
 - Identify/collect fees
 - Accept cash, debit, credit cards
 - Develop and communicate policies
 - Implement EVS

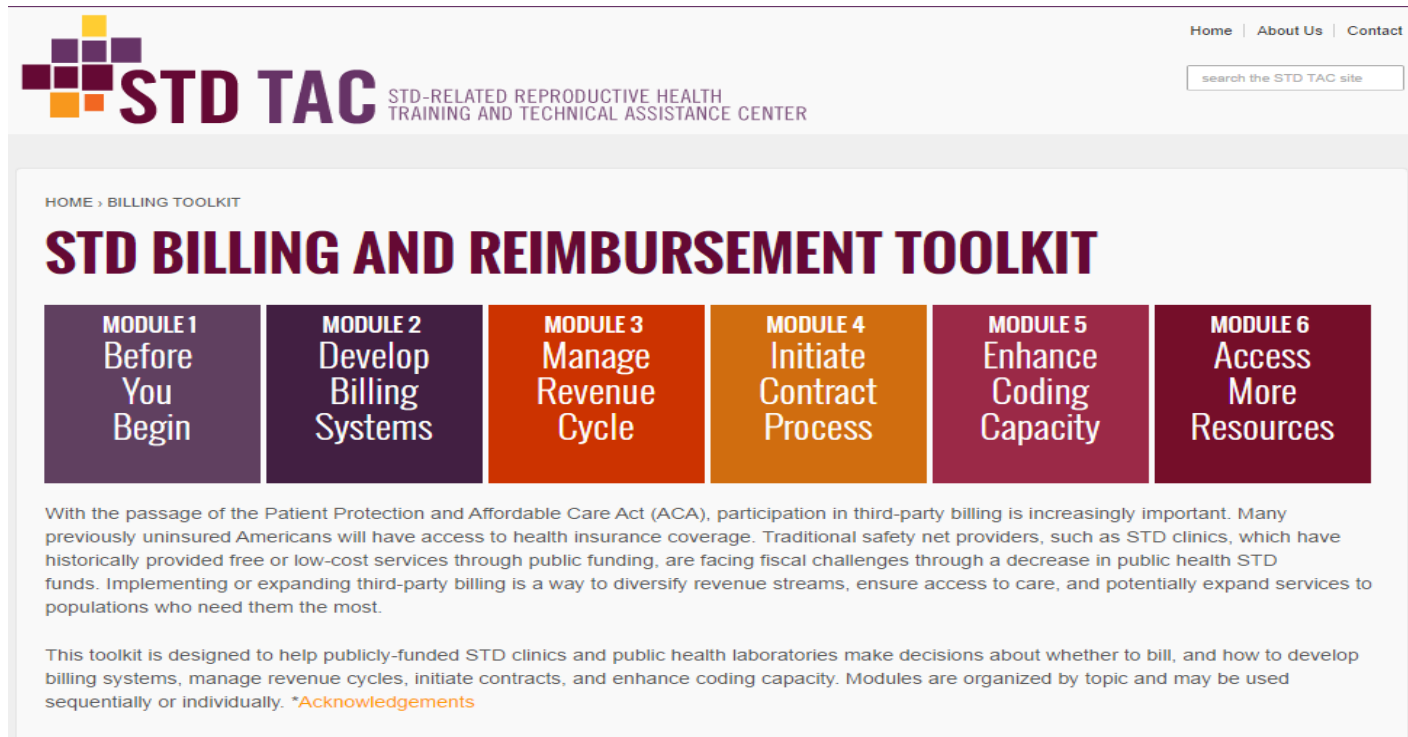
Case Study

- Billing
 - Weekly TPP billing
 - Monthly fee payer invoices
 - Collection agency
- Educate team
 - Monthly review
 - Learn from each other when more than 1 clinic involved



Resources

- ❖ Go to stdtac.org to access the billing toolkit and request training and technical assistance



The screenshot shows the STD TAC (STD-Related Reproductive Health Training and Technical Assistance Center) website. The header includes the logo, navigation links (Home, About Us, Contact), and a search bar. The main content area is titled "STD BILLING AND REIMBURSEMENT TOOLKIT" and features six modules: Module 1 (Before You Begin), Module 2 (Develop Billing Systems), Module 3 (Manage Revenue Cycle), Module 4 (Initiate Contract Process), Module 5 (Enhance Coding Capacity), and Module 6 (Access More Resources). Below the modules, there is a paragraph explaining the importance of third-party billing under the ACA and a note about the toolkit's design for public health laboratories.

STD TAC STD-RELATED REPRODUCTIVE HEALTH
TRAINING AND TECHNICAL ASSISTANCE CENTER

Home | About Us | Contact

search the STD TAC site

HOME › BILLING TOOLKIT

STD BILLING AND REIMBURSEMENT TOOLKIT

MODULE 1	MODULE 2	MODULE 3	MODULE 4	MODULE 5	MODULE 6
Before You Begin	Develop Billing Systems	Manage Revenue Cycle	Initiate Contract Process	Enhance Coding Capacity	Access More Resources

With the passage of the Patient Protection and Affordable Care Act (ACA), participation in third-party billing is increasingly important. Many previously uninsured Americans will have access to health insurance coverage. Traditional safety net providers, such as STD clinics, which have historically provided free or low-cost services through public funding, are facing fiscal challenges through a decrease in public health STD funds. Implementing or expanding third-party billing is a way to diversify revenue streams, ensure access to care, and potentially expand services to populations who need them the most.

This toolkit is designed to help publicly-funded STD clinics and public health laboratories make decisions about whether to bill, and how to develop billing systems, manage revenue cycles, initiate contracts, and enhance coding capacity. Modules are organized by topic and may be used sequentially or individually. [*Acknowledgements](#)

More Resources

- Patient intake form (English/Spanish)
http://stdtac.org/wp-content/uploads/2016/05/Intake-Form_ENG-SPN_STDTAC.docx
- Clinic Flow: Best Practices for Integrating Billing
http://stdtac.org/wp-content/uploads/2016/05/Clinic-Flow-Best-Practices_STDTAC.pdf
- Credentialing Tracking Workbook
http://stdtac.org/wp-content/uploads/2016/05/Credentialing_Tracking_Workbook_Final.xlsx
- Contractual Obligations Tracking Worksheet
http://stdtac.org/wp-content/uploads/2016/05/TPP-Contractual-Tracking-Tool_STDTAC.xlsx
- Financial Dashboard
<http://stdtac.org/wp-content/uploads/2016/05/Financial-Dashboard-6.3.15.xlsx>



Thank you for attending this webinar!

Please don't forget to complete the evaluation that will pop up on your screen once you close WebEx.



For more information, visit stdtac.org.