

Solving Your Biggest Accounts Receivable Headaches

By Judy Capko

Today's busy medical office staff struggle to find the "extra time" needed to improve collections. Getting paid for what you do is not just a matter of collecting co-pays and submitting insurance claims. The nightmare of unmanageable accounts receivable frequently begins before the first patient visit and ends with a zero balance.

Headache #1. It starts with the collection of insufficient or inaccurate financial data. This is an on-going complaint from the billing and collections department. I hear everything from "the schedulers didn't obtain the right information when they scheduled the visit" to "no one verified benefits" to "the front desk failed to scrutinize the patient registration form when the patient was in the office" to "the receptionist doesn't collect the patient's copay." All of these things are likely to lead to problem accounts and a rising accounts receivable.

This can be resolved by developing training tools for staff, monitoring their performance and holding them accountable. If your front desk staff is slipping, you can't ignore it. You must counsel them and provide additional training if necessary. Or if they are bogged down with too much work to give the details the attention that is required, you may need to reassign tasks to alleviate the problem. It is also important to make this aspect of their performance count when it's time for the annual performance review.

Headache # 2. Garbage in, garbage out! Collecting accurate demographic and billing information is not limited to new patients. Patient information and insurance information should be updated at each visit. If a staff member fails to do this, hold him or her accountable.

This matrix will help your staff to probe and collect the right data at each patient visit.

Information needed	Right way	Wrong way
<i>Current phone</i>	Please confirm your home and work phone number for me.	Are your phone numbers the same?
<i>Current address</i>	Mrs. Smith are you still living at 312 Windy Drive?	Mrs. Smith, are you at the same address?
<i>Employer</i>	Are you still employed by the City of New York?	Have you changed jobs?
<i>Insurance</i>	Is Aetna Preferred still your primary insurance?	Do you have the same primary and secondary insurance the same?
<i>Insurance</i>	Do you have a secondary insurance coverage with United Healthcare?	
<i>Insurance</i>	Is this visit due to a work comp or auto injury?	No question asked about the possibility of injury

This problem also extends to coding issues. If physicians and the clinical staff are not completing charge tickets accurately, it will lead to problems. It's not the charge entry poster or billing department's responsibility to scrutinize or question the documentation of the provider or the clinical staff.

Headache # 3. Then there are those patients with aged balances who keep coming in for additional services. It's mind-boggling for billing and collection staff to discover poor-paying patients are coming in for additional care and running up a larger balance that will make it even harder to collect. The front desk needs to be trained and empowered to assist with collecting patient balances. Set up a system whereby accounts are reviewed a day before the patient's visit and when there is an existing patient balance you can determine processes to support payment. Begin by checking balances when a patient is scheduled and letting her know payment is expected at the time of the visit. Follow this up by reminding the patient again when you make the reminder phone call a day or two before the visit. Then there is no excuse for the patient not being prepared to pay. Now it's your staff's job to "ask" when they arrive at the office. Receptionists and schedulers need to be trained on how to audit a patient's account and to know when it's time to have the patient meet with someone in the billing department. Determine the specific parameters for your staff so they can do the job you want and support each other. It takes

a team!

Headache # 4. Untimely submission of insurance claims and patient statements is an issue in many practices. The cause can vary. It may be physicians or office staff that fail to generate charges in “real time”, at the time of service or it may be because charge tickets are stock-piled in the billing department. Whatever the reason, examine and tighten the processes to get the data entered into the computer system so claims and patient statements are generated. Establish specific targets such as:

- Charge tickets (hospital and office) must be submitted the day the service is rendered
- Charges must be posted and insurance claims generated within 24 hours. You might establish a longer time frame for surgical claims if you have a coder review the physician’s op notes
- Patient statements within 30 days of service

Patient statements are a key output document. Review your patient statements to ensure they are easily understood by the layperson and clearly identify what portion of the balance is the “patient’s responsibility”. Statements should also include an aging of the balance and a dunning message for delinquent accounts. Most computer billing software allows you to customize your dunning messages and determine the criteria for when they should be placed on the patient statements.

Cycle billing patients is a convenient way to control cash flow and patient inquiries. Break up the alphabet into four cycles during the month and avoid a barrage of patient phone calls to your billing department.

Headache # 5. A failure to analyze collection performance. Too often the staff is focused on getting the billing off their desk and the claims submitted, but have little time left to analyze the practice’s financial performance.

There are specific reports that must be reviewed each month and compared to the prior month's performance. Their reports will reveal trends and help you identify where there are problems on the horizon.

- Unpaid claims
- Aging reports
- Aging by payer class
- Patient balance report
- Payer performance reports

Finally, develop written financial policies. These policies should represent the practice's philosophy and collection goals. The goals should be specific and identify employee responsibility. By including the entire staff in development and implementation of the policies, you get their buy-in, which is essential to achieving the desired results.

Then monitor, monitor and monitor. Stay on top of your receivables and know when to turn to experts for help or to outsource activities that give your staff the time required to get the best results.

After analyzing collection performance, ask yourself some key questions:

- Should we change what we are currently doing?
- Can we increase automation?
- Should we use a collection agency?
- Does outsourcing make sense and if so, to what degree?
- Should we cancel 'bottom feeder plans'?

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